



# The Land of *Organic* Opportunity

Steps to Building a Regional Organic  
Food System Serving Chicago

Written by Jim Slama

The Local Organic Initiative

a project of

**Sustain**

[www.localorganic.org](http://www.localorganic.org)





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### About Sustain and the Local Organic Initiative

Sustain is one of the country's leading public interest advocacy communications groups. Our images and campaigns have been featured in *The New York Times*, *Chicago Tribune*, *USA Today*, *Washington Post*, *Wall Street Journal*, *People* and *Time* magazines, and on most national television and radio networks. Sustain created the Local Organic Initiative (LOI) to support the growth of a regional food system serving the Chicago area. The LOI will help a network of regional organic farms grow and prosper by encouraging the creation of a strong regional distribution system, supporting farmer training and development, securing philanthropic and government funding, and creating a multi-media marketing program.

### About the Author

Jim Slama was the founding publisher and editor of *Conscious Choice* magazine and is the president of Sustain, which has contributed to numerous national, regional and local environmental victories. In 1998, Jim and Sustain played a key role in the fight to preserve strong organic standards through the Campaign to Keep "Organic" Organic. Sustain partnered with grassroots and organic industry groups to prevent the USDA from allowing food that was genetically engineered, irradiated, or grown in sewage sludge to be labeled organic. The overall campaign generated 275,000 comments and forced the agency to develop a strong organic standard. During Jim's tenure as publisher, *Conscious Choice* was nominated six times for an *Utne Reader* "Best of the Alternative Press" award, and Whole Foods Market founder and CEO, John Mackey, called it "the best regional publication of its kind."

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# Angelic Organics: A Model of Community Based Farming

Farmer John Peterson has seen it all on his farm near Rockford, Illinois. He was raised there and is the third generation of his family to work its soil. Through most of the 20th Century, the farm provided a good living to his family. In the last quarter century, as agriculture became more industrial, the farm suffered. Piece by piece the land was sold off until only 22 of the original 186 acres remained. "It was a tough time for farming," says Peterson. "Farmers all around were going bankrupt and it was nearly impossible to make a living."

Despite the financial and emotional setbacks, Peterson didn't give up. Instead, he embraced Community Supported Agriculture — a new concept of organic farming that gave him hope for his beloved tract of land. The Community Supported Agriculture (CSA) movement encourages people to become shareholders in a local farm. In the winter, these members pay a fee to the farmer in exchange for the right to receive weekly boxes of fresh vegetables during the coming growing season. Such an arrangement secures money for the farmer to invest in seeds, labor, and other overhead costs. In exchange, members get fresh-picked, organic food delivered to their communities every week.

In 1993, a CSA named Angelic Organics was born. Peterson and his crew signed up 220 shareholders for their first full season, grossing almost \$70,000. "It was a real challenge in the first few years. I rented out my house, moved into the barn, and sold off furniture to make ends meet," he says. "Down deep I had faith that this was going to work."

Peterson's intuition was correct. Eventually the farm generated enough income to pay all the farmhands and invest in new equipment, greenhouses, and an irrigation system. In 1998, the farm's shareholders pitched in and raised \$180,000 to purchase 38 acres of adjacent land. "This was truly a miracle. These shareholders have given a profound new meaning to the term 'community supported agriculture'," said Peterson. Angelic Organics was granted a 15-year lease on this land and it is now part of the farm's vegetable crop rotations.

Angelic Organics has grown to be the country's largest CSA, with over 1,000 shareholders who pay \$480 for a 20-week or full season share. Members regularly volunteer at the farm to help weed, pick vegetables, or pack boxes of produce. To expand the farm's impact, the farm and its shareholders have also created a non-profit organization, the CSA Learning Center. Its goal is to build community awareness about the benefits of organic farming and to provide education to existing and prospective organic farmers. The Center offers a wide range of classes and has been successful at engaging youth from disenfranchised communities in Chicago and Rockford. The Center also solicits donations from shareholders, foundations, and churches to provide regular organic food shipments to families in need.

