

Local Food, Local Prosperity: Local Farm Sales and Community Food Security

Oklahomans spend an enormous amount of money on food each year – about \$8 billion, to be exact. [1] The sheer volume of that food spending means that Oklahoma agriculture has a potential marketing bonanza right in its own backyard.

Some pioneering Oklahoma farmers are beginning to channel a tiny portion of that wealth back toward Oklahoma-grown foods. But their numbers, and their share of the state’s total food spending, are still only crumbs fallen from the state’s rich table.

As more farmers follow their lead, expanding existing local food marketing outlets and developing new ones, local food sales’ tremendous potential for increasing community food security in Oklahoma comes closer and closer to being fully realized.

While direct sales are defined by face-to-face contact between farmers and customers cutting out the middleman, local sales have a more strictly geographic definition. [2] The scale of that definition can vary.

In some cases, like the Oklahoma Food Co-op, and “Oklahoma Grown” farmers’ markets, the boundaries of the entire state define the “local” area. Some direct-marketing farmers, on the other hand, land the majority of their sales within an hour’s drive or less – a tighter definition of “local.”

Local Motion

Wherever the line around “local” falls, many kinds of farm sales can be found inside it. One is direct farm marketing, in all its various incarnations (farmers’ markets, farm stands, CSA, and so on). [1]

Another takes the shape of the state’s two-year-old farm-to-school program, putting fresh Oklahoma-grown produce on students’ lunchroom trays in a growing number of school districts around the state. [3]

In some places around the country, the farm-to-school concept has been broadened to “farm-to-institution,”



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with university, hospital, and business food-service establishments seeking to source more of their food products locally. [4]

Some restaurants and hotels make a point of buying as much locally grown food as they can, with a few making a niche for themselves by building their entire menus around local food. [3]

Some Oklahoma food processing establishments are also investing in the local-sales market, adding value to Oklahoma-grown products as diverse as wheat and wine grapes. [5]

Finally, the places most people think of when it’s time to find food can also get into the local-sales act. Grocery stores, supermarkets, and supercenters, as well as the wholesalers and distributors who supply



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them can, and sometimes do, source some of their food offerings from local farms. [6]

Securing a Local Food Supply

All these diverse forms of local farm sales are linked by their strong relationship with community food security. The higher the sales volume of locally-grown farm products, the more farms – including those run by new and part-time farmers – a given area can support.

Making sure that there are enough farms and farmland to feed the local population is one of the fundamental goals of community food security.

Sourcing more food locally reduces the amount that has to be freighted over long distances (1,500 miles on average in the U.S.), and thus lessens the environmental impact of such transport. [7] By crimping the amount of greenhouse gases released by trucks burning fossil fuels, climate change may be slowed, allowing farmers to adjust to changing conditions, thus stabilizing farm yields.

A larger proportion of a community's food grown locally means more security in the event of rising fuel costs, natural disasters, or national emergencies. Another advantage of locally-grown produce is that it is relatively simple to trace it back to the farm that grew it. This has become a selling point given new concerns about the safety of fresh produce.

Lifting Local Economies - by the Numbers, and by the Bootstraps

It may seem crass to talk about money in relation to a program for making sure that everyone has enough to eat, but the economic benefits of local food sales don't accrue to farmers alone.

Rather, money spent near home recirculates in the local economy, providing a lever out of the poverty and food insecurity that are a dual blight on rural areas of Oklahoma. [8,9]

Just how great is that potential for sales of local food in Oklahoma?

As a whole, Oklahomans spend an estimated \$8 billion on food each year, about half of it on groceries and the other half eating out. The Oklahoma City metro area alone accounts for \$3 billion, and Tulsa for another \$2 billion, enough to support several times the current number of farms in those cities' immediate areas. [1]

But even in relatively sparsely peopled rural counties, the amount spent on food is substantial.

Farmers in rural Caddo County are next door to Comanche County's hungry Lawton population – but they also have their own \$32 million dollar market to tap without ever crossing the county line. In northwest Oklahoma, Garfield County's residents spend \$168 million on food each year; even in sparsely populated Woods County (pop. 9,000), the figure is \$14 million. [1,10]

Today, for every dollar that a customer pays in a restaurant or grocery store, the farmer gets 19 cents. [11] According to one estimate, if local sales took just five percent of Oklahoma's food spending, the farmers' share of that "food dollar" would increase to 30 cents. [12]

That may sound like small change, but the economic benefits of such a shift would add up in a hurry. [1,10,12]

In some places, these shifts would even mean that farms that are currently losing money would turn a profit. For example, in Cleveland County, where the average farm loses over \$3,500, the increase would put the average farm income into the plus category, with about \$4,500 in income.

