



Local Food Bending the Arc Towards Jobs

Prairie Crossing Farm Business Development Center

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Liberty Prairie Foundation

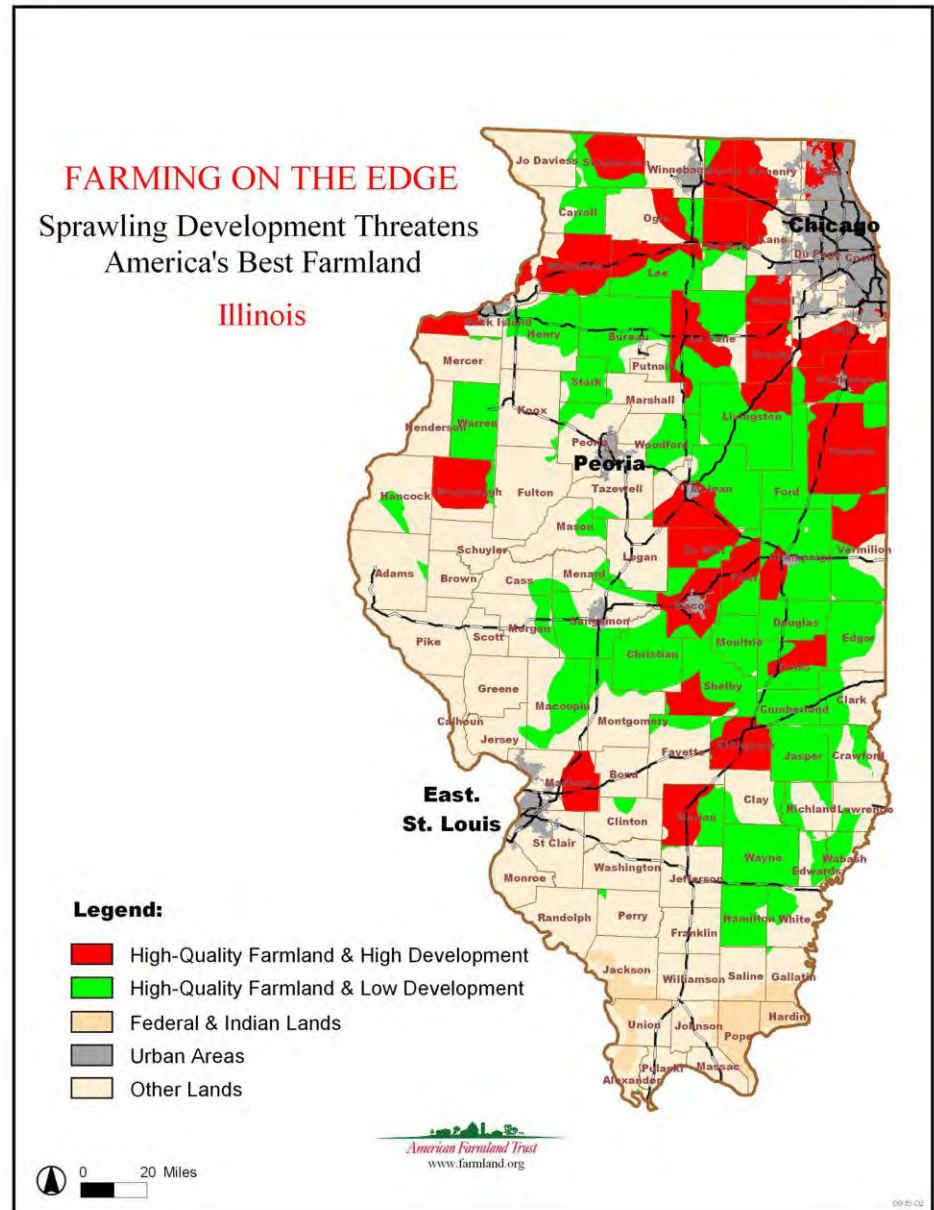
Federal Reserve Bank of Chicago

Tuesday, November 9, 2010



The Farm Business Development Center is partially supported by the Beginning Farmer and Rancher Development Program of the National Institute of Food and Agriculture, USDA, Grant # 2009-49400-05943