For John Peterson and Angelic Organics, a truly sustainable food system is both organic and engaged in the *local* community. According to their website, "These days, 'fresh' seems to mean fresh off the truck from California, and 'local' is anything east of the Rockies, and west of the Atlantic. When we say it, we mean it. For us, fresh means we hand-pick most of the vegetables in your box within 24 hours of its arrival in your neighborhood. Local means settlers here smelled the smoke from the Great Chicago Fire."





## Executive Summary

Organic food has come a long way in the past few years. Just a short time ago, the miniscule market for such food relegated most of its sales to tiny health food stores where consumers had to walk through aisles of vitamin supplements to find the shriveled up organic apples in the back. Dramatic changes in consumer demand and organic cultivating techniques have changed this.



Organic food is now a premium product sold in many of America's best supermarkets. In the past decade, organic food sales have experienced growth in excess of 20 percent annually, becoming the fastest growing sector in the US food industry.<sup>1</sup> A cover story in Newsweek examined this phenomenon and estimated that organic food sales are expected to hit \$11 billion in 2002.<sup>2</sup>

The Chicago area has played a role in this growth. Prior to 1994, large-scale supermarkets selling natural and organic foods did not exist in the region. Since then, natural food retailers, like Whole Foods, Wild Oats, and Trader Joe's have created 20 Chicago area stores. In addition, Dominick's, Jewel, Treasure Island, Sunset, and other mainstream stores have added significant shelf space dedicated to organic produce and packaged goods. As a result, the sale of organic food in the Chicago area is now an important part of the regional food economy.

This was demonstrated in a recent market study commissioned by Prairie Crossing, and conducted by The Prairie Partners Group, LLC. Research determined that the annual retail sales of organic produce in the Chicago area was between \$60 million and \$80 million. Yet, the study also uncovered that local

farmers only grow about 3 percent of the total. Most of the organic produce sold in the region was grown in California or beyond.<sup>3</sup>

A significant demand also exists for organic meat, poultry, dairy, and processed foods. Based upon a report by the World Bank, it is plausible to project that the market for these types of goods may be much greater than the market for organic produce.<sup>4</sup> Thus, current sales in the Chicago area representing all organic food products could be considerably higher than the \$60 to \$80 million.

The large size of the market and the small amount of regional production represents a dramatic opportunity. A food system that grows and processes a significant portion of the region's organic produce, meat, poultry, dairy, and processed foods will provide benefits on several fronts. Such a system will help the region protect its land and water resources, preserve farmland from sprawl, and provide greater access to fresh, more flavorful, and higher-quality produce to all of its inhabitants. The potential is there to ensure that everyone, regardless of socio-economic standing, has access to fresh, local food. A regional organic food system will create jobs and foster local economic development. Selling locally produced food will also benefit family farmers by giving them the opportunity to increase their profits and stay on their land.

In order to build such a system, a number of barriers must be overcome. Right now, minimal distribution infrastructure, such as warehouses, trucking services, and marketing programs, is available to connect locally grown food with consumers. Another restraint is farm capacity. Currently, local farmers cannot provide enough high quality produce to meet the demand.<sup>5</sup>

Various projects underway in the region, such as Sustain's Local Organic Initiative, are working with farmers, policymakers, retailers, and civic leaders to determine the needs of such a food system and to take steps to fund and build it. These efforts include examining the creation of a regional distribution system to serve natural food stores, restaurants, cooperatives, supermarkets, institutions, food depositories, and other customers.

Expanding farmer development programs to train and support organic producers is an important goal. A

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number of non-profit organizations in the region already offer farmer training programs and could expand their offerings. Land Grant Universities and USDA Extension programs in the region need to teach more organic techniques to meet the demand for organic education and research programs. It is equally important to develop and support policies at a state and local level to foster the growth of this kind of regional food system.

