Building Regional Food Systems in Nebraska
FY 2011

Regional food systems grow local economies and meet the social, health and environmental needs of communities while connecting farmers to consumers. However, currently, regional food systems are not a substantial part of Nebraska's landscape. Nebraskans spend $4.4 billion on food each year, yet only 10 percent stays in the state. This project involved gathering and analyzing critical information needed to inform the development of regional food systems in Nebraska.

The focus was on measuring interests, barriers, and opportunities of consumers, institutions, retail outlets, and farmers and ranchers with regard to local food and participation in regional food systems. Project partners included the Center for Rural Affairs, Nebraska Sustainable Ag Society, and the University of Nebraska – Lincoln. Electronic surveys were distributed to consumers, retail outlets and institutions, and farmers and ranchers across the state. Seven focus groups, including two conducted in Spanish brought consumers, farmers and representatives of institutions together to dig deeper into the survey findings. Key stakeholders from across the state came together to share the findings of the study and to begin building a framework for taking the next steps toward developing regional food systems in Nebraska.

The project revealed that there is significant interest in creating local and regional food production and marketing systems in Nebraska, especially among producers and consumers. There is also interest among institutional buyers, but major obstacles and barriers exist that will have to be resolved. Both the surveys and focus groups show there are also issues between producers and consumers that require answers before local and regional food systems can be truly successful, but the potential benefits for all stakeholders are significant. Project partners intend to continue the work to build on the momentum created during this project.

FINAL REPORT
The Views of Consumers, Producers and Institutions
A Report on Consumer, Producer and Institutional Focus Groups

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Outline of the issue/problem

Project Summary: Regional food systems grow local economies and meet the social, health and environmental needs of communities while connecting farmers to consumers. However, currently regional food systems are not a substantial part of Nebraska's landscape. This project was designed to allow us to take important steps toward developing the infrastructure upon which regional food systems can be built.

How the Issue was Approached:
The goal of this project was to gather and analyze critical information that would inform the development of regional food systems in Nebraska.

The essential objectives of this project were met by doing the following:

- Learn where consumer interests lie in participating in a regional food system (i.e., farmers markets, CSA's, farm to school, direct purchases, purchasing local foods at grocery stores)
- Learn what interests and barriers exist for institutions to purchase local food
- Learn about interest and barriers that exist for farmers and ranchers to participate in a regional food system and what key challenges need to be overcome
- Learn what motivates consumers and institutions to purchase locally produced and processed products
- Identify all available tools, resources and programs (i.e., Market Maker, etc.) in the state
- Develop and disseminate a report based on qualitative and quantitative analyses of surveys and focus groups

We approached the project through a 2-year data gathering and analysis to measure interests, barriers, and opportunities of consumers, institutions, retail outlets, and farmers and ranchers to participate in regional food systems. We utilized partnerships with the Center for Rural Affairs CFRA), Nebraska Sustainable Ag Society (NSAS), University of Nebraska – Lincoln (UNL), and more to help get surveys distributed.

We sent out 1,200 electronic surveys to consumers; 500 to retail outlets and institutions; and 500 to farmers and ranchers. We held a total of seven focus groups (two Spanish language) that brought consumers, farmers and representatives of institutions together to dig deeper into the findings learned through surveys.

In addition, we identified and brought together key stakeholders from across the state to share the findings of the study and to begin building a framework on which we could build to take the next steps toward developing regional food systems in Nebraska.

Surveys and focus groups measured interest and participation in activities such as farmers' markets, CSA's, farm to school, and direct purchase. They also measured what motivates Nebraskans to purchase locally, i.e., price, safety, health, environment, and more.

Contribution of Public/Private Agency Cooperators and Partners.
We worked closely with the Center for Rural Affairs (CFRA), the Nebraska Food Cooperative, and the Nebraska Sustainable Agriculture Society.

CFRA staff worked closely with us to create both the survey instrument that was used and the focus group questions. They were also key contributors in analyzing the findings of the surveys and focus groups.

In order to reach large numbers of households, farmers and ranchers, and institutions/retail outlets we also worked closely with CFRA, the Nebraska Food Cooperative and the Nebraska Sustainable Agriculture Society. All organizations were instrumental in reaching our target groups with surveys and focus group meetings since they are either farmer organizations, or have strong connections with rural community members.

In addition the partners with whom we worked have combined experience of over 60 years working with food and farming and know the state very well.

Summary of Results, Conclusions, and Lessons Learned.
This project focused on information gathering through surveys and a series of focus groups which allowed us to drill down and learn more relative to consumers, institutions/retail outlets and farmers. We wanted to learn of interest and understanding of local foods, interest and barriers in purchasing locally produced food from consumers and institutions, and interest and barriers faced by farmers selling to consumers and institutions and retail outlets.

Two reports were developed that had analyzed the outcomes of both the surveys and of the focus groups: *Regional Food Systems in Nebraska: The Views of Consumers, Producers and Institutions* and *Regional Food Systems in Nebraska: The Views of Consumers, Producers and Institutions – A Report on Consumer, Producer and Institutional Focus Groups.* Below are key findings from the Survey, the Focus Group meetings, and Latino Focus Group meetings that were led in Spanish:

Key Findings from the Survey:
<u>Consumer Views</u>

- Consumers are overwhelmingly interested in purchasing food directly from local producers
- A large majority of consumers believe the number of producers selling food directly in a convenient place is difficult to find.
- Consumers believe the availability of locally produced foods is important to some degree in their households.
- Consumers showed a willingness to pay slightly more for locally grown food, but that willingness to pay has a limit. Beyond a 10 percent price increase, this willingness to pay decreases.

- The demand for locally grown food exists among consumers, but the market (or at least the perceptions of the market) may be lacking.
- Availability and affordability are the primary reasons why consumers would purchase local foods.
- Farmers markets and grocery stores are the most common places to purchase locally produced foods.
- Consumers want increased grocery store and restaurant options to purchase locally produced foods.
- Consumers commented on the hours and location inconvenience of farmers markets, which may mean more business training is needed for those operating farmers markets.

Producer Views

- A large majority of responding producers are interested in expanding their local food production capacity.
- Producers interested in expanding their local food production stated technical assistance issues involving labor, infrastructure (processing and lockers primarily), basic business skills and finances are the most needed.
- A majority of producer respondents are interested in participating in a regional food system.
- Producers acknowledge that numerous challenges exist for producers in a regional food system. Producing sufficient volume of products and transportation were the most common challenges.

Institutional Views

- Few institutions currently serve food obtained locally. However, responding institutions are quite interested in expanding their use of local foods.
- The most critical challenges facing institutions purchasing local foods (or interested in local foods) are timely delivery and availability of products.
- Responding institutions stated the most important factors they saw preventing or limiting participation in a regional food system are concerns about liability and lack of appropriate contact with local buyers.

Key Findings from Focus Groups:

Consumer Views

- Consumers who participated in the focus groups expressed a strong interest in local foods.
- Consumers had a general belief that the production and purchasing of local foods was possible if it could be determined how it could be done.
- Consumers expressed frustrations with the common vehicles used to market and sell local foods, particularly farmers markets.
- Consumer frustrations focused on selection of food products, food choices, business hours of farmers markets and locations of farmers markets.
- Consumer education and knowledge is critical to allow consumers to know where to find local foods, what to ask about the products, who to ask about the products and what producers are selling what local food products.

Producer Views

- Producers who participated in the focus groups generally believe they were meeting current demand for local foods.
- Producers are interested in expanding their production and markets, but are concerned about available land and labor to do so.
- There exist disconnects between the wants of consumers and the perceptions of producers as to how they accomplish selling local foods. Consumers are focused on receiving the same convenience and service they are accustomed to in other retail settings. Producers appear more focused on growing and producing the products and the societal benefits of local food production and sales.
- Producers believe relationships are the biggest and most important component of any local food project.
- Producers have mixed feelings about local food sales relationships with institutions.
- Producers believe some grocery stores are good to work with, other grocery stores not so good. According to producers, institutions want high volume but pay low prices. This view was confirmed by institutional representatives participating in the focus groups.
- Producers offered numerous barriers to local food production and sales, including local processing, access to land for beginning farmers, consumers knowing how to cook the local food products they purchase, the cost of local food products, the urban-rural consumer willingness to pay difference, and purchases by institutions were seen as a barrier.
- Producers reported numerous advantages to local food production and sales, many of which were societal in nature.

Institutional Views

- Institutions were the most pessimistic and negative toward local foods of the groups participating in the focus groups.
- Institutional representatives stated they would purchase local food products if they could, but had a collective negative view while focusing on the barriers of local food purchases.
- Institutional representatives expressed a fear about the safety of locally produced food. Institutional purchases of local food products are currently limited, and focused on a few types of products

Key Findings from Latino Focus Group Meetings

Latino Focus Group Meetings: Two Latino/Spanish language focus group meetings were held with a total of 12 participants; approximately 6 in each focus group. The Center for Rural Affairs used a bilingual member of their staff to facilitate the meeting.

What we learned from Latino Consumers and Farmers:

- Generally, women make the purchasing decisions
- Some folks purchased from the local farmers market
- Generally have found it difficult to find local producers, though almost everyone who participated in the focus group knew at least one person who produced locally – mostly meat/eggs

- Local growers who participated in the market said they mostly raised food to feed their own families
- When asked about selling to institutions, all were concerned about the rules and regulations/permits, even though they knew one farmer who was successfully selling his corn to a local grocery store with no difficulty
- Have heard from other Latino growers that the barriers are insurmountable to do direct sales
- All farmers in the focus groups were limited in land available and most wanted to be able to find land to scale up
- Perception that farmers markets are too expensive
- Skeptical if things claimed to have been raised organically really are
- Not enough organic food available for purchase from trusted sources
- There is a lot of "informal" selling – outside church, for example

What we learned from Latino-owned Institutions:

- Purchase local eggs; misunderstanding of what local meant
- Concerned if growers had insurance coverage
- Concerned about volume needs met

We found many of the issues were the same that were facing Latino consumers, farmers and institutions as we found in the first round of focus group meetings. However, we learned some specific things that could help significantly as we move forward and work more with this population. We learned that outreach into the community is needed. Examples are below:

- Most are not aware where their food comes from
- Many do not look at labels and tend to be "sold" to purchase local because of taste or freshness
- Not aware of how purchasing locally helps the local economy
- Most of the small growers had dreams of scaling up their operations, though not necessarily to sell into the institutional markets or wholesale
- The biggest motivation for growing food is that it's a family effort

Conclusions:

This work showed that there is significant interest in creating local and regional food production and marketing systems in Nebraska, especially among producers and consumers. There is also interest among institutional buyers, but major obstacles and barriers exist that will have to be resolved. Both the surveys and focus groups done for this project show there are also issues between producers and consumers that require answers before local and regional food systems can be truly successful.

The usual food buying experiences of consumers (locations, hours, convenience) do not always translate to a local or regional food buying experience. Farmers are experienced in farming and growing and producing the products for sale; their skills in marketing and basic business operations may be lacking at times. Balancing the expectations and needs of consumers and the skills and desires of producers will be necessary to create long-term successful and sustainable

local and regional food systems. However, all groups with a stake in the food system appear to want to make local and regional food systems work. It is incumbent now to capitalize on that support and enthusiasm.