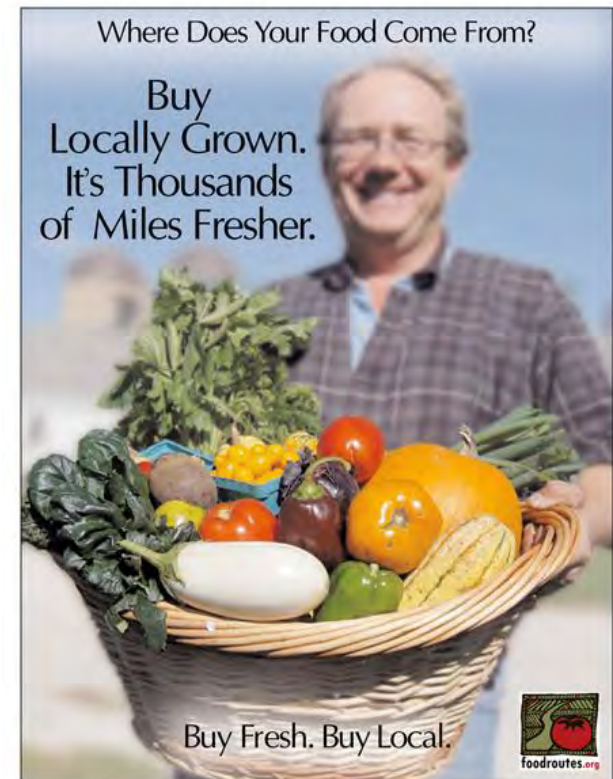
Illinois has huge economic & employment challenges as well as one of the highest rates of loss of prime farmland in the nation



Opportunity Analysis

A Growing Consumer Base

- A small but growing segment of the consuming public has firmly held convictions about the way their food is produced and distributed and this is creating market opportunity;
- These buyers are looking for food with “values” and willing to pay for these food values; and,
- Innovative farm enterprises are profiting through this opportunity.



Values that Support Price Premiums

Production Methods	Product Features	Real & Perceived Benefits
Organic	Local - proximity	Know & trust producer
Sustainable	Specialty	Health enhancement
Grass-fed	Availability	Cleanliness, "goodness"
Free-range	Taste (field gate flavor)	Food safety
Hormone-free	Freshness	Animal welfare
Antibiotic-free	Packaging	Environmentally friendly
Non-GMO	Producer reliability	Supports local economy
		Fair labor practices

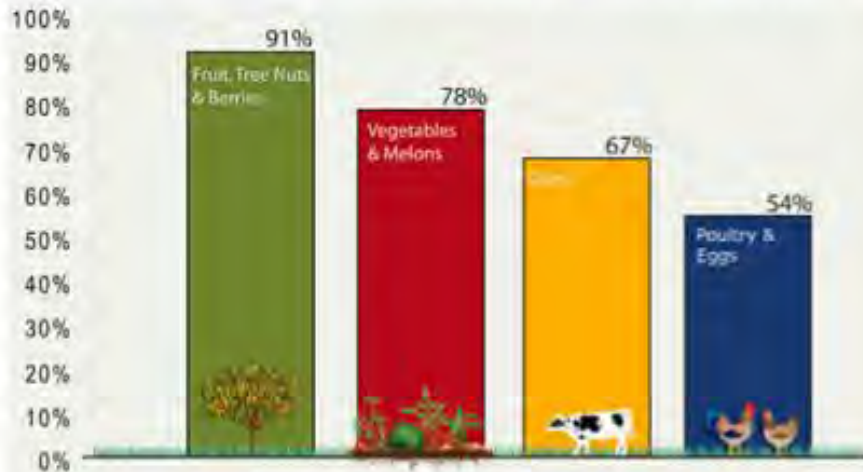
Growing Local



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FRESH FOOD GROWN ON THE URBAN FRINGE