Foundations and policy makers have already begun to fund projects that will support a regional food system. Both the Chicago Community Trust and the Kellogg Foundation have made significant investments in local organic food production and distribution. In addition, the City of Chicago is a strong supporter of community gardens and sees urban farming as a next logical step in their effort to make Chicago the “Greenest City in

America.” As part of this effort, they have developed a green zone to create a “neighborhood” of sustainable businesses and new entrepreneurial ventures furthering urban agriculture, organic gardening, incubator business kitchens, food distribution, and other projects contributing to food security and nutrition.

The long-term possibilities for a regional organic food system are bright. The potential market for locally produced organic food in Chicago far exceeds current sales. Based on a growing body of research, over a third of Americans are strong potential organic consumers. Last year, *The New York Times* reported that one of America’s largest food companies, General Mills, considers 35 percent of Americans to be prospective consumers of organic food.<sup>6</sup> In the Chicago area, this translates into over three million potential customers for locally grown organic food.

## Why Organic?

Certified organic food provides an excellent base for a regional food system. The term organic offers an established brand identity. Focus groups and polling data indicate that a growing number of consumers consider organic food to be more wholesome and safer than conventionally produced food. This gives the sector a dedicated customer base, many of whom will go out of their way and pay a premium to purchase organic products. The extra cost can help family farmers thrive by giving them a fair price for their products.

Organic is unique because it is the result of a system specifically aimed at producing food in an ecologically sound manner. Organic farmers eschew the use of most synthetic fertilizers and pesticides that are staples of conventional agricultural practices. Instead, organic growers build the soil by using cover crops and compost, thus creating adequate nutrients without the need for chemicals. They fight pests by using crop rotations and beneficial insects to effectively limit the pest damage.

The US organic standards will offer the sector more credibility, thus expanding the market for organic products. These regulations are administered by the USDA’s National Organic Program, which provides a strict definition of how the food is produced and also oversees certifiers of organic

farmers and processors. The program and label offer consumers strong assurances about the integrity of organic food.



It has been shown that organic production leads to a more sustainable system of agriculture. A cover story in *Nature*, one of the world’s leading scientific journals, highlighted a study that compared organic and conventional apple production in Washington State. The study’s author, Washington State soil scientist Dr. John Reganold, developed a multifaceted analysis of each system and oversaw the execution of its scientific measure and analysis. After a five-year period, the study showed that organic growing produced sweeter and less tart apples, greater profits for farmers, and significant energy savings, while simultaneously achieving comparable yields. For Dr. Reganold, the results affirmed the strong performance and future of organic food. “When you put all those parameters together – soil quality, horticultural performance, economics, environmental impact, energy efficiency – then the organic system gets first place,” he states.<sup>7</sup>



## The Benefits of Local Organic Agriculture

### Promoting Economic Development by Making Chicago the Organic Food Capital of the Midwest

Mayor Daley is developing a plan to make Chicago the "Greenest City in America." As part of this project, he hired internationally renowned architect and industrial designer, Bill McDonough, to assist with these efforts. In response to a suggestion that Chicago could become "the organic food capital of the Midwest," McDonough wrote in the Chicago-based magazine, *Conscious Choice*: "Supporting a regional organic food system is one of the important places to start. In this new model, Chicago's markets could support the rebirth of the American prairie. Organic farming works with natural cycles of water and natural flows of nutrients. It heals the soil and the watershed, a dire need in a region in which conventional farming has exhausted the earth. As Chicago's markets for organic food grow, the city would become an ever-stronger catalyst for the restoration of economic, social and environmental health in the rural Midwest – not to mention the health of Chicago's citizens."<sup>8</sup>

The historical and economic rationales for such a goal are sound. Chicago's central location helped make it an industrial powerhouse in the early 1900's, and much of that activity was based on food production. Yet in the past few decades, most of the area's food processors have abandoned their operations, weakening the city's economic base. Simultaneously,

the Midwest's farm economy has been devastated. The globalization of agriculture has transformed the formerly diverse Midwestern agriculture sector into a commodity system growing mostly corn and soybeans. Low crop prices have driven many farmers out of business and devastated rural communities.