It is clear from the survey results and the focus groups that all three groups (farmers, consumers and institutions) will need to collaborate to make regional food systems in Nebraska a viable reality. Those involved in developing regional food systems also have questions to address for future viability. In our view what is needed to bring about this collaboration includes:

- Development of a state food policy council or local and regional food policy councils to organize regional food systems and determine the strengths, challenges and needs of localities and regions in relation to food systems.
- Local and regional entities to develop infrastructure necessary for the cultivation and advancement of regional food systems. Needed infrastructure includes information and education for consumers and institutions on local foods, their advantages, how to purchase them and how best to use them; non-farm business training for farmers involved in local food production and marketing; and "bricks and mortar" infrastructure such as distribution and retail channels.
- An issue that was not discussed much in either survey responses or focus groups was the issue of distribution. In a state like Nebraska geography is crucial to feasible distribution.
- As it relates to food systems, geographically challenged or remote communities could include almost any community outside of Omaha and Lincoln or any other population center. If regional food systems are to be viable in more geographically remote communities, questions of distribution and aggregation must be discussed and dealt with.
- Questions and issues of resources – both financial and human – are, of course, always paramount in developing new systems and infrastructures. Communities and regions developing food systems must develop sources of funding for needed infrastructure, communications, networks and training. These funding sources will likely need to be alternatives to government funding, and significant questions exist as to the source of needed resources. With the collaboration of all interested stakeholders, however, that question is not insurmountable.

Nebraskans raise some serious questions, challenges and needs that must be addressed for regional food systems to have a viable future in the state. However, they also express genuine interest in seeing regional food systems become part of the state's food landscape and indisputable excitement about making regional food systems become a workable part of Nebraska's food production, marketing and consumption approach. Matching the questions and needs with the interest is the next step in making regional food systems a reality in Nebraska.

Consortium of State-wide Leaders Meeting

We were able to pull together a consortium of 25 leaders from across the state that included representatives of institutions, consumers, farmers and representatives of the state legislature. The purpose of the meeting was to share the results of the survey and focus groups and recommendations that came from a thorough analysis of the work.

There was much interest/concern about the need to ramp up local growing and sales and to address the issues of distribution. There was also discussion around the area of developing food hubs, particularly in the more rural parts of the state. Growing enough volume of food and having enough farmers to do that are also barriers that are facing Nebraska.

A need to tie all of this together to move forward was the end outcome of the meeting, and participants are eager to move forward for Nebraska. The group formed the Regional Food System Committee and set another meeting date in early 2015. We will narrow the focus of the committee down to a manageable size, and will seek outside funding to help create this group of committed people to help build regional food systems across the state.

Tools, Resources and Programs Available in Nebraska

We also wanted to look at other tools, resources and programs that were available in the state from which we could draw or connect. We learned that there were essentially three tools, resources or programs that are available in Nebraska to connect farmers with consumers, institutions and retail outlets: MarketMaker, the Nebraska State Department of Agriculture's listing of Nebraska's food producers throughout the state, and Buy Fresh Buy Local.

The MarketMaker program is a University of Nebraska on-line program that means to connect institutions, retail outlets, and consumers directly to a grower in their area. It was instituted approximately five years ago and received a lot of attention at the roll out. However, upon checking the status of the tool, we learned that it is no longer active since because it costs $15,000 annually to keep it on-line.

The State Department of Agriculture's farmer listing and what farmers grow by county is available on their website. This is a very helpful tool for consumers and institutions/retail outlets; however, it is difficult to locate on the website unless a person knows specifically what he/she is looking for and has some patience to move about the site.

Buy Fresh Buy Local is a great resource for local food information. They also do a great job of marketing local food throughout Nebraska. Their website is user-friendly and they are always accessible to assist or respond to questions.

There are two organizations in the state that serve as good resources for access to fresh food: the Nebraska Food Cooperative and Lone Tree Foods. The Nebraska Food Cooperative is a cooperative of farmers with an on-line ordering system for the food they grow. Orders are placed and then dropped off at drop-off sites around the state on an on-going basis. It is becoming more and more recognized as a place to purchase locally grown foods. The main drawbacks are the website from which orders are placed is difficult to get around in and a bit overwhelming. Additionally, while the Nebraska Food Cooperative is growing, it still serves primarily just the eastern side of Nebraska. They are working to expand their state-reach, which will be helpful. Lone Tree Foods is a consortium of farmers that has just started within the last year. They are focused on marketing to create some prominence. They are focused on getting locally grown food into institutions and retail outlets on a wholesale basis. This resource holds a lot of promise but at this time it is focused on the highest populated area in the state, crossing over to Iowa.

Current or Future Benefits to be Derived from the Project
The current and future benefits of the project are that we were able to raise the prominence of the regional food system conversation within Nebraska. The publications referenced earlier got wide attention which helped.

We were able to take the reports and findings and pull together a meeting of stakeholders. That meeting allowed us to learn of other things going on in the state and identify issues we need to address before we can move forward to development of regional food systems as identified in this report above. It also allowed us to identify the stakeholders who are most interested in continuing to work toward the end goal of regional food systems in Nebraska.

Additional future benefits are understandings of where consumers, farmers and institutions/retail outlets see any disconnects and realizing there is need for work on those. We learned that people do want to purchase locally raised food; we also learned that Latino consumers are much more interested in taste and quality rather than the "local" attached to it, and that Latino farmers have concerns about all the hoops and paperwork that needs to be accomplished to sell direct to consumers and institutions. This knowledge will allow us to reach out and work directly with Latino communities to alert them to opportunities that this system could afford.

Recommendations for Future Research:

This work detailed the opportunities and concerns of farmer/ranchers and willingness of consumers and institutions to participate in local/regional food systems. Ideas for future research:

- How much of that willingness became reality?
- How many producers adopted the recommendations we offered? Especially the basic business practices – this would likely depend on us following up and offering training/education on those practices (a before and after data collection).
- Micro (individual producers) and macro (communities, state) economic development effects of local and regional food systems.
- Producer participation in local/regional systems and effects on farming practices, beginning farmer encouragement, farm size, farm structure – basically, does participation in local/regional systems affect any of the trends in agriculture in Nebraska.
- Research into institutional (schools) use of local foods (Farm 2 School schools) on health outcomes, behavioral outcomes, academic outcomes of student
- Research into how minority community members view local food, the effect on local economies, key issues facing Latino farmers to become part of a regional food system, are new immigrant populations utilizing farmers markets, CSA's etc? If not, why not, and utilize outreach to move them toward getting better access to fresh locally grown food.
- What types of infrastructure are already in place in Nebraska that would help develop regional food systems across the state?

Description of Project Beneficiaries:
The project beneficiaries are those 400 plus consumers, farmers, and institutions who participated in our surveys and focus groups. But it goes beyond that. The information gathered through this project will have a long reach. It allowed us to organize key stakeholders in the local

food movement into a Steering Committee for the Regional Food System Network that was developed because of this project. This Network has the potential to reach across the state of Nebraska to touch most Nebraskans with the possibility of developing regional food systems in the state.

The project has already affected the Farm to School project (a project that connects farmers to schools for local food purchasing) that the Center for Rural Affairs facilitates. The information gathered from the surveys and focus groups has been applied to the work of connecting local farmers with schools in order to provide children healthy food through their school meals.

One state senator has embraced this information and will pursue legislation that could potentially impact farmers and institutions across the state.

The number of beneficiaries will continue to grow because the seeds of change have been planted due to this project by bringing a higher profile to local and regional food systems in Nebraska and through the development of the Regional Food Systems Network.

Additional Information Generated.
Two publications that contained survey and focus group results and analysis were developed for this project: *Regional Food Systems in Nebraska: the Views of Consumers, Producers, and Institutions,* http://www.cfra.org/sites/www.cfra.org/files/publications/ne-food-systems-report.pdf, and *Regional Food Systems in Nebraska: the Views of Consumers, Producers, and Institutions – a Report on Consumer, Producer, and Institutional Focus Groups,* http://files.cfra.org/pdf/fsmip-focus-group-report.pdf. These reports are available at the Center for Rural Affairs website, www.cfra.org.

Four presentations were given on the reports. One was at a state-wide Farm to School Summit that reached approximately 250 schools and farmers across the state; one was provided to the Regional Food Systems Network (approximately 30 people); the third was given at the Nebraskans for Peace annual meeting (approximately 200 people), and the final presentation was at a showing of the documentary, "A Place at the Table" sponsored by Hunger Free Heartland (approximately 350 people).

In addition, there was significant media coverage around findings from the two reports as follows:

Regional Food Systems in Nebraska: The Views of Consumers, Producers and Institutions

- Grand Island Independent, March 3, 2013
- Norfolk Daily News, March 1, 2013
- Gering Citizen, March 7, 2013
- McCook Gazette, February 28, 2013

- Iowa Farm and Ranch, March 6, 2013
- Nebraska Ag Connection, February 28, 2013 1,790 web visits
- Iowa Ag Connection, February 28, 2013 793 web visits
- Numerous Nebraska weeklies printing CFRA press release
- "Developing Regional Food Systems in Nebraska," article based on our project, in the September 2013 Prairie Fire (estimated readership of 100,000 and is available in 7 states)

"Nebraska Ready for Regional Food Systems" (reports from our project):

- Nebraska Ag Connection, September 12, 2013; 4,739 web visits
- Omaha World-Herald, September 14, 2013; 6,402,431 web visits
- Grand Island Independent, September 15, 2013
- Iowa Farm and Ranch, September 19, 2013
- Kearney Daily Hub, September 19, 2013; 519,374 web visits
- "A Place at the Table" viewing and panel, Bread for the World Blog, October 11, 2013

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REGIONAL FOOD SYSTEMS IN NEBRASKA: THE VIEWS OF CONSUMERS, PRODUCERS AND INSTITUTIONS

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Key Findings

Consumer Views

- Consumers are overwhelmingly interested in purchasing food directly from local producers.
- A large majority of consumers believe the supply of producers selling food directly is difficult to find.
- Consumers believe the availability of locally produced foods is important to some degree to their households.
- Consumers showed a willingness to pay slightly more for locally grown food, but that willingness to pay has a limit. Beyond a 10 percent price increase willingness to pay decreases.
- The demand for locally grown food exists among consumer, but the market (or at least the perception of the market) may be lacking.
- Availability and affordability are the primary reasons why consumers would purchase local foods.
- Farmers markets and grocery stores are the most common places to purchase locally produced foods.
- Consumers want increased grocery store and restaurant options to purchase locally produced foods.
- Consumers commented on the hours and location inconvenience of farmers markets, which may mean more business training is needed for those operating farmers markets.

Producer Views

- A large majority of responding producers are interested in expanding their local food production capacity.
- Producers interested in expanding their local food production stated technical assistance issues involving labor, infrastructure (processing and lockers primarily), basic business skills and finances are the most needed.
- A majority of producer respondents are interested in participating in a regional food system.
- Producers acknowledge that numerous challenges exist for producers in a regional food system. Producing sufficient volume of products and transportation were the most common challenges.

Institutional Views

- Few institutions currently serve food obtained locally. However, responding institutions are quite interested in expanding their use of local foods.
- The most critical challenges facing institutions purchasing local foods (or interested in local foods) are timely delivery and availability of products.
- Responding institutions stated the most important factors they saw preventing or limiting participation in a regional food system are concerns about liability and lack of appropriate contact with local buyers.

- Responding institutions said the items that would help institutions get started with the process of using more locally grown foods are local purchasing connections and a process of identifying local foods and potential sources.
- Both institutional and producer respondents stated they need assistance on developing contacts and connections with the other.

Introduction

Nebraskans spend $4.4 billion annually on food and 90 percent of that money leaves the state. There exists, however, an opportunity and a need to create comprehensive regional food systems in Nebraska that include farming and community gardening, processing, storage, distribution and transportation, and food access. The opportunity comes from a current positive attitude toward local foods and the growing national emphasis placed on food security, health and the environment.

While neither full-blown local nor regional food systems have yet to become part of Nebraska's landscape, there is interest in local foods as demonstrated by national research and the increased number of farmers markets, food stands and grocery stores selling locally grown items. The critical first step toward making this change is to gather important baseline information from consumers, institutions, retail outlets and farmers and ranchers in Nebraska to determine what barriers and opportunities are in place and what the capacity and interest of Nebraska's farmers are to meet the demand for locally grown food.

Regional food systems can address critical issues for rural communities by creating wealth and jobs in rural communities with the potential to repopulate rural areas. A strong regional food system would positively impact rural communities as the system would continue to grow, adding opportunities in processing, storage, distribution and transportation.