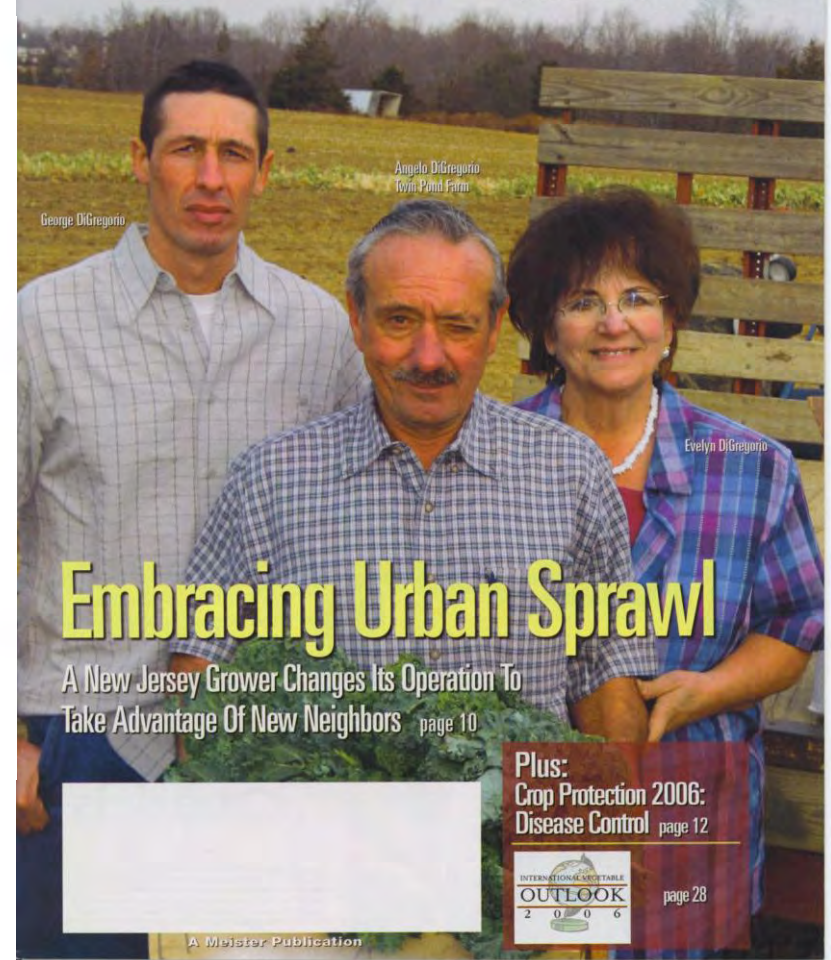


*Market value of agricultural products by county supplied by USDA National Agricultural Statistics Service from the 2007 Census of Agriculture. "Urban influenced counties" are those assigned a 2003 Urban Influence Code of 1, 2, 3, 4 or 5 by the USDA Economic Research Service.

American Vegetable Grower

\$2.75
FEBRUARY • 2006

www.americanvegetablegrower.com



George DiGregorio

Angelo DiGregorio
Twin Pond Farm

Evelyn DiGregorio

Embracing Urban Sprawl

A New Jersey Grower Changes Its Operation To
Take Advantage Of New Neighbors page 10

Plus:
Crop Protection 2006:
Disease Control page 12



page 28

A Meister Publication

The Farm Business
Development Center
at Prairie Crossing Farm

Distribution Channels that Support Price Premiums

- Community Supported Agriculture (CSAs)
- Sales to food preparers and restaurants
- Farmers Markets
- On-farm Stands
- Specialty retail outlets
- Internet sales
- Short chain wholesale