The large and rapidly growing market for organically grown food products can become the base for a revitalized regional food system. Local food distributors and experts in the organic industry believe that 25 to 50 percent of the organic food consumed in the region eventually may be grown and processed locally. Once this happens, tens of millions of dollars of food expenditures can be retained each year by local growers and processors. This, in turn, will stimulate a growing demand for supplies and services to support food production and processing and create new jobs in multiple sectors of the regional economy. "Local organic production will be a boon to the Illinois economy, both in Chicago and downstate," said David Wilhelm, president of Woodland Venture Management, which provides capital to entrepreneurs in rural areas. "Policymakers should pay attention to the potential for local economic development and job creation in this area. The impact it will have on the farming, processing, and agricultural services sectors may create a tremendous economic multiplier effect benefiting the entire region."



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## Preserving Open Space: Prairie Crossing Links Organic Farming with Conservation and Community

George and Vicky Ranney are on a mission. They have created the Prairie Crossing housing development in Grayslake, Illinois as a national model of sustainable land use. One of the most integral elements of the 676-acre community is its commitment to open space and a diverse ecosystem. Over half the property is dedicated to restored wetlands and prairies, lakes, nature trails, and a certified organic farm.

“When we began Prairie Crossing, we were committed to having a working farm and wanted to use production methods that would be a good neighbor to over 300 families that would eventually reside here,” says Vicky Ranney. “Organic agriculture was the obvious solution. The farm now contributes to the biodiversity of the area and produces healthy food that brings the community together at regular farmers’ markets. The farm is a valuable part of the local community and a major asset in attracting new residents.”

The Ranneys hope that by building a profitable farm in Lake County, they will encourage other farmers to stay on their land and reverse the trend of local farmers selling out to developers. “We believe that organic farming can be economically viable, particularly on the outskirts of a great metropolitan area like Chicago,” Vicky Ranney continues. “There

are millions of people who care about their health and the quality of what they eat.”

Thousands of organic family farmers nationwide are now preserving open space in urban areas. In many cases, these organic growers receive a price that covers both the cost of production and a reasonable profit level, thus breathing new life into dismal small farm economics. As a result, many organic growers have been able to create profitable small and mid-size operations which allow them to stay on their land. Plus, a strong network of organic farms ringing Chicago will provide a greenbelt of open space and preserve the rural character of outlying areas.

Due to the success of the farm and because of their firm belief in the opportunity of organic agriculture, Prairie Crossing initiated a report to examine the current state of the organic produce market in the region. “We commissioned The Prairie Partners Group report because we saw increasing evidence of a strong Chicago-area market for local organic produce, and we wanted to test it,” says George Ranney, CEO of Prairie Crossing. “What the report revealed was that the demand for organic produce is 30 times greater than the local supply. This represents a substantial economic opportunity for the entire region. Building a food system to enable growers to meet this demand may provide a major incentive for local farmers to stay on their land.”





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## Re-establishing People's Connection to the Land

Several years ago, *The New York Times* described an interesting experiment conducted by Greenmarket, the organization running New York City's farmers' markets.<sup>9</sup> Overwhelmed by the popularity of the farmers' markets, Greenmarket realized that it needed to recruit and cultivate more farmers to meet the growing demand for food. To solve the problem, Greenmarket reached out to the city's Spanish-speaking residents. The *Times* article described some of the respondents. They included a cattleman from the Dominican Republic who was working as a janitor, a Colombian agronomist who was working as a waiter, and a Peruvian agriculture educator who was working as a crossing guard. Common among all these people was a desire to reconnect with their agrarian roots, lost after emigrating to the United States.

Local, sustainable agriculture offers an important social benefit by helping people reconnect to the land and the origin of their food. Food grown locally provides opportunities for consumers to meet farmers and to understand how their food is produced. This social connection creates an awareness of the

importance of agriculture in our society and a greater commitment to preserving farmland and open space.