In Garfield County, local sales' five percent would add \$2,340 to the county's \$19,963 average net farm income.

These numbers illustrate the potential consumer dollars available for local purchases and how those dollars might affect local agriculture. The income of existing farms could go up or the number of farms could increase. Or, farms could become both more profitable and more numerous.

None of this would cost food shoppers a single red cent – it would simply up the portion of their current food purchases that comes from local farmers.

Bumps in the Road to Local Food Systems

Of course, increasing local farm sales in Oklahoma isn't quite so simple; there are still some practical obstacles in need of solving. In the farm-to-school program, for instance, arranging the logistics of shipment has been a continuing challenge. [2]

Seasonal gaps in the availability of certain products need to be addressed, and for sales of local food to larger buyers, liability insurance costs and delayed payment schedules may create obstacles for some farmers. [13]

Some enhancements to Oklahoma's marketing infrastructure could also do a great deal to facilitate local market development. For instance, if Oklahoma

developed wholesale farmers' markets, of the sort supported by other state governments, they would be a valuable outlet for mid-size growers.

A vegetable growers' cooperative, allowing smaller producers to pool their production to meet larger orders sized for institutional purchases, is another piece of the infrastructural puzzle that's currently missing. For the state's beef and pork producers, a new, certified organic meat processing plant slated to begin operation in 2006 will help to fill another marketing gap.

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If You Build It...

Many of the obstacles to developing such local market infrastructure are at least partially offset by Oklahoma shoppers' strong demand for Oklahoma-grown food. Consumers in one survey showed a two-to-one preference for Made In Oklahoma products, with that sentiment strongest in rural counties. [14]

Shoppers at Oklahoma farmers markets rank support for local farmers second only to the quality and freshness of food as their most important reason for patronizing the market. [15] Other surveys have illustrated consumers' willingness to pay more for food grown locally. [16]

That demand is just waiting to be tapped. Considering the vast sums that Oklahomans already spend on food, increasing local sales is a solid economic strategy for fostering community food security in the Sooner State.

A Cool Peach of an Idea: Regrowing a Local Specialty at Peach Crest Farm

If the phrase “Stratford peaches” rings a bell, it’s for good reasons – both past and present.

“There used to be 1,000 acres in orchards around the Stratford area,” says Susan Bergen. “Now, there are only four growers.” The 100-acre orchard at her Peach Crest Farm makes Bergen by far the largest of those four.

“There are 25 growers in the state of California for the entire United States,” she says. “We need to be frightened. Our food supply is in jeopardy.”

But instead of getting scared, Bergen and Peach Crest Farm got busy – putting Stratford back on the map for peaches, and Oklahoma back in the fresh produce business.

Getting to Market

Peach Crest Farm started out when Bergen took over marketing the crop from the family’s existing peach orchard three years ago.

“Growing is not the issue. It’s, ‘How do I get it to market?’” she says.

Peach Crest’s marketing began with a farm stand and farmers’ markets. But at 300 cases of peaches a day, the volume was quickly outstripping those outlets’ capacity.

Bergen took a box of peaches to Associated Wholesale Grocers. Some might have expected to be laughed off the premises. On the contrary, she says, “They love me. They make money on me.”

That was three years ago. Now, Peach Crest Farm is selling at nine farmers’ markets and 55 grocery stores, and negotiating a deal to supply Wal-Mart.

Bergen is far from being daunted at a business deal with the world’s largest retail corporation: “I maintain that my stuff is so good they can’t afford not to have me.”



“I’m attached to farming – for profit.”

– Susan Bergen

A Cool Hand at Handling

Making sure her stuff is that good involves another stage of production, between growing and marketing: handling. “Knowing how to handle it once you’ve got it grown – that’s an essential element to farming,” says Bergen.

Peaches have to be trimmed, thinned, and picked by hand. Once they’re harvested, even if placed in a cool storage location, they’ll hold the heat of an Oklahoma summer, causing their quality to deteriorate rapidly. The more quickly they can be cooled before going into storage, the longer their marketable life will be.

To get a handle on handling, Peach Crest Farm contacted Oklahoma State University, and consulted with Dr. Niels Maness, a specialist in postharvest handling technology for fruit and vegetable crops.

The state of the art for getting the heat out of just-harvested crops in a hurry is a technology called “hydrocooling” or “hydrochilling,” which basically involves spraying or dunking the crop in cold water. [1]

There are commercially available, automated machines for hydrocooling, with costs ranging into the hundreds of thousands of dollars. Rather than make that out-

The Buyer's-Eye View

Much of this report's coverage of expanding local food sales is from the farmer's point of view: what it takes to break into different kinds of markets, and so forth.