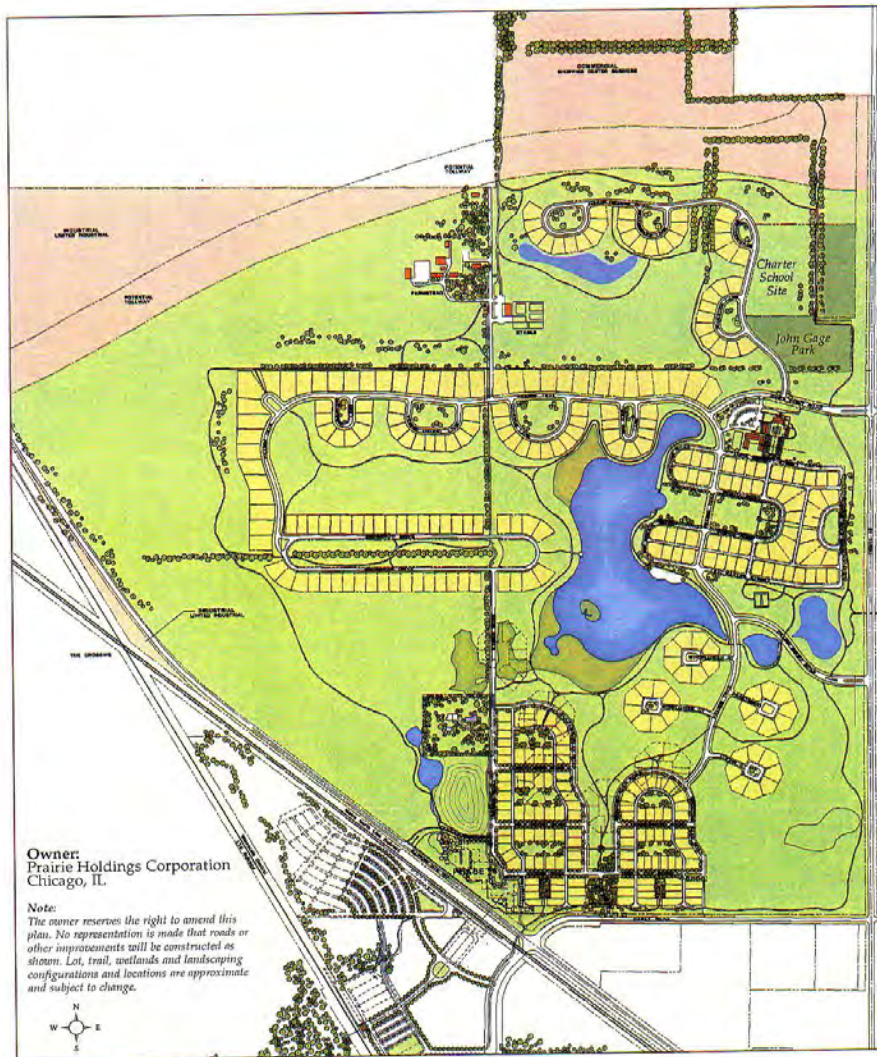
Prairie Crossing



Guiding Principles

- Environmental Protection and Enhancement
- Healthy Lifestyle
- Sense of Place
- Sense of Community
- Economic and Racial Diversity
- Convenient and Efficient Transportation
- Energy Conservation
- Lifelong Learning
- Aesthetic Design and High-Quality Construction
- Economic Viability





Owner:
Prairie Holdings Corporation
Chicago, IL

Note:
The owner reserves the right to amend this plan. No representation is made that roads or other improvements will be constructed as shown. Lot, trail, wetlands and landscaping configurations and locations are approximate and subject to change.



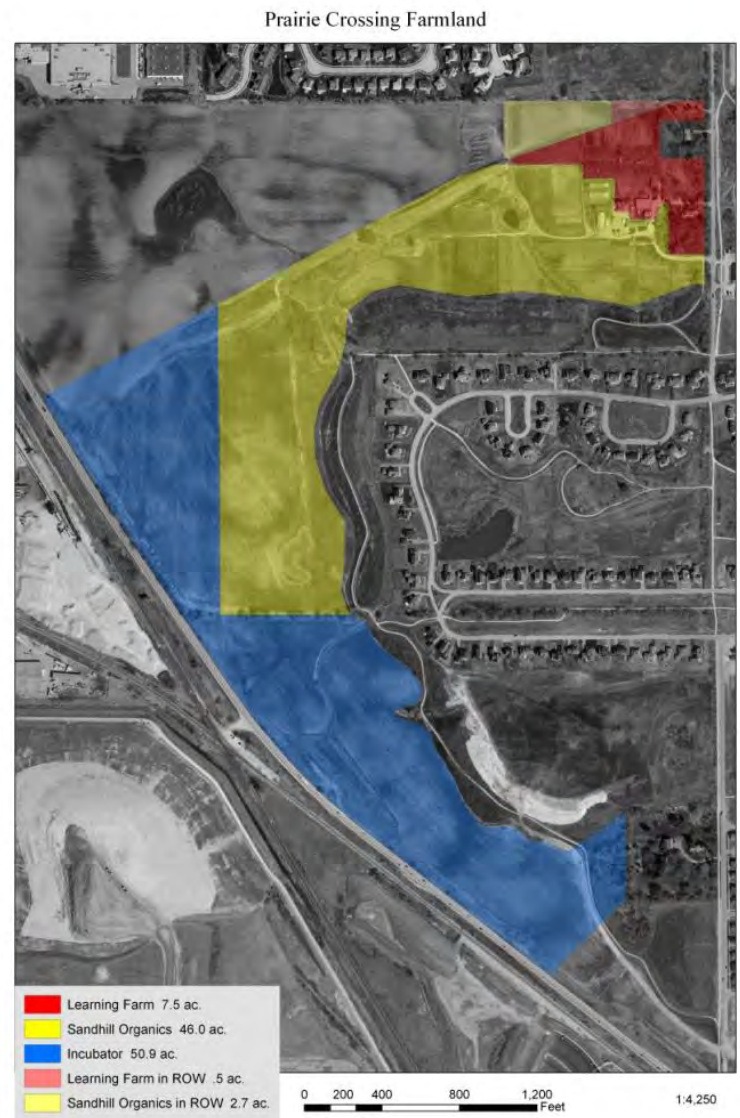
Skidmore, Owings & Merrill LLP
Calthorpe & Associates