Consumers are increasingly interested in knowing the origin of their food. This explains the strong growth of the organic food market as well as the growth in farmers' markets. Jeff Cole, Executive Director of the Massachusetts Federation of Farmers' Markets noted in *American Small Farm*, "[Consumers] don't know where the products are coming from in the supermarkets, or what's been used in producing them, and they have difficulty getting answers to those questions in supermarkets. At the farmers' markets, they're dealing directly with the producer and they can get answers to their questions and see the face of the person who grew it."<sup>10</sup>

In the Chicago area, the Green City Market in Lincoln Park has created a market where organic and sustainable growers sell their wares. It has become a popular destination for city dwellers and some of the city's top chefs, who delight in the opportunity to meet their farmers. "Green City Market would like to create a year-round market focusing on regional, sustainably produced foods," says the market's founder, Abby Mandel. "It will take this farmer/consumer connection to the next level."





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## Feeding the Hungry and Homeless Through Community Food Security Programs

A primary objective of the Chicago Community Trust (CCT) is to build the capacity of the region to feed the hungry and homeless. In order to facilitate this goal, Senior Program Officer Michael Marcus created the Illinois Food Security Summit, where local and national experts discuss issues such as feeding the hungry and homeless, distributing healthy food to inner city residents, and building a sustainable food system. The Summit initially was a forum to help the Trust develop funding priorities for a sizable programmatic investment in this area.

Food security is a national movement which attempts to provide food to the needy. "The Summit provided a unique opportunity for anti-hunger leaders to learn more about organic and conventional food production while at the same time educating others about the needs of the 8.2 percent of Illinois households that suffer from food insecurity and over 3 percent who are hungry," said Diane Doherty, executive director of the Illinois Hunger Coalition. "It was a good step in forging new coalitions to promote greater access to affordable, nutritious food in low-income communities statewide."

In recent years, the movement has expanded its scope to include food grown sustainably and regionally – this is known as community food security. "We are excited about the potential to link organic food production to our distribution system," said Mike Mulqueen, Executive Director of the Greater Chicago Food Depository, which distributes food to over 300,000 people annually. "If regional production increases substantially, our program could be a valuable outlet for excess food."

Many Chicago area non-profits are linking organic food production with supporting the needy. A leader in this movement is Les Brown of the Chicago Coalition for the Homeless (CCH). "I look at food security in a similar way to how I look at the homeless issue. In the short term, with the homeless we strive to provide emergency shelter, but the ultimate solution is to provide affordable housing and jobs," he says. "With food security the immediate need is to provide emergency food for people who don't have food. Yet the long term solution is a ready supply of healthy food that provides good nutrition."

So Brown and CCH created a program called Growing Home. This project is developing gardens and greenhouses to grow organic food for homeless shelters

as well as to sell to restaurants and other buyers. The program will be staffed by homeless people who will receive job training through growing, processing, and marketing the food — eventually enabling them to get jobs in the private sector and end their homelessness.

In a similar effort, Ken Dunn and the Resource Center are growing food on eight acres of land in Chicago's Englewood neighborhood. They plan to develop greenhouses and a school to teach local neighborhood residents about growing and cooking healthy food. "This project will be a boon to the neighborhood," says Dunn. "It will bring people together for a common purpose, build community, and provide a nutritious alternative to the fast food restaurants and convenience stores which provide far too much of the food in the area." The Openlands Project is also working with urban residents on this issue. They are encouraging their existing network of community gardens to grow, distribute, and build interest in healthy, locally-produced food.

The Summit addressed these issues and more. "We intended that organic, sustainable, and conventional farmers meeting with local, state, and federal officials would result in a greater availability of high quality food at reasonable cost to low-income people throughout Illinois," says Michael Marcus. "Because of the Summit, we have already accomplished greater cooperation between those concerned with food production and those concerned with distribution through food banks, food stamps, soup kitchens, and school breakfast and lunch programs." The Summit is now scheduled to be an annual gathering.

As America faces the threat of increased terrorism, the term "community food security" takes on an even greater meaning. This is because large centralized food distribution and processing centers are potential targets for bio-terrorists. Attacks on such facilities would disrupt the confidence of Americans in the food they eat. So here in the Midwest, where fresh food is primarily grown in California, Florida, or Latin America and then shipped to the region, a significant component of food security can be the capacity to grow, process, and distribute organic food at a regional level.