A project in partnership with the University of Nebraska-Lincoln, the Center for Rural Affairs (CFRA), and the Nebraska Sustainable Agriculture Society, and funded through a grant from the Federal State Marketing Improvement Program (FSMIP) of the Agricultural Marketing Service of USDA, seeks to identify the prospects and challenges of creating a regional food system. The survey results reported herein are part of that project with the survey inquiring of several groups – consumers, producers, institutions and grocery stores – of their experiences with locally produced food, their views of locally produced food and their opinions of regional food systems.

For purposes of this survey, "local food" was defined as food and food products that are produced or processed locally and are not brought in from outside the state. "Regional food systems" was defined as efforts to build more locally-based, self-reliant food economies so Nebraskans don't send 90 percent of their food dollars out of state.

Survey Methodology

The self-administered survey was e-mailed to the CFRA Nebraska database. A total of 2,499 individuals were emailed the survey. The CFRA database is comprised of recipients of the CFRA monthly newsletter. In addition, an unknown number received the survey through links forwarded by individuals or organizations.

A 2011 survey of CFRA newsletter recipients showed 32.4 percent of newsletter recipients live on a farm or ranch and are current or retired farmers or ranchers. Extrapolating that percentage to this survey, 810 recipients of this survey are considered farmers or ranchers.

The survey was available in September through November 2012. Four different surveys were included in the item emailed to the database – a separate survey for consumers, producers, institutions and grocery stores. Each respondent could complete the survey that applied to him or her (for example, a farmer could complete both the consumer and producer surveys). Each survey consisted of a series of multiple choice and open-ended questions. The survey was available to participants through SurveyMonkey.com©. One follow-up reminder email was sent in September 2012.

A total of 375 responses to the survey were obtained. The largest number self-identified as consumers (300), followed by producers (40), institutions (31) and grocery stores (4). Respondents were allowed to answer in multiple categories. All respondents live and work in Nebraska.

Since the CFRA database used for this survey contained few grocery stores and institutions, alternative methods were used to develop separate lists for those survey recipients. The list of rural grocery stores used for this survey was created from an existing list CFRA developed from USDA Supplemental Nutrition Assistance Program data. This list, however, generally contained no email information. To improve this list, an overarching Internet search was executed for these stores in addition to others (e.g., "grocery stores in Wolbach, NE"). Each of the grocery stores on the aforementioned list was searched on the Internet; those that had email addresses were added to the survey list, those that did not were called in order to inquire about email communication.

Very few rural grocery stores maintain websites, but their telephone information was made available during these searches through the Yellow Pages or similar engines. There are many challenges associated with contacting grocery stores and the institutions that will be mentioned later. Often, upon calling a grocery store, the individual in charge of purchasing was not there or unavailable. Often upon speaking with the individual it was discovered the grocery store did not have an official business email account (it is possible that they were uninterested in sharing the address, but didn't mention being uninterested). Larger grocery store chains do maintain websites, but their email contact is often: info@. The survey link was sent to several large chains through the info@ address. In these cases, store directors' email addresses were added to the contact list. Several store managers or directors mentioned being interested in participating, but few, if any did.

Similar challenges were faced when trying to contact the individuals in charge of purchasing for hospitals, nursing homes, or other health care facilities. Smaller institutions in rural communities did not have easy to access contact information on their websites. This resulted in many phone calls to the food service or dietary department and many voicemails. Many of the individuals who were contacted from larger hospitals shared that they do not do any of the purchasing. Instead one individual does all of the ordering for several hospitals or hospital branches (generally from a large food service company such as Sysco).

The list of schools used for this survey was also created from an existing CFRA list developed from the Nebraska Department of Education. This list contained superintendents from Nebraska schools including their email contact. In addition to this, an Internet search for colleges and universities in the state of Nebraska was conducted. The contact information for these institutions was easier to access. The dining-staff specifically had their own webpage for a majority of these institutions, including email information.

Following are selected findings from the survey. All survey results may be found in the Appendix.

Consumer Preferences and Local Foods

Consumer responses were from a broad cross-section of Nebraska, with responses from 62 of Nebraska's 93 counties.

Consumers are overwhelmingly interested in purchasing food directly from local producers. Nearly 93 percent of consumers stated they would be interested in purchasing food directly from a local producer for their household. Over 60 percent strongly agreed with that statement. Only 3 percent of consumer respondents disagreed with that statement.

When consumers who purchase food directly from a local producer were asked if price and quality were competitive, nearly 95 percent agreed. Nearly 70 percent strongly agreed with the statement. Only 2 percent of consumers disagreed with that statement.

Consumers also exhibited near unanimous support of purchasing food directly from a local producer if the supply exists. When consumers were asked if they would purchase food directly from a local producer if a source was available, nearly 95 percent agreed. Over 63 percent strongly agreed with the statement. Only a bit over 1 percent of consumers disagreed with that statement.

A large majority of consumers believe the supply of producers selling food directly is difficult to find. Nearly 62 percent of consumers agree with the statement that it is difficult to find farmers to purchase from directly. Nearly a quarter of consumers (23 percent) disagreed with that statement. Nearly 15 percent of consumers are unsure.

Consumers also stated that the availability of locally produced foods is important to some degree to their households. Over 97 percent of consumers said locally produced foods are at least somewhat important to their households.

Consumers also showed a willingness to pay slightly more for locally grown food, but that willingness to pay has a limit. Nearly all consumers (almost 99 percent) would purchase locally grown food if the price were the same as for non-locally produced food. If locally grown food was 10 percent more expensive, a large majority of consumers (almost 84 percent) would still purchase locally grown food. However, beyond that point willingness to purchase locally grown food decreases as locally grown food becomes more expensive (for example, less than 40 percent of consumers would purchase locally grown food if such food was 20 percent more expensive). However, the core purchases of locally grown food are strong – three in 10 consumers would purchase or might purchase locally grown food even if it was greater than 30 percent more expensive.

These responses clearly indicate that consumers are interested in purchasing food directly from local producers, believe such food is important, will purchase if price and quality are competitive with non-direct purchased food, but discover it difficult to find producers selling food directly. In other words, the market exists, but the supply (and suppliers) may be lacking.

Why Consumers Purchase Local Food

Consumers were asked an open-ended question on what factors would lead them to purchase locally produced or processed goods. All responses were reviewed and classified in categories. Despite the number of answers to the question, responses could be categorized into a few common areas that represent the most important reasons why consumers purchase local food items:

- Availability
- Affordability/competitive prices
- Information about production methods and environmental effects of production methods
- Convenience and easy access
- Quality/taste/freshness
- Concerns about health and healthy food
- Methods to support the local economy and local producers

Consumers and Local Foods Purchasing Patterns

Consumers were asked where they made purchases of locally produced foods. Respondents were allowed multiple responses.

The most popular spots to purchase local foods are farmers markets – 76 percent of respondents purchase local foods there. Grocery stores are the next most popular, with over 68 percent of respondents purchasing local foods at a grocery store. That signals an opportunity for grocery stores in rural communities. Purchases from farmers also had customers, either through direct purchases (42 percent of respondents) or Community Supported Agriculture operations (about 14 percent).

Several consumer respondents also mentioned they purchased local foods from the Nebraska Food Co-op and other farmer cooperatives. Several consumer respondents also stated they purchased local food products from roadside stands (sweet corn and other vegetables, for example). And, of course, numerous consumer respondents stated they grew their own local food.

Consumers also wish their communities had more retail sources of locally produced food. Over 85 percent of consumer respondents want more grocery store offerings, and 57 percent of consumers want more restaurant sources of locally produced food. Both responses suggest a significant potential market for rural entrepreneurs in the grocery and restaurant businesses.

Over half of consumers also want more farmers market and direct purchasing opportunities in their communities.

Numerous consumer respondents commented on the inconvenience of farmers markets in terms of location and hours (important because convenience was also listed as a major factor in the decision to purchase local food). Some consumers commented that grocery stores and restaurants need to do a better job of advertising when local foods are available in their establishment. Finally, several consumer respondents commented that school food programs – from school lunch programs to colleges and universities – needed to incorporate more local foods.

Producer Experiences with Local Food Production

Forty respondents answered the Producer survey. Respondents represented 19 Nebraska counties.

When asked how they produced food products, the majority of respondents employ organic production methods and/or sustainable methods. Half of respondents use organic methods, but are not certified organic producers. Over two-thirds of respondents also said they use sustainable methods (this, in fact, was the most popular response; multiple responses were allowed). About a third of producers said they used conventional production methods.

Producers were asked what food products they currently produce for sale. The largest number stated a type of meat product – beef, lamb, poultry or pork, or often a combination. The second largest number stated vegetables, followed by eggs.

No matter the method of production, a large majority of respondents are interested in expanding their local food production capacity. Over 81 percent of producers are interested in expanding their production of locally purchased food.

Producers and Local Food Selling Patterns

Producers either sell a lot of their agricultural products locally (within 150 miles) or nothing. Nearly half of respondents (47.5 percent) sell greater than 75 percent of their agricultural products locally. However, another 35 percent sell less than three-fourths of their products locally. The remainder (17.5 percent) sells between 5 and 74 percent of their products locally.

Nearly 60 percent of producers sell food products on the farm (direct sales to consumers). Over a quarter of producers sell food products at farmers markets. Nearly a quarter of producers sell their food products to or through local grocery stores. Several producers also offered that they sell products through direct, off-farm marketing or delivery.

However, a small number of producers sell their food products to restaurants or institutional markets or through Community Supported Agriculture outlets. These represent significant opportunities lost to producers.

Producers and the Future of Local Foods

Producers were asked what type of locally produced food products they would consider adding to their production. Producers gave a number of responses, representing the wide and growing variety of Nebraska agriculture. The largest number of responses was vegetables in general or specific vegetables. Fruits and chickens or other types of poultry were next most popular.

If producers were considering expanding their operation they were asked what kind of technical assistance would be needed. Again, the responses were numerous and varied, often connected to individual circumstances. Issues involving labor and infrastructure (processing and lockers primarily) were the most often mentioned. Assistance on basic business skills and finances were also mentioned frequently.

Producers and Regional Food Systems

A majority of producers (62 percent) are interested in participating in a regional food system.

Despite the interest from most producers in participating in a regional food system, they acknowledged that numerous challenges exist for producers in a regional food system. The survey provided producers a series of potential challenges to the question of what challenges exist in a regional food system. The most frequent challenges mentioned were:

- Cannot provide sufficient volume of products
- Transportation to market is too expensive
- Distance to the nearest farmers market
- No processing facilities available
- Do not have appropriate contact with local buyers

In open-ended responses to this question, producers also repeatedly mentioned the challenge that skill building for this type of production and operation is a slow process. In the same vein, there were numerous responses related to the challenge and difficulty of reaching new customers and that usual methods – such as mass media – are very expensive.

Institutional Experiences with Local Foods

Thirty-one institutions (primarily schools and school preparation divisions) from 10 counties responded to the survey.

Few institutions currently serve food obtained locally. Nearly three-quarters of institutional respondents served less than 5 percent of food purchased locally (within 150 miles). About 16 percent of institutions served between 5 and 24 percent of food purchased locally.

Those institutional food servers that do employ local foods serve a variety of locally produced or processed food products. Those mentioned were meat, eggs, cheese, nuts, popcorn, pumpkins, watermelon and sweet corn.

Institutions and the Future of Local Foods

Despite the current deficit in the use of local foods among institutions, institutions are quite interested in expanding their use of local foods. Almost all institutions (nearly 95 percent) stated they were interested in expanding. The majority of institutions stated there is administrative support for purchasing local food products. Nearly 60 percent of institutions characterized their

administrations as “excited” about purchasing local food products. Only 5 percent of institutions characterized their administration as “opposed” to purchasing local food products.