Equally important, though, is the other side of the coin – what matters for the wholesalers, distributors, supermarkets, chefs, and food service personnel who together are the largest potential buyers of the local food that Oklahoma farmers have to sell.

Oklahoma consumers may prefer food grown in their own home state by a 2-to-1 margin, but those foods must meet certain conditions before retailers are willing to carry them. [1]

In 1989, OSU's Cooperative Extension Service surveyed 2,000 such large produce buyers in Oklahoma for their perspective on those conditions for sourcing local foods. [2] The survey's findings are every bit as relevant for local food systems today.

For two-thirds of buyers surveyed, consistency of quality was the single most important factor in their decision about whether to buy local produce. Price ran a distant second, with just over ten percent of buyers listing it as the most important factor (Table 1).

At the time of the survey, over 80% of the buyers surveyed sourced their produce from some type of wholesale vendor. Only five per cent bought directly from local farmers, and fewer than one per cent of buyers bought from farmer cooperatives (Table 2).

If quality, price, and availability were all equal, nearly three quarters of buyers in the survey said that they would give preference to Oklahoma-grown products. One quarter of buyers had special promotions for produce grown in Oklahoma.



TABLE 1. The most important factor that buyers consider when purchasing fruits and vegetables.

Consistency of Quality Year-round	43.7%
Consistency of Quality Over Long Period	23.5%
Price	11.5%
Year-round Availability	7.7%
Promotion Appeal	3.3%
Dependable Deliveries	2.7%
Shelf Life	2.7%
Dependable Volume of Supply	1.1%
Size Uniformity	1.1%
Convenience	0.5%
Organically Grown	0.5%
Service	0.0%
Packaging	0.0%
Other	1.7%

TABLE 2. Suppliers of fruits and vegetables to buyers.

Wholesale Produce Vendor	52.8%
Chain Store Wholesaler	17.4%
Wholesale Broker	13.0%
Supermarket	5.3%
Local Farmer/Producer	4.7%
Farmers' Cooperative	0.6%
Other	6.1%

TABLE 3. Types of post-harvest services Oklahoma buyers would expect local producers or their cooperatives to provide.

Bulk or Standard Pack	18.9%
Direct Delivery	14.6%
Grading	12.9%
Refrigerated Truck	11.4%
Controlled Atmosphere Storage	8.5%
Cold Storage	7.2%
Pre-cooling	4.6%
Conventional Truck	4.0%
Vacuum Cooling	2.9%
Pre-Washing and Slicing	2.7%
Consumer Pack	2.6%
Icing	2.5%
Frozen Pack	2.2%
Pre-Processing	1.8%
Palletization	1.6%
Other	1.6%



lay up front, Bergen went with a lower-tech, but effective, approach.

Each load of peaches that comes in from the orchard goes into a tub of ice water, supplied by a hotel-style ice machine, for washing and cooling, including treatment with an organic biocide, before it moves inside the sorting building.

It's not that Bergen shies away from large investments. Rather, she keeps a careful eye out for which expenses are unavoidable, and which ones she can reduce with a little ingenuity, as with the home-grown hydrochilling system.

For a better place to put the peaches once they're cooled, Peach Crest Farm currently has a \$120,000 cold storage facility under construction. Trucks will be able drive straight into the building from the orchard and fields, to offload crops into one of three separate refrigerated rooms. To supplement the hydrochilling system, the facility includes a cooler that can quickly take 20,000 pounds of produce from 70 degrees to 30.

Waste Not... Sell More

Along with minimizing costs, Peach Crest's approach to profitability also includes turning waste into high-value products. Peaches that are blemished, small, or otherwise unsuitable for marketing as fresh produce (graded number three) go into a line of eight processed peach products.

The farm makes traditional favorites like peach jam and peach butter, and more original items like peach salsa, peach mustard and peach barbecue sauce.

"I was throwing number threes in the trash – no one would take them," Bergen explains. "OSU put me in touch with the available copackers in the state."

From OSU's list of copackers, Bergen struck a deal with Backwoods Foods in Tahlequah. Now, she sends 45,000 pounds of peaches unfit for fresh produce shelves to Backwoods' commercial kitchen each year, and gets back 45,000 jars of value-added peach products.

The processed goods line turns a former waste stream into additional income. It turns a seasonal crop into a product that can be sold all year long. In addition, Bergen points out, the canned peach line can make the difference between a profitable day at the farmers' market, and a day when produce sales alone don't cover the fuel costs of going to the market in the first place.

"It's been huge in leveling out my cash flow," she says.

Growing Crops, Growing Markets

Though Bergen's processed product line stretches the limits of what can be done to market Peach Crest's namesake crop, peaches are only the beginning.