## Agriculture as a Public Good: Financing A Regional Organic Food System

Throughout most of the history of America, farming has been regarded as a public good and therefore received a tremendous amount of public support. After the Civil War, the US government encouraged farmers to settle out west by giving them 160-acre homesteads. Land grant universities were also created by the government to offer technical support and research to the agricultural community.

This trend continued in the second half of the 20th century as state and federal governments, plus numerous private foundations, funded research and public/private partnerships that led to the "Green Revolution." These initiatives substantially increased yields per acre and moved agriculture towards a globalized commodity system.

Yet, many feel that the hundreds of billions of dollars of agricultural financing invested in recent years by the public sector has produced a system that is broken. "Today agriculture is perceived more as a public problem than a public good," says Fred Kirschenmann, director of the Leopold Center of Agriculture at Iowa State. "If agriculture is not perceived as the origin of our polluted groundwater, it is the culprit that is devastating the landscape with eroded soils, destroyed rain forests, intolerable odors, or end-of-stream dead zones."

The current system has also created economics that have jeopardized small and mid-size farms. "U.S. agricultural subsidies have nearly put the family farmer out of business in the name of saving them," says Ken Cook, president of the Environmental Working Group. "Most of the taxpayers dollars go to huge agribusiness concerns." The new Farm Bill is a case in point. *Business Week* complained that "the biggest and richest farmers" will receive 75 percent of the \$180-190 billion in subsidies paid out over its ten year term. According to Cook, "In the same bill, projects benefiting organic farming amount to only \$15 million total over six years, with no price or income support payments directed to organic growers."

One just has to look at the amount of money spent by the USDA on research projects to see the problem and the opportunity to transform the system. In a groundbreaking report analyzing research expenditures, Mark Lipson of the Organic Farming

Research Foundation (OFRE) determined that less than 0.1 percent of federal agricultural research dollars were supporting organic farming research.<sup>11</sup> In a new report by OFRE, researcher Jane Sooby determined that "of the 885,863 available research acres in the land grant system, only 0.02 percent, or 151 acres, is being used for certified organic research."<sup>12</sup> "In the private sector, research dollars are generally invested into high growth areas," says OFRE president Bob Scowcroft. "With the rapid growth of organic, the USDA should be allocating major research and development dollars, but isn't. It is time to close the gap."

Despite the fact that organic farming has received little support, it has grown dramatically. "With little public financing, organic farmers now produce yields competitive with conventional agriculture. Imagine if the organic system had received the research dollars and subsidies given to conventional agriculture in recent years," adds Scowcroft.

Public and philanthropic financing for programs to build a regional organic food system will promote agriculture that once again is a public good. "Historically, government agencies and philanthropic organizations have invested in non-profit and business sectors that add value to the community," comments Michael Marcus of the Chicago Community Trust. "With a regional organic and sustainable food system, the benefits may be dramatic: feeding the hungry, creating living wage jobs, improving the environment, providing local economic development, and preserving family farms that are threatened by sprawl."

By investing in areas like organic farmer development and training, organic research, and regional food processing and distribution infrastructure, the public sector can give the movement impetus. "The size of the organic food market in Chicago makes it likely that local growers and processors can quickly find success," said Mark Ritchie, president of the Institute of Agriculture and Trade Policy. "State, federal, and philanthropic investment early on could jumpstart the process and make this effort a national model that can be emulated in other states and regions."

*A full list of recommendations to build an organic food system is found on pages 15-16.*



# Promoting Healthy Urban Communities: LaDonna Redmond and the Black Farmers' Market

LaDonna Redmond is extremely committed to organic food. Her passion is driven in part by dealing with her young son's food allergies and chronic asthma. She realized that by changing his diet to one composed primarily of fresh organic food, rather than processed commercial foods, he felt better. "At that point, organic food became a driving focus in my life and I wanted to share it with my family, friends and neighbors," she said.