Conservation Community

- 668 acres in Grayslake, IL
- 40 miles NW of the Loop
- 69% protected open space
- 359 single family homes
- 36 condos
- Mixed use area with condos, retail and commercial uses
- 2 train stations
- Commercial land

Prairie Crossing Farm

Sandhill Organics
Farm Business Development Center
The Learning Farm
Co-op horse stable



Prairie Crossing Farm

- Farm set aside in original community design by developer. Land values amortized across land costs assigned to residential and commercial sales.
- Land (>100 acres) and core buildings owned by Liberty Prairie Foundation, a private operating foundation.
- Conservation easement held by The Conservation Fund.
- All land is certified organic.
- Several buildings being constructed by lessees on pads with 99 yr ground leases



The Farm Business
Development Center
at Prairie Crossing Farm

Sandhill Organics at Prairie Crossing

- For profit family farm
- Farming for 11 years, 7 at PCF
- Rolling 20 year lease on 40 acres at market rates
- Current production on 20 acres
- Certified organic
- Primary focus on vegetables with season extension
- Market production through CSA, farmer's markets and some short chain wholesale
- Active member of CRAFT
Collaborative Regional Alliance for Farmer Training











Green Onion
Swiss Chard
\$1.00

Green Onion
Swiss Chard
\$1.00

Green Onion
Broccoli
\$1.25

Green Onion
Broccoli
\$1.25

Green Onion
Broccoli
\$1.25

\$4.00

COLLARDS
SWISS CHARD
GREENS

Basic Financial Picture

	Sandhill Organics ^a	Corn & Bean Operation
Sales/Acre	\$20,000 - \$23,000	\$810 ^b
Non Labor Costs/Acre	\$6,000 - \$11,000	\$424 ^c
Land Costs/Acre	\$150	\$150
Labor Costs/Acre	\$7,000 - \$9,500	\$10 - \$14 ^c
Operator Return/Acre	\$7,000 - \$12,000	\$224

^a Ranges from last 5 years

^b Acreage is 50% Beans, 50% Corn; Corn \$5.00/bushel, Beans \$12.00/bushel; Corn 190 bu/acre, Beans 52bu/acre; \$23/acre government payments

^c University of Illinois Farm Business 2010 Crop Budgets

So What is A Big Corporate Farm?

	Sandhill Organics	Corn & Bean
Acres	40	1000
Revenue	\$460,000	\$810,000
Return to Operator	\$240,000	\$224,000
On Farm Jobs (FTE)	6	1.5

Opportunity Analysis

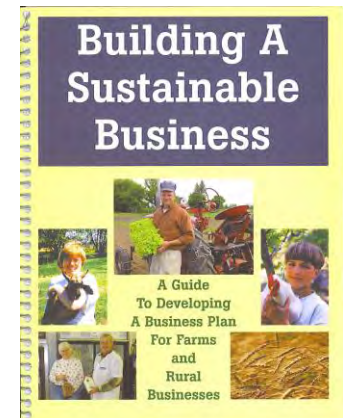
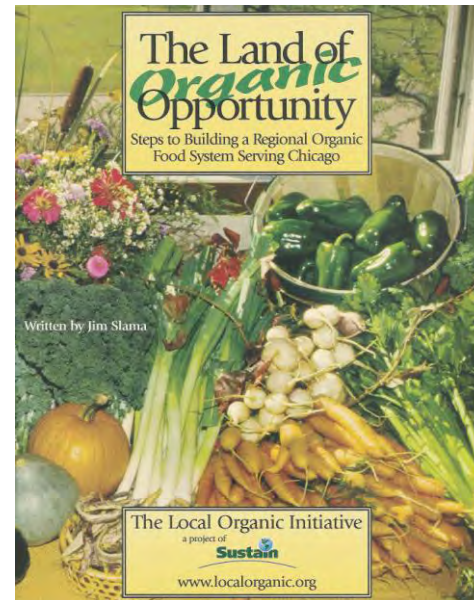
Scenario Two: To expand production of selected fresh produce for 28 metropolitan markets¹ in the six-state region, direct-marketing 50 percent via producer-owned stores