After the first year's initial success with peaches, Bergen went to the Noble Foundation for advice about what other horticultural crops could be moneymakers. The next year, Peach Crest grew tomatoes and okra as well as peaches.

Now, Peach Crest is looking to ship 200 cases of tomatoes a day, though the okra has fallen by the wayside. Bergen is unfazed. "We're failing forward," she laughs.

This year, she's added five acres of spring gardens "so that our presence could be seen earlier at the farmers' market, instead of just showing up with peaches in June." Crops include onions, beets, spinach – "my number one seller" – and more.

Riding the crest of the current farm-to-school wave in Oklahoma agriculture, Peach Crest Farm will be selling cantaloupe to the Noble school district, where Bergen's children attend school. [2] "I just called and asked if they wanted local cantaloupe, and they said, 'We'd love some,'" Bergen recalls. "So I

said, 'I'll call you when it's ready.'"

Farm-to-school is only one of Peach Crest's additional markets; the company's range of sales outlets is diversifying as quickly as the number of crops it grows. Peach Crest sells its value-added peach products through the Oklahoma Food Co-op. [3] There are even raised beds outside the office building north of Stratford, for pick-your-own customers stopping by.

Though the majority of Peach Crest's sales are within the state of Oklahoma, Bergen is also working with the state agriculture department on the possibility of shipping some of the early crop to Canada.

Reclaiming – and Branding – the Home Ground

Though Peach Crest is focused on Oklahoma markets, Bergen doesn't see her farm exhausting the potential for home-grown produce sold within the state. On the contrary, she maintains that there's plenty of room for all.

In negotiating her deal with Wal-Mart, she's gotten a feel for how much produce the corporation sources, and from where – "and it doesn't come from Oklahoma," she says.

Taking the cantaloupe as an example, supplying Noble school district's cafeteria will only take a tiny fraction of the 2 million pounds that Bergen expects to harvest this year at Peach Crest. Her total anticipated harvest is about 12% of the 2002 cantaloupe harvest for the entire state. [4]

But the 2002 harvest only made up a little over half the amount of cantaloupe that Oklahomans ate that year. [4] So there should easily be room for another half dozen or so growers the size of Peach Crest, or many more smaller ones, before the market within Oklahoma comes close to being saturated.

That's just for cantaloupe – and Oklahoma imports a much higher share of many other horticultural crops. [5]

And as Bergen points out, "Consumers in Oklahoma want Oklahoma grown." She wants to make sure that they know they're getting it when they buy Peach Crest.

That's why every Peach Crest peach carries a sticker

reading "Oklahoma Grown," and every shipping box is printed with the words "Stratford Peaches."

Bergen also wants her customers to recognize the Peach Crest logo as a sign of quality as well as local origin.

"You're wearing Levi's jeans," she says. "Why? You're willing to pay \$10 more per pair for that name, for the tradition and the quality that it represents. We want to be the Levi-Strauss of fruits and vegetables."

"I'm not reinventing the wheel," she explains. "I just believe people want better food."

Dreaming Big

Though Bergen has had little trouble breaking open Oklahoma markets for her crops, that's not to say her enterprise has been problem-free.

"We lost 60% of our peach crop this year due to five hours at 27 degrees. We burned hay all night trying to keep the trees warm – \$1,800 worth." At a time when drought had made hay scarce throughout the area, she says, "my husband's ranch managers were not happy."

To help smooth out such rough spots, Bergen holds a weekly staff meeting, every Friday morning at 8 a.m. "Farming is discouraging, so we need to talk about what's going well. We need to give as many 'attaboys' as possible."

That attitude may be catching. Asked about his vision for Peach Crest five years from now, farm manager Chris Kidd says, "I'd like to see it be like one of the big farms in South Texas."

Given the major role such farms play in supplying produce to the nation and the world, that's no small dream. But Peach Crest itself demonstrates the feasibility of feeding Oklahomans more fresh fruits and vegetables grown right in their own home state.

For that vision, Bergen does have one eye toward the past, on what the Stratford area used to be. But it's plain that there's no sentimentality in her strategy for recapturing that position, when she says, "I'm attached to farming – for profit."

Local Marketing

Goal: Increase the total value of local sales made by Oklahoma farmers to consumers so that farmers and their communities can retain a higher share of their food dollars.

Public Policy Priorities:

- Develop school and government procurement policies that favor healthy, local food. (See “Melons Carry Seeds of Change,” p. 32.)
- Improve Oklahoma’s marketing infrastructure for fresh fruits and vegetables by developing channels that facilitate larger volume sales of perishable produce, such as fresh produce auctions and/or wholesale farmers’ markets.
- Create incentives for the use of locally produced and processed food.
- Allow sales of farm products through marketing cooperatives to be treated as sales directly from the farm gate.