The only problem was that it wasn't available in her community. Instead, she had to drive 20 minutes to shop at a Whole Foods supermarket in the suburbs. In fact her neighborhood, the Austin community on Chicago's West Side, only has one major supermarket serving 114,000 residents. "A recent study showed that residents spent \$100 million outside of Austin out of the \$134 million we spent on food," she says. "And the dollars which were spent locally oftentimes went for low quality food purchased at convenience stores or liquor stores that also sell food."

To combat this trend, she and her husband, Tracy Redmond, revived the Black Farmers' Market, which sells food to local residents on Saturday mornings during the growing season. Some of the most popular farmers there are from Kankakee, Illinois. They are a cooperative of 12 African-American farmers who use organic methods to produce vegetables, fruit, poultry, and beef.

Another source of produce at the market comes from an urban farm created by the Redmonds on a large vacant lot near their home. They have hired local workers from the neighborhood and are now transforming the land into a bountiful garden that, ultimately, can serve as a model for urban food production. They hope to eventually utilize greenhouses to extend the growing season and

possibly create an organic bakery to provide fresh baked goods to the local community and beyond.

The entrepreneurial Redmonds have been discovered by the media and featured in local and national publications including *Chicago Tribune*, *Conscious Choice*, *Organic Style*, and *Washington Post*. Yet, they don't plan to rest on their laurels. Their next project is to develop a cooperative natural food store to give local residents access to quality affordable organic food on a year-round basis. "Once people discover the great taste of locally produced organic food, it's tough to go back to the bland, nutritionally void food at a convenience store," says LaDonna Redmond. "A neighborhood food cooperative will allow people to eat these foods all the time. And it will be designed so that the price is competitive with the high-cost stores currently selling food here. The co-op will also give folks the opportunity to work together with their neighbors to create something good for the community."



## Producing High Quality Food

Rick Bayless epitomizes the new breed of chef committed to sustainability. As the award winning chef/owner of Frontera Grill and the host of the critically acclaimed PBS show, *Mexico - One Plate at a Time*, Bayless has become a highly visible proponent of local organic food production. As the former president of the Chef's Collaborative, Bayless took the lead in conveying the importance of "green cuisine" to thousands of the country's top chefs. "It is imperative that our culture embrace a new way of relating to food," says Bayless. "The fantastic flavor and freshness of locally produced food is a great incentive for people to get off the industrial food treadmill." Now many of Chicago's top chefs use local organic food and actively promote it to their customers. They include luminaries such as Charlie Trotter, Gale Gand, Sarah Stegner, Paul Kahan, Michael Altenberg, John Bubala, Michael Foley, Bruce Sherman, Shawn McClain, Jason Hammel, and Amalea Tshilds.

Michael Altenberg's dedication to serving organic food began as a result of his child's serious illness. "It was a devastating experience, particularly when we learned that the disease was likely caused by exposure to something toxic. We just didn't want to have poisons in our life anymore, particularly in our food. So at home we switched over to all organic food," he says. "After the experience with my son, I realized that I didn't want to feed my customers something I wouldn't feed my family. So now our restaurants Campagnola and Bistro Campagna serve nearly 100 percent organic food." Their commitment has even gone beyond food: Campagnola uses nontoxic cleaners in the restaurant and offers hand soap made by Aubrey Organics in the restrooms.

Chefs have long recognized that cooking with locally grown produce ensures that their customers enjoy the freshest, most flavorful ingredients. Produce shipped from out-of-region and out-of-country often suffers degradation of quality and flavor. Scientific research indicates that the passage of time between harvest and consumption depletes nutritional value.