	Acres needed	Farm-level sales	Farm-level total jobs: fruit & vegetable production	Retail-level jobs	Farm-level total jobs: corn-SB production ²
Illinois	49,596	\$188.7 mil	1,859	2,287	454
Region	195,669	\$637.4 mil	6,694	6,021	1,892

1. Areas with a population of 250,000 or more; total population of all metro areas: 35.5 million.
2. Based on the number of corn-soybean acres offset by conversion to fruit/vegetable.

Growing New Farmers in the Urban/Suburban Community

- Young people with non-farm background
- Mid-level career changes
- Recent immigrants & disadvantaged communities
- Next generation from farm families



Prairie Crossing Farm Business Development Center

Skill Sets Required:

- ⇒ Marketing and Sales
- ⇒ Financial Management
- ⇒ Labor Management
- ⇒ Harvest, Processing, & Logistics
- ⇒ Production Management & Knowledge

Where does the entrepreneur acquire these capacities?



Prairie Crossing Farm Business Development Center

- ⇒ **Goal:** increase the number of new farmers successfully establishing urban fringe organic farms in the greater Chicago Region.
- ⇒ **Mechanism:** provide an opportunity for entrepreneurial beginning farmers to test and refine their individual business model.
- ⇒ Established in 2006
- ⇒ Graduated two new farmers in 2009



Prairie Crossing Farm Business Development Center

Operation Summary:

- ⇒ Applicants provide business plan and demonstration of capacity to start a new farm business.
- ⇒ Successful applicant provided a lease for up to 5 acres (with irrigation), greenhouse access, limited equipment, processing and cooler facilities. Sandhill serves as mentor.
- ⇒ Beginning farmers responsible for market development, maintaining organic certification, financing etc.
- ⇒ Progress towards business plan goals monitored annually. Farmers expected to “graduate” in 5 years.



Prairie Crossing Farm Business Development Center

Projected Results:

- ⇒ Increase the number of new entrepreneurs successfully farming in the peri-urban area around Chicago
- ⇒ increase the supply of fresh, locally produced organic produce,
- ⇒ improve the value/acre of organic farm production to successfully integrate farming as a sustainable land use in the suburban areas of the Chicago region,
- ⇒ increase the number of new high quality jobs in the farm sector.



Prairie Crossing Farm Business Development Center

Ongoing Challenges:

- ⇒ Attracting & serving adjacent underserved populations
- ⇒ Farm machinery management and maintenance (mechanical aptitude)
- ⇒ Space:
 - ⇒ Greenhouse
 - ⇒ Wash/Processing
 - ⇒ Cooler
- ⇒ Daily coordination
- ⇒ Setting and maintaining lean, sustainable budget
- ⇒ Soil fertility



Prairie Crossing Farm Business Development Center

“I now have 5 years experience, I need more land, what’s next?”

✓ Working with partners (ie Liberty Prairie Conservancy, public sector land holders, private landowners) to find an appropriate opportunity for secure long term access to local farmland. (Example there are almost 1,000 acres in Liberty Prairie Reserve)

✓ Five years of experience and financial results provide a more compelling business plan to potential financing sources.