Over 84 percent of institutions agreed that they are interested in purchasing food directly from a local producer (over 63 percent strongly agreed). As with consumers, institutions are very interested in purchasing local food directly from producers if price and quality are competitive. All institutional respondents agreed with the statement that they would be interested in purchasing local food products directly from producers if the product(s) met those qualifications (nearly 74 percent strongly agreed).

Most institutions stated they would purchase food directly from a local producer if a source was available. Over 89 percent of institutional respondents agreed with that statement (over 63 percent strongly agreed). All institutions stated they would purchase food directly from a local producer if their vendors and/or warehouse distributor offered local foods as part of their contract services (nearly 80 percent strongly agreed).

Institutions were asked what food currently served could be purchased locally. Vegetables were the most common response, including greens, tomatoes, sweet corn, squash and cucumbers. Other food products mentioned were sandwich meats, cheeses, fruits, nuts and beef.

Institutional respondents were also asked what food products currently served could be competitively produced in the community or within 150 miles. Meat products (particularly beef) and vegetables were most commonly mentioned. Potatoes, dairy products, bread and baked goods and fruit were also mentioned.

Institutions and Local Food Challenges

Institutional respondents were asked what among a series of factors are important when establishing a relationship with a local producer or processor (multiple responses were allowed). The most important factors according to institutions are timely delivery and availability of products. Slightly less important (but still important to most institutions) are cost comparisons. Several respondents also mentioned quality and food safety as important factors.

Institutional respondents were also asked what factors they saw preventing or limiting participation in a regional food system. A list of several barriers were provided (multiple responses were allowed). The most popular factors were:

- Concerns about liability
- Lack of appropriate contact with local buyers
- No infrastructure to deliver fresh products
- Cannot find sufficient volume of local products
- Competitive price (expense of local food products)

While nearly two-thirds (64.7 percent) of institutional respondents participate in a USDA meal program, many respondents stated that storage issues could affect their ability to purchase local foods or expand their local food purchases. Nearly 90 percent of respondents said they had dry store, refrigeration or freezer space if purchases of fresh stored fruits and vegetables were

expanded. But several respondents said they had challenges or barriers related to cold storage that could affect purchases of local food products.

When asked what would help institutions get started with the process of using more locally grown foods, the vast majority said local purchasing connections (nearly 89 percent of respondents). A large portion of respondents (over 72 percent) stated assistance in identifying local foods and potential sources. A small number (a third of respondents) said actually meeting with farmers and suppliers would help.

In open comments to the question of what help institutions need to get started using more locally grown foods, a vendor or broker was mentioned to take care of the "leg work" such as delivery and invoicing. Several respondents stated they do not have the time to deal with multiple suppliers, which appears to be a major barrier to institutional local food purchases, particularly among small, rural institutions such as schools. Working with major vendors such as Thompson and Sysco to make the process streamlined for institutional purchasers was suggested.

Others offered that convenience and competitive pricing would help institutions get started with the process of purchasing more local foods. Developing a list of potential suppliers that meet USDA requirements for school lunch programs was another idea. Still others suggested online marketing and ordering would help the local foods purchasing process get started.

Both institutional and producer respondents stated they need assistance on developing contacts and connections with the other. This seems to be an area of common need and an area that could be worked on for the future development of local food usage and production and successful regional food systems.

Grocery Stores and Local Foods

Only four grocery store respondents completed the grocery store portion of the survey. That small sample does not allow for reliable reporting. Therefore, we will not report those results here.

APPENDIX

Below are tables for each multiple choice survey question listing response results. Totals may not add up to 100 percent due to rounding.

Consumers

For each statement, select what best indicates how much you personally agree or disagree with the statement.

	Strongly Disagree	Disagree	Unsure	Agree	Strongly Agree	Does Not Apply
Interested in purchasing food directly from a local producer	1.1	1.8	3.2	32.7	60.4	0.7
Would purchase food directly from a local producer if price and quality were competitive	1.4	0.7	1.4	25.0	69.9	1.4
Would purchase food directly from a local producer if a source was available	1.1	0.4	2.5	31.8	63.2	1.1
It is difficult to find farmers to purchase from directly	3.7	19.4	14.6	37.7	24.2	0.4

How important is the availability of locally produced foods to your household?

Response	Pct.
Not Important	2.9
Somewhat Important	15.8
Important	44.4
Very Important	36.9

Would you purchase locally grown foods if the locally grown food was:

	Yes	No	Maybe
The same price	98.9	0.0	1.1
10% more expensive	83.7	4.1	12.2
20% more expensive	34.2	30.8	35.0
30% more expensive	10.8	59.6	29.6
Greater than 30% more expensive	6.2	70.0	23.8

Where do you make purchases of locally produced foods? Multiple responses allowed.

Response	Pct.
Farmers markets	76.0
Community Supported Agriculture (CSAs)	13.8
Direct purchases from producers	42.2
Grocery stores	68.4
Other	13.4

What sources of locally produced food do you wish your community had more of? Multiple responses allowed.

Response	Pct.
Farmers markets	54.4
Community supported agriculture (CSAs)	39.1
Direct purchasing	53.6
Grocery store offerings	85.4
Restaurants	56.9
Other	6.6

Producers

How do you produce your food products? Multiple responses allowed.

Response	Pct.
Conventionally	30.0
Organic methods, not certified	50.0
Certified organic	12.5
Sustainable methods	67.5
Other	17.5

How much of what you produce is sold locally (within 150 miles)?

Response	Pct.
Less than 5%	35.0
5% to 24%	7.5
25% to 49%	2.5
50% to 74%	7.5
Greater than 74%	47.5

Are you interested in expanding your production of locally produced food?

Response	Pct.
Yes	81.6
No	18.4

Where do you currently sell your food products? Multiple responses allowed.

Response	Pct.
On farm	57.9
Community supported agriculture (CSAs)	2.6
Farmers markets	26.3
Local grocery store	23.7
Restaurants	18.4
Institutional markets (schools, hospitals, long-term care facilities)	2.6
Other	55.3

Are you interested in participating in a regional food system?

Response	Pct.
Yes	62.2
No	37.8

What challenges do you see for producers in a regional food system? Multiple responses allowed.

Response	Pct.
Distance to the nearest farmers market	42.1
Unable to physically deliver the product	26.3
Transportation to market is too expensive	44.7
There are no processing facilities available	39.5
There is no infrastructure to deliver my product	23.7
Buyers could not adequately process my product	10.5
Concerns about liability for my products when selling directly	28.9
Cannot meet certification requirements	10.5
Do not have buyer required insurance	7.9

There are too many regulations to sell locally	18.4
Do not have appropriate contact with local buyers	36.8
Cannot provide low enough prices	26.3
Cannot produce sufficient volume of my products	47.4
Buyers would not accept seasonal products	5.3
Buyers require too much additional processing or packaging	10.5
Buyers require specific training before purchasing	7.9
Profit margins are too low to justify such sales	26.3
Local sales are too time consuming for me to consider	13.2
I don't know how to start or expand my production for local sales	28.9
Demand for local food products is too uncertain to invest in	10.5
I am too busy with my normal farm operation to get involved with local markets	23.7
Banks are reluctant to provide financing for farmers selling to local markets	13.2
Other	13.2

Institutions

Are you interested in expanding your use of local foods?

Response	Pct.
Yes	94.7
No	5.3

How would you describe administrative support for purchasing local food products?

Response	Pct.
Excited	57.9
Indifferent	21.1
Unsure	15.8
Opposed	5.3

For each statement, select what best indicates how much you personally agree or disagree with the statement.

	Strongly Disagree	Disagree	Unsure	Agree	Strongly Agree	Does Not Apply
Interested in purchasing food directly from a local producer	0.0	0.0	15.8	21.1	63.2	0.0
Would purchase food directly from a local producer if price and quality were competitive	0.0	0.0	0.0	26.3	73.7	0.0
Would purchase food directly from a local producer if a source was available	0.0	0.0	10.5	26.3	63.2	0.0
Would purchase food directly from a local producer if my vendors and/or state warehouse distributor offered local foods as a part of their contract services	0.0	0.0	0.0	21.1	78.9	0.0

Approximately, what percentage of food products served currently do you purchase locally (within 150 miles)?

Response	Pct.
Less than 5%	73.7
5% to 24%	15.8
25% to 49%	5.3
50% to 74%	0.0
Greater than 74%	5.3

Which of the following are important to you when establishing a relationship with a local producer or processor? Multiple responses allowed.

Response	Pct.
Timely delivery	100.0
Availability of products	80.0
Cost comparison sheets	80.0
One-stop shopping	20.0

Do you have dry storage, refrigeration or freezer space if you expand your purchase of fresh and fresh stored fruits and vegetables?

Response	Pct.
Yes	80.0
No	20.0

Do you participate in a USDA meal program?

Response	Pct.
Yes	64.7
No	35.3

What would help you get started with the process of using more locally grown foods? Multiple responses allowed.

Response	Pct.
Assistance in identifying local foods and potential sources	72.2
Meeting with farmers, suppliers	33.3
Local purchasing connections	88.9
Parent/volunteer training program	0.0
Other	22.2

What barriers do you see preventing or limiting your participation in a regional food system? Multiple responses allowed.

Response	Pct.
Distance to nearest farmers market	21.1
Transportation to market is too expensive	15.8
There is no infrastructure to deliver fresh products	57.9
Concerns about liability	63.2
Do not have appropriate contacts with local buyers	63.2
Too expensive	52.6
Cannot find sufficient volume of local products	57.9
Local products require too much processing on	26.3

my part	
Local sales are too time consuming for me to consider	42.1
I don't know how to start or expand my participation in local food purchases	47.4
Scarce availability of local food products is too uncertain to invest in	42.1

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ABOUT THE CENTER FOR RURAL AFFAIRS

Established in 1973, the Center for Rural Affairs is a private, nonprofit organization with a mission to establish strong rural communities, social and economic justice, environmental stewardship, and genuine opportunity for all while engaging people in decisions that affect the quality of their lives and the future of their communities.

REGIONAL FOOD SYSTEMS IN NEBRASKA: THE VIEWS OF CONSUMERS, PRODUCERS AND INSTITUTIONS

A Report on Consumer, Producer and Institutional Focus Groups

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In February 2013, the Center for Rural Affairs (CFRA) released a report "Regional Food Systems in Nebraska: The Views of Consumers, Producers and Institutions," that analyzed the results of a survey responded to by Nebraskans on local food system issues.

That survey was an activity of a project in partnership with the University of Nebraska-Lincoln, CFRA, and the Nebraska Sustainable Agriculture Society, and funded through a grant from the Federal State Marketing Improvement Program (FSMIP) of the Agricultural Marketing Service of USDA. This project seeks to identify the prospects and challenges of creating a regional food system in Nebraska.

After the survey was completed, CFRA held a series of focus groups for each of the project relevant groups – consumers, producers, food-serving institutions and grocery stores. This supplemental report provides findings and observations from those focus groups.

This project uses certain meanings for "local food" and "regional food." "Local food" or "regional food" have no precise definitions, nor is it legally defined in the way that legislation has defined "organic." For purposes of this project, "local food" is defined as food and food products that are produced or processed locally and are not brought in from outside the state. "Regional food systems" are defined as efforts to build more locally-based, self-reliant food economies so Nebraskans don't send 90 percent of their food dollars out of state. Some consider "local" to describe food from a 50-mile or 100-mile distance from where it is sold. Others say a one-hour drive from the market or other place where sold. Thus it is important to define what is meant by "local" when using the term in food marketing or sales.

The quotes included below are direct quotes from focus group participants.

Key Findings

Consumer Views

- Consumers who participated in the focus groups expressed a strong interest in local foods.
- Consumers had a general belief that the production and purchasing of local foods was possible if it could be determined how it could be done.
- Consumers expressed frustrations with the common vehicles used to market and sell local foods, particularly farmers markets.
- Consumer frustrations focused on selection of food products, food choices, business hours of farmers markets and locations of farmers markets.
- Consumer education and knowledge is critical to allow consumers to know where to find local foods, what to ask about the products, who to ask about the products and what producers are selling what local food products.