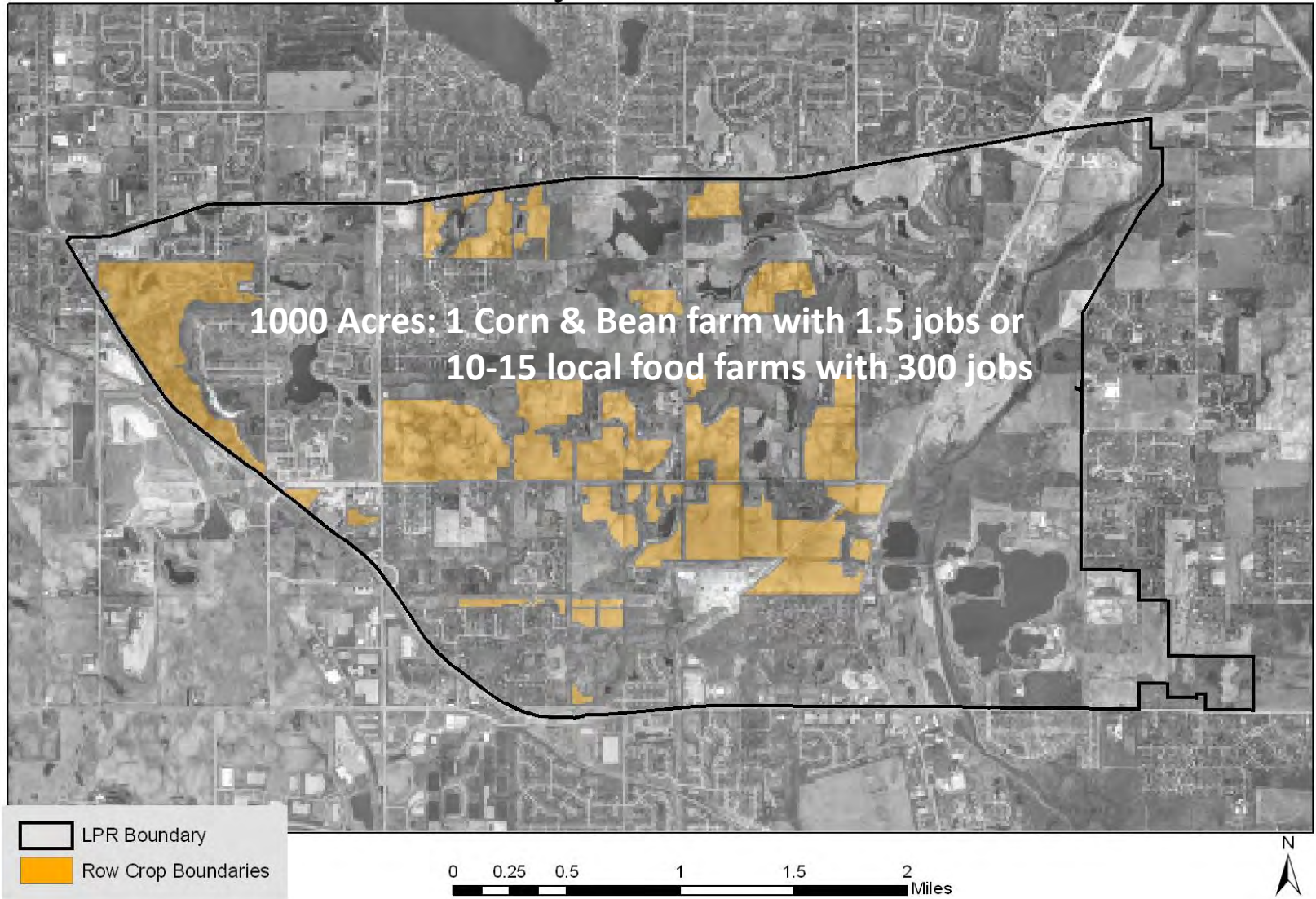


Public Perception Challenge

- ❑ “Working farmland in urban/suburban areas is a temporary holding pattern”
 - ➔ Development
 - ➔ Restoration or recreation
- ❑ “Working farmland in urban/suburban areas is a valued lasting community land use”



Protected Farmland in the Liberty Prairie Reserve



Other Examples Around the Country

- **Intervale, Burlington, VT**
- **ALBA** (Agricultural and Land-Based Training Association), **Salinas, CA**
- **FarmStart, Guelph, Canada**
- **Seed Farm, Lehigh County, PA**
- **Woodstock Equestrian Park, Montgomery County, MD**
- **Whatcom County, WA**
- **FIG** (Farm Incubator and Grower Program), **Watauga & Ashe Counties, NC**

Looking for more information?

www.prairiecrossing.com
www.sandhillorganics.com
www.prairiecrossingfarms.com
www.pclearningfarm.org