- Consumers have some degree of “sticker shock,” concern that the prices of local foods are often out of their price affordability range.
- Consumers had numerous concerns and apprehensions about farmers markets that could affect the success of farmers markets and the likelihood of consumers supporting them. Consumers concerns about farmers markets centered on consumer knowledge, consumer convenience and basic business practices.

Producer Views

- Producers who participated in the focus groups generally believe they were meeting current demand for local foods.
- Producers are interested in expanding their production and markets, but are concerned about available land and labor to do so.
- There exist disconnects between the wants of consumers and the perceptions of producers as to how they accomplish selling local foods. Consumers are focused on receiving the same convenience and service they are accustomed to in other retail settings. Producers appear more focused on growing and producing the products and the societal benefits of local food production and sales.
- Producers believe relationships are the biggest and most important component of any local food project.
- Producers have mixed feelings about local food sales relationships with institutions. Producers believe some grocery stores are good to work with, other grocery stores not so good. According to producers, institutions want high volume but pay low prices. This view was confirmed by institutional representatives participating in the focus groups.
- Producers offered numerous barriers to local food production and sales, including local processing, access to land for beginning farmers, consumers knowing how to cook the local food products they purchase, the cost of local food products, the urban-rural consumer willingness to pay difference, and purchases by institutions were seen as a barrier.
- Producers offered numerous advantages to local food production and sales, many of which were societal in nature.

Institutional Views

- Institutions were the most pessimistic and negative toward local foods of the groups participating in the focus groups.
- Institutional representatives stated they would purchase local food products if they could, but had a collective negative view while focusing on the barriers of local food purchases.
- Institutional representatives expressed a fear about the safety of locally produced food.
- Institutional purchases of local food products are currently limited and limited to a few types of products.

- Institutions offered a host of barriers to local food purchases, including cost and availability; lack of farmers in the institution's area raising or producing food products that would be sold locally; liability and insurance issues; assumptions by institutions that food produced locally is not safe; price and required volume; convenience; insufficient staff, time and budget to prepare and process locally produced food products; and existing rules and contracts.
- Institutional representatives participating in the focus groups showed mixed (at best) interest levels in purchasing local food products. Those with any interest placed conditions on that interest (numerous "if" statements).

The Focus Groups

A total of five focus groups were held for this project. The focus group locations represented a diversity of Nebraska geography. A total of 58 people attended the five focus groups. Dates, locations and the number of attendees were:

- April 25, 2013, Lincoln, Nebraska – Five consumers, 12 producers and seven institutions
- April 26, 2013, Tecumseh, Nebraska – one producer and four institutions
- May 2, 2013, McCook, Nebraska – three consumers, three producers and two institutions
- May 3, 2013, Ord, Nebraska – one consumer, eight producers and one institution
- May 9, 2013, Norfolk, Nebraska – seven producers and four institutions

Participants were recruited to the focus groups by CFRA by electronic alerts to the CFRA database within a 50 mile radius of focus group locations and through personal contacts with institutions in the city or town hosting the focus group or institutions in nearby towns. In addition, the Nebraska Sustainable Agriculture Society forwarded an invitation to its members in proximity to focus group locations.

Consumers

In general, consumers who participated in the focus groups expressed a strong interest in local foods. Consumers had a general belief that the production and purchasing of local foods was possible if it could be determined how it could be done.

However, consumers also expressed frustrations with the common vehicles used to market and sell local foods, particularly farmers markets. Consumer frustrations focused on selection of food products, food choices, business hours of farmers markets and locations of farmers markets. Frustrations seemed to focus on consumer opinions that vehicles used to market and sell local foods are designed around the convenience to producer sellers rather than what is most convenient and helpful to consumer buyers.

Consumers and General Thoughts about Local Food

Consumers participating in the focus groups stated that education and knowledge are the keys to making local food production and marketing a success. Without education and knowledge, consumers believed they would have no idea where to find local foods, would not know what to ask about the products, would not know who to ask about the products and would not know what producers are selling what local food products. As we found in the preceding survey report, all of these consumer opinions are connected to basic business practices and may mean more business training is needed for those operating farmers markets. It is a challenge for farmers to be both farmers and marketers and sellers of their products. Training and education that would assist with that balance could produce better outcomes for both producers and consumers.

Consumers in the focus groups also expressed some degree of "sticker shock." Consumers expressed concern that the prices of local foods are often out of their price affordability range.

Types of Consumers and Local Foods

The focus groups revealed two types of consumers related to local foods – those looking for local foods and normal food shoppers.

Those looking for local foods are aware of local foods, the type of food products and where they can be purchased and from whom. These are the consumers driving the increased demand for local foods. They are also aware of all the economic and societal reasons to purchase local foods specifically and to purchase locally in general.

Normal shoppers, on the other hand, are unaware of the "local food movement" and reasons to purchase locally. In addition, normal shoppers are unaware what questions to ask about local food products and who to ask. Normal shoppers, therefore, are less likely to be active purchasers of local foods without more knowledge and education.

Consumers, Farmers Markets and Local Foods

Consumers participating in the focus groups expressed a high level of interest in local foods. Farmers markets are consumers' most common connection with local foods and seem to be generally appreciated and patronized. Most of the consumers participating in the focus groups patronize farmers markets, but the majority does not do so for societal benefits. Most consumers participating in the focus groups go to farmers markets for the food products.

As such, consumers had numerous concerns and apprehensions about farmers markets that could affect the success of farmers markets and the likelihood of consumers supporting them. Comments by consumers at focus groups about farmers markets included:

- Markets are not accessible

- Market hours are wrong and not appropriate for consumer needs
- Market locations are wrong and did not meet consumer convenience
- Consumer education about local foods is lacking; consumers do not know the questions to ask producers about local foods
- Consumers often feel uncomfortable at farmers markets. They feel compelled to purchase something or leave.

Consumers such as those participating in the focus groups are used to extreme convenience in their food purchases and, while interested in and supportive of local foods, they are frustrated farmers markets do not provide that same level of convenience. While it might be too much to ask farmers markets to provide the same level of consumer convenience as do grocery stores (especially large super-center grocery stores), bringing producers and consumers together on issues of convenience would seem to be necessary for the success of any local food market and a regional food system.

Producers

Producers who participated in the focus groups generally believe they were meeting current demand for local foods. While interested in expanding their production and markets, producers were concerned about available land and labor to do so.

As a general observation, it was clear that producers will sell their products where markets are the best. The selling vehicle (farmers markets, community supported agriculture operations or direct marketing) will vary by financial outcomes and the individual preferences of each producer. The preferences of sellers will sometimes be in conflict with the desires and needs of consumers. As outlined in the earlier report on the project survey, there are disconnects between the wants of consumers and the perceptions of producers as to how they accomplish selling local foods. For example, our surveys indicated large majorities of consumers that purchase local food products do so at farmers markets and grocery stores; a lesser number of consumers purchase directly from producers and few consumers purchase through community supported agriculture enterprises. The surveys also indicated large majorities of consumers want more local food products sold through methods that are most convenient to them – grocery stores, restaurants, direct purchasing and farmers markets. Significantly fewer consumers want to purchase local foods through community supported agriculture enterprises, a method seen as less convenient to consumers.

Producers and Local Foods

Producers participating in the focus groups believe, in general, they are meeting the demand for local foods. Producers did comment that they are challenged with growing enough volume and transportation of their products. The vast majority of producers stated that meeting demand was not an issue, but that transportation was the primary issue.

Many of the participating producers are interested in expanding their operations, but access to land and workers are barriers that prevent expansion.

Producers are faced with an important, chicken or egg challenge in their decision-making. Producers interested in expansion face the ultimate question – should I scale up now, or wait for a market to grow.

Producers, Experiences in Local Food Sales and Consumer Relationships

Producers participating in the focus groups had varied experiences with local food sales and varied opinions about those experiences. All producers, however, believed relationships are the biggest and most important component of any local food project.

> *"Farmers used to not know about what happened to what they sold. When you look the consumer in the eye and they tell you how good it is, their personal satisfaction that they like and approve of what you have is a big benefit to the producer." Producer*

A major issue producers mentioned in the focus groups was getting paid for what they grew. Consumers are generally used to the existence of a "cheap food" policy as the result of agricultural public policy. However, when dealing with local producers in local food sales that is not necessarily the case. This would appear to be another potential conflict between producers marketing local food sales and potential customers.

Producers had mixed feelings about local food sales relationships with institutions. Some producers stated certain grocery stores were very good to deal with (locally owned stores and Hy-Vee were mentioned as examples). Conversely, some producers stated other grocery stores did not pay attention to the food and had poor displays of their products. Many producers participating in the focus groups stated they never sell their products to grocery stores, but sell to other institutions.

Following on their belief that relationships are key to any local food sales project, producers in the focus groups talked extensively about consumer relationships. Producers have close relationships with their customers and stated they want to be true to their customers. But producers participating in the focus groups are concerned that relationship may change if operations are expanded. Producers are concerned that if they expand they will be unable to provide loyal customers what they need and what they expect. In addition, producers stated that expanding operations will require them to search out customers, rather than to presumably rely on those customers they have cultivated over their years in selling local foods.

Producers and Barriers to Local Food Production and Sales

Producers participating in the focus groups were invited to discuss barriers they saw to local food production and sales. Barriers offered by producers included:

- A lack of local processing.
- Getting beginning farmers started growing and producing local foods. The biggest barrier cited to beginning farmers was access to land.
- Consumers knowing how to cook the local food products they purchase. If a consumer does not know how to cook a food product they purchase it will not taste good and the consumer will not purchase it again.

> *"A lot of folks have never tasted fresh produce. Taste test is the best way to sell fresh food. Until they actually taste it or give them ideas on how to cook with it they won't buy it." Producer*

- The cost of local food products was offered as a barrier, particularly the willingness to pay for local food products by city residents and rural residents.
- Purchases by institutions were seen as a barrier. According to producers, institutions want high volume but pay low prices.

Producers and Advantages to Local Food Production and Sales

Producers participating in the focus groups offered numerous advantages to local food production and sales, and many advantages were societal in nature. Advantages offered by producers included:

- Local food production removes the middleman from the selling process. To producers that is an opportunity to make more money.
- Local food production allows producers to experience more exposure from local consumers.
- Local food production allows producers to give back financially to the community. Producers cited a community multiplier of revenue generated through sales of locally produced products.

> *"Biggest thing for me is that for every dollar spent locally it generates four. If people really believe in their churches, hospitals, schools, they will purchase locally." Producer*

- A sense of personal satisfaction. Producers cited satisfaction from seeing consumers liking the food they purchase.

> *"You get to build a connection and trust with the consumer and start the education process about the quality of the product, nutrient value, how animal is treated, and how it impacts the environment." Producer*

- Ability to provide better food to local consumers.

"Doing the right thing and doing it smaller is economical. It's not expensive to eat well...have you priced cancer lately?" Producer

- Ability to market one's products. Producers stated that venues of local food sales are like no other venue because they allow one to set the price for what is produced.

"My reason for getting into it was about marketing. There is no other place that I can set the price for what I'm producing. When others determine your price, your kids are gone. Change it around by setting the price on your own product." Producer

Institutions

Institutions were the most pessimistic and negative toward local foods of the groups participating in the focus groups. When asked about their interest in purchasing local food products, institutional representatives generally answered they would if they could, but had a collective negative view while focusing on the barriers of local food purchases. Institutional representatives expressed a fear about the safety of locally produced food. Institutions expressed that they appreciate that currently the food purchasing system is streamlined process through distribution companies, making it a one-stop-shop process that makes ordering and transactions easier.

Institutions and Current Local Food Purchases

Institutional purchases of local food products were limited. Current purchases of local food products by institutional representatives participating in the focus groups included:

- Fruits and vegetables
- Some milk, vegetables and bread (NOTE: All of the producers and companies mentioned in this comment are Nebraska-based, but larger, commodity-type companies, so that raises the question of what definition institutions use for "local")
- Any local food products are donated, not purchased
- Popcorn, sunflower oil, eggs, meat, fruits, vegetables (comment of a local grocery store)

Institutions and the Barriers and Challenges to Local Food Sales

Institutional representatives participating in the focus groups offered a host of barriers and challenges to local food sales. Those barriers and challenges offered included:

- Cost and availability due to the seasonality of Nebraska agriculture (offered by school representatives)
- The lack of farmers in the institution's area raising or producing food products that would be sold locally (also offered by school representatives)
- Liability and insurance issues. Institutions are unaware of what farmers do for food safety.

- Assumptions by institutions that food produced locally is not safe. It should be noted that others commented this is purely an assumption and that institutions do not take the time to learn about producer food safety practices.
- Price and required volume.

> *"I have to meet a purchasing threshold from our supplier or they will not sell to us. That makes purchasing local food very difficult." Institution*

- Purchasing local food products is inconvenient. Institutions stated such purchases take too much time and that the purchasing process (e.g., bids, prices, etc.) needs to be easier.
- There is insufficient staff, time and budget to prepare and process locally produced food products.
- Distribution
- Aggregation
- Existing contracts
- Existing food codes and regulations
- Approved vendors are often mandatory

Institutions and Interest in Purchasing Local Food Products

Institutional representatives participating in the focus groups were asked about their interest in purchasing local food products. Interest levels were mixed at best. Those with any interest placed conditions on that interest (numerous "if" statements). Basic comments offered by institutional representatives as to their interest were:

- Some interest if it is easy (easier than current supplier)

> *"The process has to be as easy as possible if I'm going to purchase local food." Institution*

- If the work was done for the institution
- The institution receives free ground beef from USDA – why is there a need to purchase it?
- If the food product was ready for the plate
- If the purchases were financially feasible
- Need knowledge about the producer's safety and handling practices
- Need to be able to track the food products

Conclusion

This report and the previous report on the survey of producers, consumers and institutions – *Regional Food Systems in Nebraska: The Views of Consumers, Producers and Institutions* – both show that there is significant interest in creating local and regional food production and

marketing systems in Nebraska, especially among producers and consumers. There is also interest among institutional buyers, but major obstacles and barriers exist that will have to be resolved.

Both the surveys and focus groups done for this project show there are also issues between producers and consumers that require answers before local and regional food systems can be truly successful. The usual food buying experiences of consumers (locations, hours, convenience) do not always translate to a local or regional food buying experience. Farmers are experienced in farming and growing and producing the products for sale; their skills in marketing and basic business operations may be lacking at times. Balancing the expectations and needs of consumers and the skills and desires of producers will be necessary to create long-term successful and sustainable local and regional food systems. However, all groups with a stake in the food system appear to want to make local and regional food systems work. It is incumbent now to capitalize on that support and enthusiasm.

It is clear from the survey results and the focus groups that all three groups (farmers, consumers and institutions) will need to collaborate to make regional food systems in Nebraska a viable reality. Those involved in developing regional food systems also have questions to address for future viability. In our view what is needed to bring about this collaboration includes:

- Development of a state food policy council or local and regional food policy councils to organize regional food systems and determine the strengths, challenges and needs of localities and regions in relation to food systems.
- Local and regional entities to develop infrastructure necessary for the cultivation and advancement of regional food systems. Needed infrastructure includes information and education for consumers and institutions on local foods, their advantages, how to purchase them and how best to use them; non-farm business training for farmers involved in local food production and marketing; and “bricks and mortar” infrastructure such as distribution and retail channels.
- An issue that was not discussed much in either survey responses or focus groups was the issue of distribution. In a state like Nebraska geography is crucial to feasible distribution. As it relates to food systems, geographically challenged or remote communities could include almost any community outside of Omaha and Lincoln or any other population center. If regional food systems are to be viable in more geographically remote communities, questions of distribution and aggregation must be discussed and dealt with.
- Questions and issues of resources – both financial and human – are, of course, always paramount in developing new systems and infrastructures. Communities and regions developing food systems must develop sources of funding for needed infrastructure, communications, networks and training. These funding sources will likely need to be alternatives to government funding, and significant questions exist as to the source of

needed resources. With the collaboration of all interested stakeholders, however, that question is not insurmountable.

Nebraskans raise some serious questions, challenges and needs that must be addressed for regional food systems to have a viable future in the state. However, they also express genuine interest in seeing regional food systems become part of the state's food landscape and indisputable excitement about making regional food systems become a workable part of Nebraska's food production, marketing and consumption approach. Matching the questions and needs with the interest is the next step in making regional food systems a reality in Nebraska.

ACKNOWLEDGEMENTS

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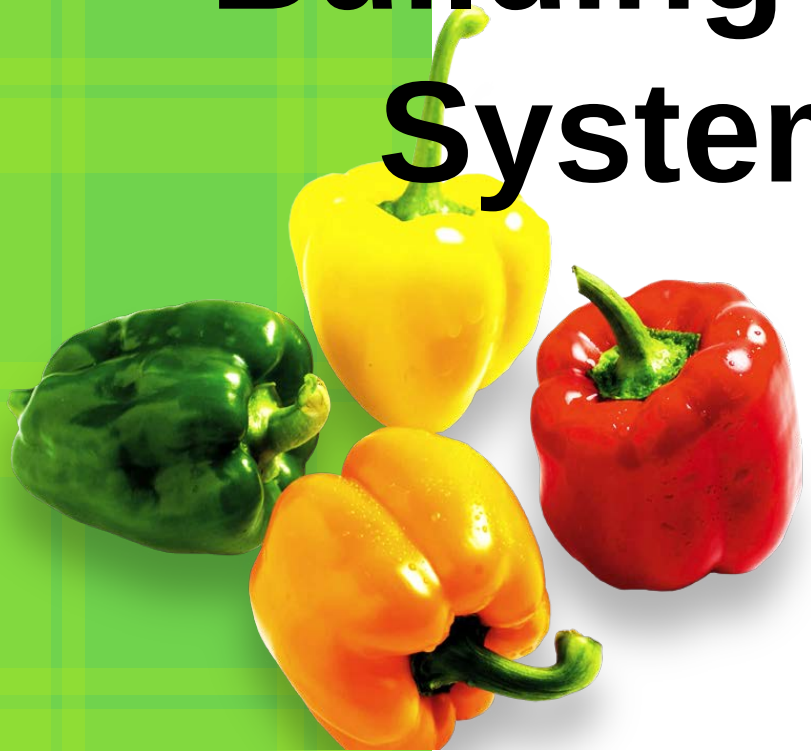
We thank all the individuals, businesses and organizations who participated in the focus groups, completed surveys and provided all the information detailed in this report. Their candor and experiences will serve to develop local food production and usage in Nebraska and help create successful regional food systems in the state.

ABOUT THE CENTER FOR RURAL AFFAIRS

Established in 1973, the Center for Rural Affairs is a private, nonprofit organization with a mission to establish strong rural communities, social and economic justice, environmental stewardship, and genuine opportunity for all while engaging people in decisions that affect the quality of their lives and the future of their communities.

Building Regional Food Systems in Nebraska

Kathie Starkweather
Center for Rural Affairs



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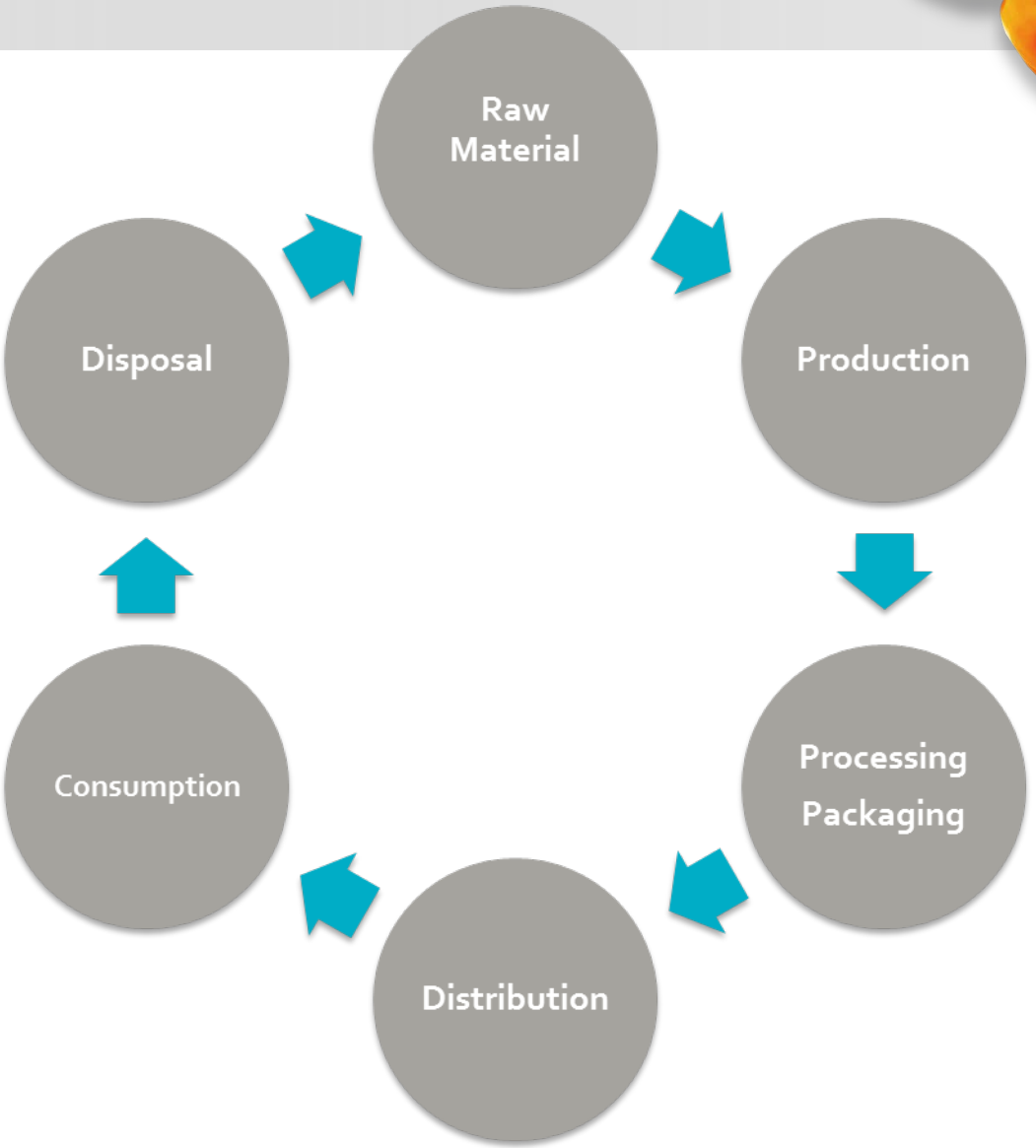
The Food System



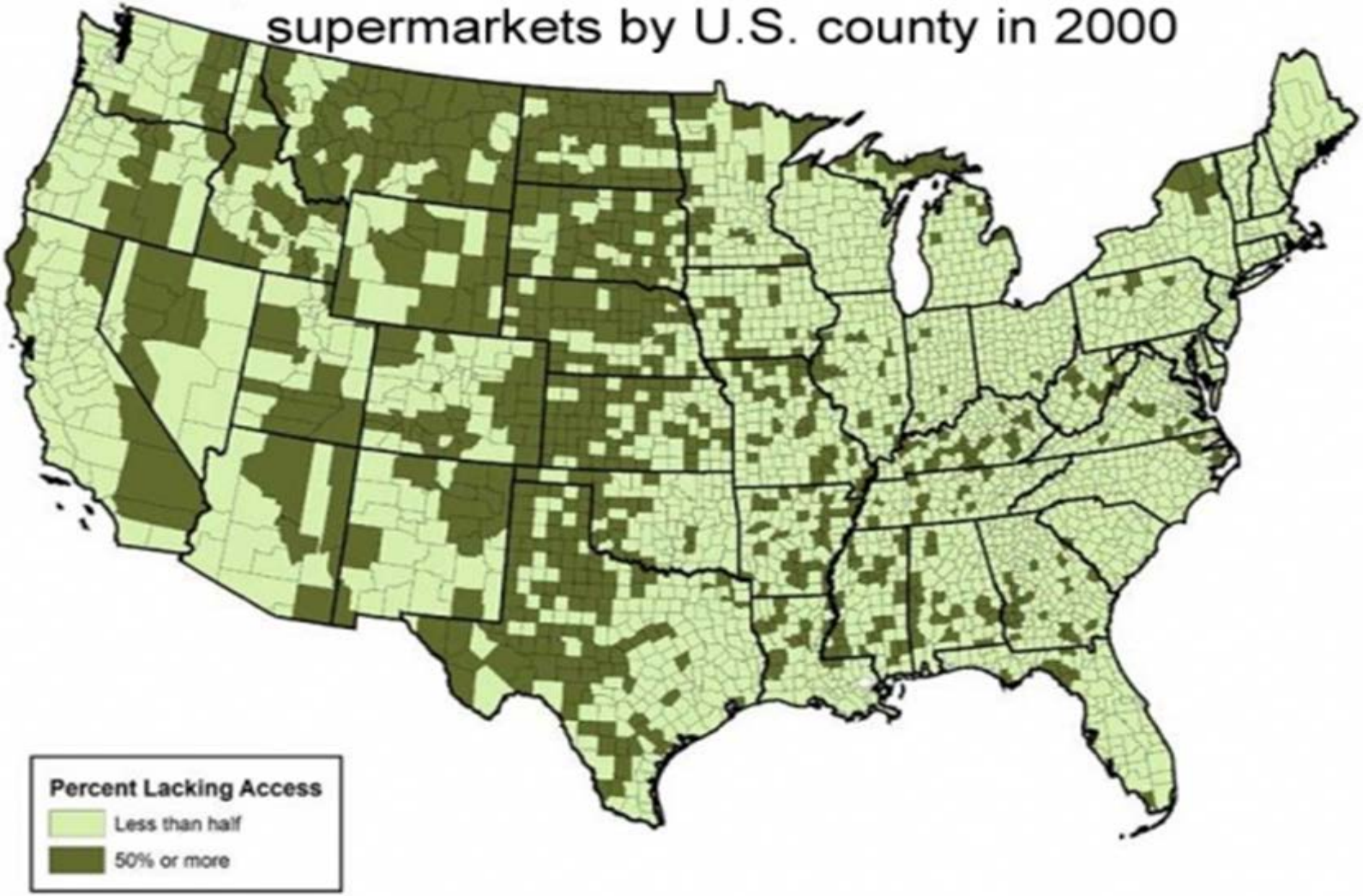
Definition

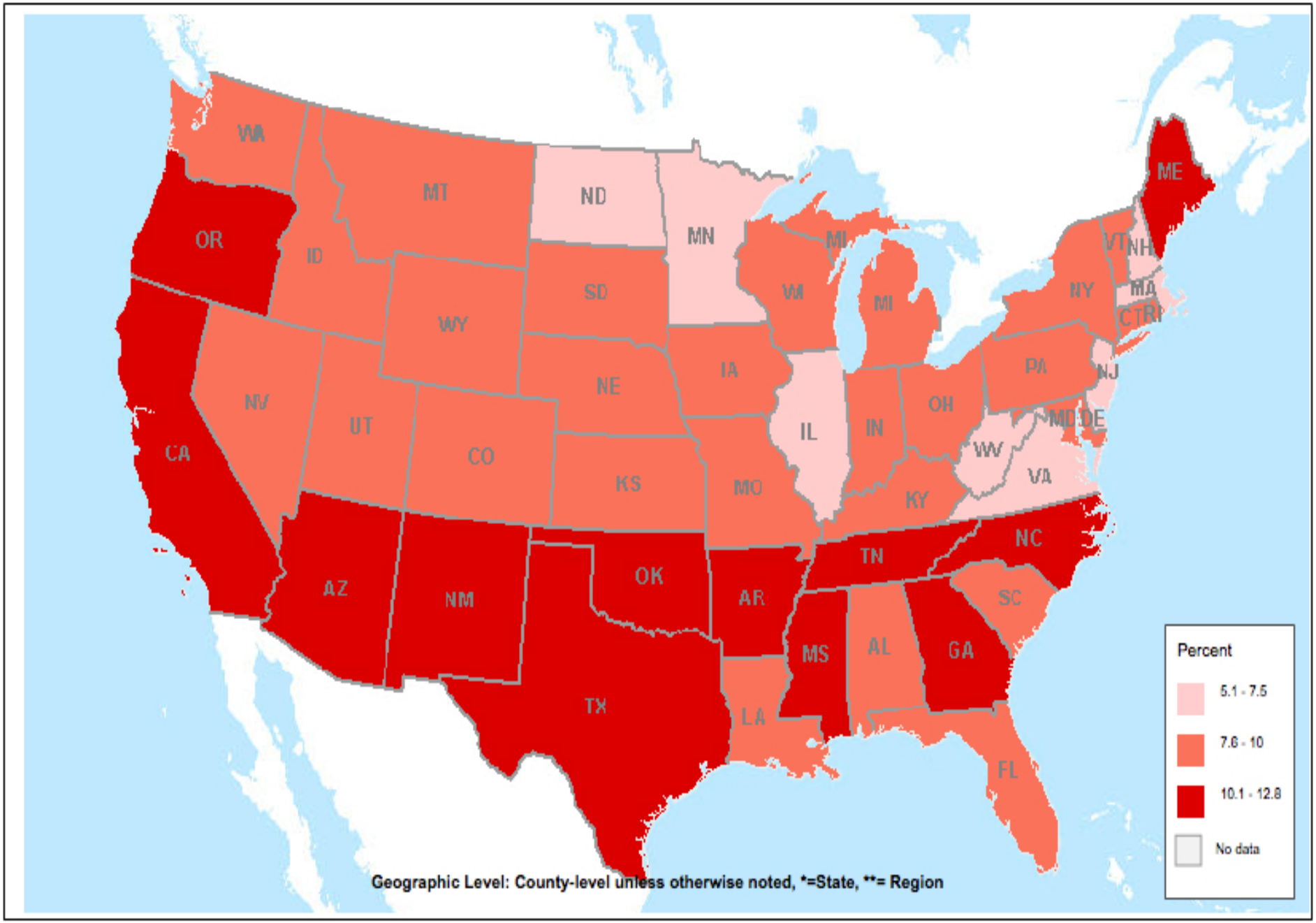
- Regional food systems centralized within a specific region: production, processing, distribution
- Connects consumers to where their food comes from
- Supports local economy

IMPORTANCE OF REGIONAL FOOD SYSTEMS

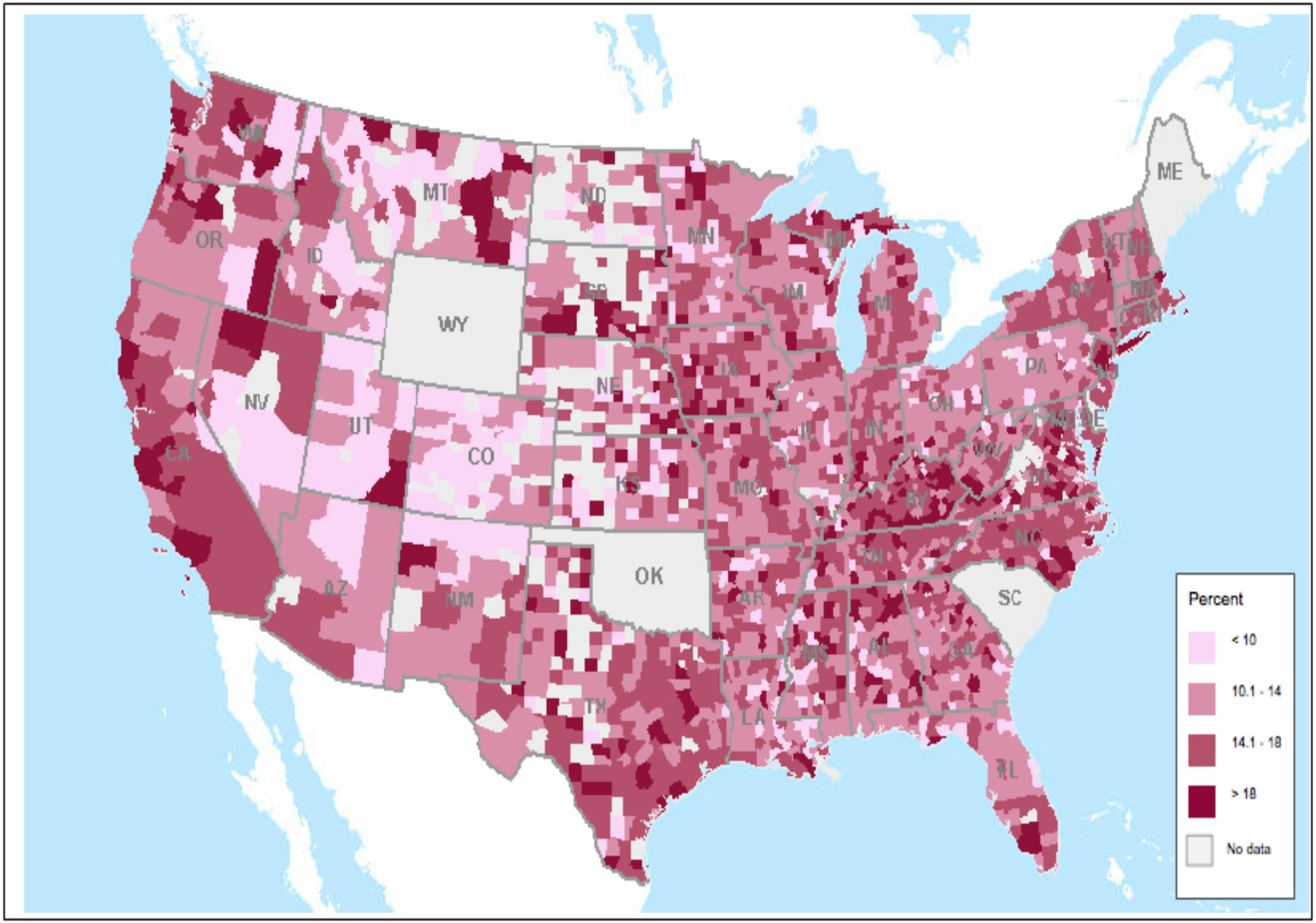
Food Deserts

Counties lacking convenient access to supermarkets by U.S. county in 2000





Child food insecurity (average), 2003-11*



Low-income preschool obesity rate, 2009-11

Food Insecurity

- The state of being without reliable access to a sufficient quantity of affordable, nutritious food.
- Regional food systems can offer healthy food access

CHALLENGES

Nebraska Challenges

- Aging farmers
  - 1997 – average age 52.5
  - 2012 – average age 58.3
- Commodity Crops main agriculture in Nebraska
- Cost of land
- Youth outmigration – lack of new farmers

Rural Community Losses

- **20% decline in farmers under 25**
- **30% increase in farmers over 75**
- **40,000 farms lost in the last five years**

  USDA Secretary Vilsack 2-18-10
- **70% of US agricultural land will change hands in the next 20 years**

  Sustainable Agriculture Coalition

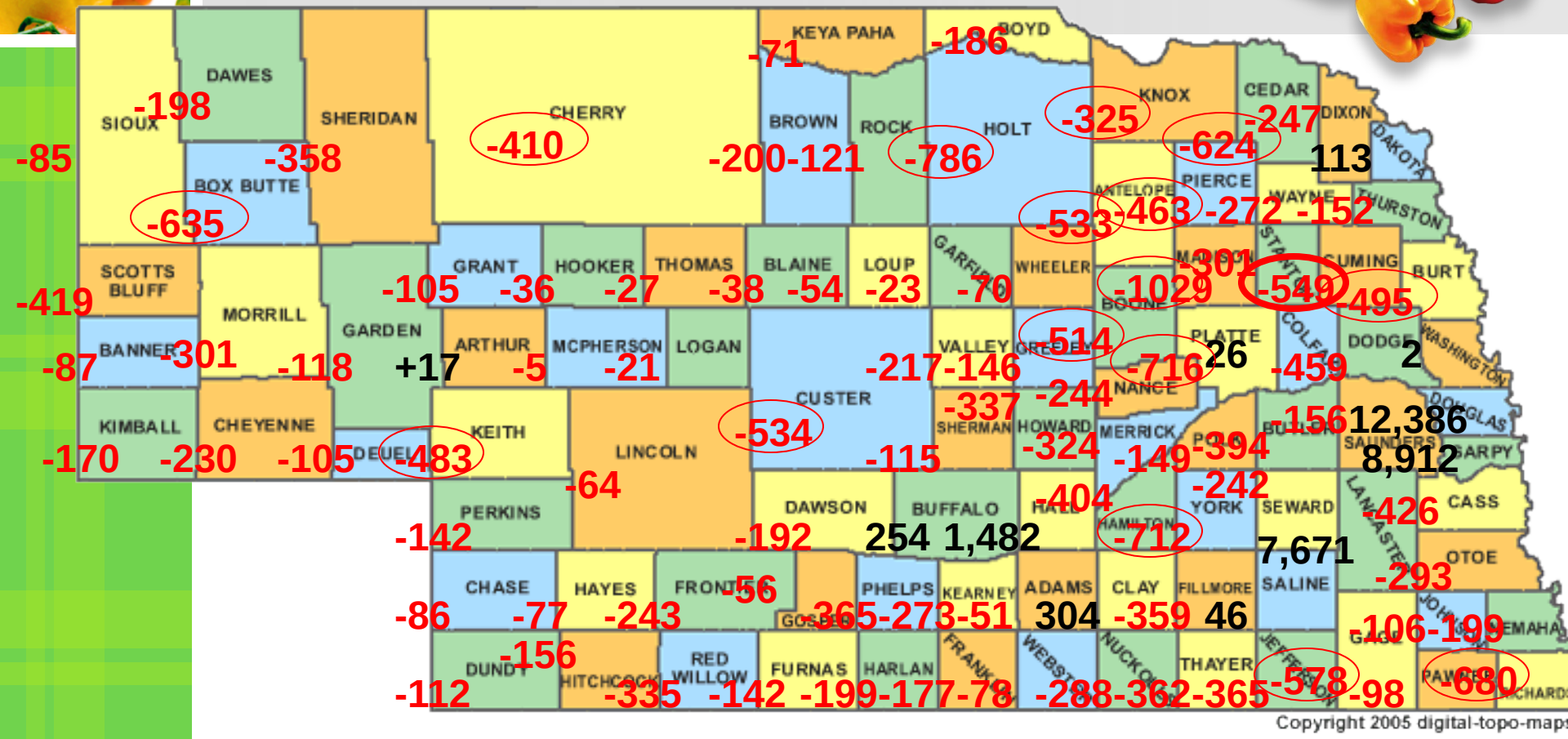
Sharp Upward Advances in Land Values

2011 Nebraska Farmland Values and Recent Trends

Agricultural Statistics District	2011 All-Land Average Value	1 year Change	3 year Change	5 year Change
	Dollars/Acre	Percent Change		
Northwest	520	12.3	15.0	52.0
North	706	18.1	16.5	63.8
Northeast	3624	25.1	32..9	103.4
Central	2183	24.9	29.9	76.0
East	4625	22.9	32.5	84.4
Southwest	991	13.9	27.1	70.6
South	2535	24.9	43.8	103.0
Southeast	3160	21.7	28.9	86.3
Entire State	1833	22.0	29.6	83.1

Source: Annual UNL Nebraska Farm Real Estate Market Surveys.

Under Age 19 Residents (Gain/Loss)
Nebraska 2000-2010



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8,713 Net Youth Gain

82 Counties Lost 22,500 & 11 Counties Gained 31,213

Challenges and Opportunities

- The University of Nebraska and Center for Rural Affairs received a grant from USDA's Federal State Marketing Improvement Program to find out what the challenges and opportunities were for Nebraska farmers, consumers, and institutions to participate in regional food systems.

Challenges – State/Regional/Local

- Lack of leadership in developing regional food systems
- Capacity/time/supply
- Communication between producers/consumers/institutions
- Infrastructure: equipment, transportation, processing
- Funding/capital – start-up and expansion

Consumers - Challenges

- Consumers feel producers selling food directly to consumer difficult to find.
- The market (or at least the perception of the market) does not meet the demand
- The hours and location often cited as inconvenience of farmers markets (one of the top venues to purchase locally grown food)

Farmers - Challenges

- Technical assistance issues involving labor, infrastructure (processing and lockers primarily), basic business skills and finances are the needed.
- Numerous challenges exist for producers in a regional food system - producing sufficient volume of products and transportation were the most common challenges.

Institutions - Challenges

- The most critical challenges facing institutions purchasing local foods (or interested in local foods) are timely delivery and availability of products.
- Many institutions cited their own rules/regulations about procuring locally grown foods.

OPPORTUNITIES

Nebraska Numbers

- Farmers markets more than doubled from 2000 to current in Nebraska – over 80 in the state
- Farm to School –10 currently up from zero at first part of 2010
- Community Support Agriculture – over 20 in the state
- Nebraska Food Cooperative

Consumers - Opportunities

- Overwhelmingly interested in purchasing food directly from local producers.
- Believe the availability of locally produced foods is important to their households.
- Willing to pay up to 10% more for locally grown food

Consumers - Opportunities

- 90 percent would purchase locally grown food if available and the same price as non-local
- 59 percent would still purchase local food if it were 10 percent more expensive than non-local food.

Consumers - Views

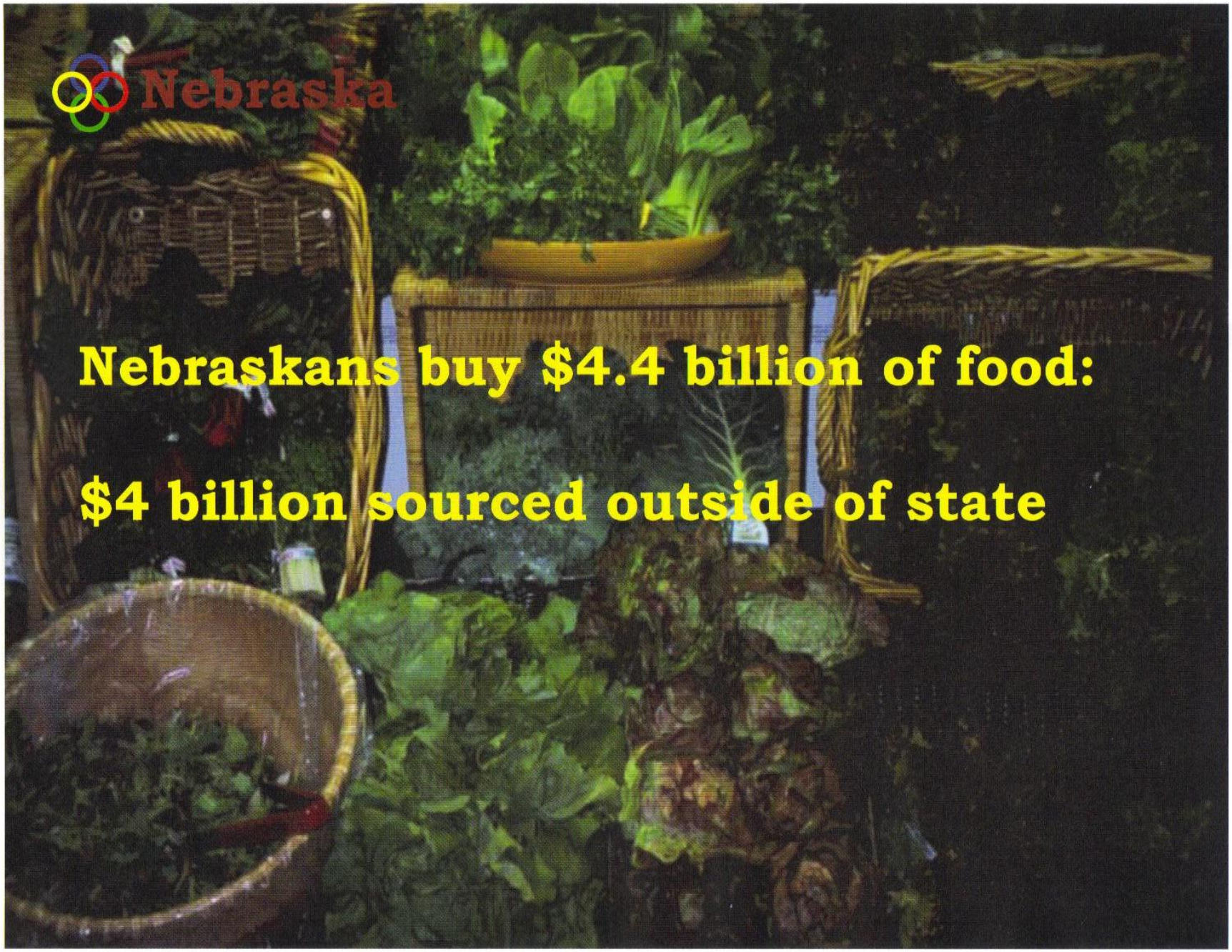
- Availability and affordability important
- Farmers markets and grocery stores are the most common purchasing places
- Desire for increased grocery store/restaurant options

Producers - Opportunities

- Large majority interested in expanding their local food production capacity.
- Interested in participating in a regional food system.

Institutional Views

- Few currently serve food obtained locally, but all wanted to.
- All wanted to be able to “get around” the rules and regulations that kept them from purchasing locally grown food.


Nebraska
Nebraskans buy $4.4 billion of food:
$4 billion sourced outside of state

Finding Food in Nebraska

Markets for food eaten at home

	millions
Meats, poultry, fish, and eggs	$ 557
Fruits & vegetables	439
Cereals and bakery products	359
Dairy products	313
"Other," incl. sweets, fats, & oils	953

Source: Census & BLS

Direct Sales – National Trends

- Number of farms selling directly to the customer **increased by 58%** from 1992-2007
  - On-farm stores, farm stands, Community Support Agriculture, farmers markets
- Schools participating in Farm to School rose from **400 in 2004 to 40,328 in 2014** resulting in **$385M** spent on Local Food
- Over 8,100 farmers markets

Impact of Local Sales

- USDA's Economic Research Service - that on the farm, local food systems generate 13 farm operator jobs per 1 million in sales
- Sales local food by farmers in northeast Iowa rose from less than $10,000 in 2006 to over $2 million by 2010

What is CFRA Doing?

- Growing new farmers – Latinos, Native Americans, veterans, women
- Helping people grow their own food
- Dealing with land access issues
- Legislation
- Creation of a Regional Food System Network
- Farm to School work in the state

Reports

- Regional Food Systems Reports

http://www.cfra.org/sites/www.cfra.org/files/publicaitons/ne-food-systems-report.pdf

http://files.cfra.org/pdf/fsmip-focus-group-report.pdf

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