The enhanced nutritional aspects of organic food were documented in a peer reviewed statistical analysis in the *Journal of Alternative and Complementary Medicine*. It evaluated 41 studies that compared nutritional aspects of organic and conventionally farmed fruits and vegetables. It showed that, on average, organic produce has 27 percent more vitamin C, 21 percent more iron, 29 percent more magnesium, and 14 percent more phosphorus than similar conventionally grown produce.<sup>13</sup>

Organic food also has far fewer pesticide residues. In *The New York Times*, Marion Burros recently described a study verifying this fact, stating that: "data showed that 73 percent of the conventionally grown foods had residue from at least one pesticide and were six times as likely as organic to contain multiple pesticide residues; only 23 percent of the organic samples of the same groups had any residues."<sup>14</sup>







### Environmental Advantages of Local Organic Food

The environmental benefits of organic farming are widely documented. It preserves and enriches the soil, provides habitat for wildlife and beneficial insects, and avoids using toxic chemicals that can pollute groundwater, rivers, and streams. "Organic production methods can be a big boost for biodiversity," says Bruce Boyd, Executive Director of the Illinois Nature Conservancy.

Conversely, conventional farming practices are responsible for numerous environmental problems. The 8,000 mile dead zone in the Gulf of Mexico symbolizes the problems with industrial agriculture. Its primary cause is runoff from farms in the Mississippi basin. When it rains, fertilizers and animal manure flow from farms into streams, then rivers, and ultimately into the Gulf. As this nitrogen pollution accumulates, it chokes off the supply of oxygen and prevents sea life from existing. Although the Gulf of Mexico dead zone is the world's largest, as many as 100 dead zones exist in oceans across the globe.

Deborah Shore, editor of *Chicago Wilderness Magazine* describes this process. "To produce 150 bushels of corn on an acre of land, the conventional Midwestern farmer

will apply 150 pounds of nitrogen in fertilizer. Of that, 47 pounds will be harvested and 100 pounds will head toward the Mississippi and the Gulf," she writes.<sup>15</sup>

A study by the Rodale Institute illustrates that organic farming can help remedy the situation. It provides evidence that conventional farming may produce twice as many nitrates as organic farming. The same study also indicates that organic farming could help prevent global warming by sequestering carbon dioxide at much higher levels than conventional practices. In addition, the report documents that the organic plots needed 50 percent less energy than conventional methods to produce comparable yields.<sup>16</sup>

Producing food locally will also help to fight global warming. A study from Iowa State University recently examined the "food miles" traveled by food consumed in the Chicago area. The analysis showed that conventional produce traveled on average 1546 miles from the farm to the Chicago produce terminal. Locally, produced food will travel far fewer miles, thus cutting down transportation costs and the associated pollution and greenhouse gas emissions.<sup>17</sup>

## The Challenges

If evidence indicates that Chicago is a vibrant market for organic produce, why aren't more local growers meeting this demand? One primary reason is that local organic production is not growing fast enough to supply the exploding demand. Another, according to Juli Brussell, is that Illinois farmers don't normally raise the types of food that consumers typically want. Brussell, director for the Community Food and Farming Systems program at the Illinois Stewardship Alliance, farms organically with her husband Kevin in southeastern Illinois. Named Illinois' 1999 Sustainable Farmers of the Year, they both spend much time advocating for organic food systems. "To change not only the way they farm but what they raise, farmers need access to a better distribution and marketing infrastructure in this region. We are good at growing food and that's what we want to do," Brussell notes. "As farmers, we don't have the time or inclination to find markets for food, deal with buyers, and then truck it to the city after spending all day producing multiple crops and livestock."

Discussions with farmers, distributors, retailers, academics, and other experts in organic food production and distribution revealed that the following challenges must be overcome in order to successfully build a regional organic food system.

1. Regional farmers are primarily growing conventional corns and soybeans. Few of these growers produce fruits and vegetables. In addition, a small percentage of local farmers understand the organic system of agriculture and little training exists to support existing organic growers or those seeking to transition to organic.
2. There is a strong need for a regional transportation and distribution infrastructure that enables farmers to meet existing demand and attract new farmers into the market. This includes trucking, warehouses, marketing, supply chain management, and access to new technologies.
3. Most state and federal agricultural support is aimed at conventional farming practices. There is little organic research and few programs that train organic farmers and encourage the transition of conventional farmers to organic production.
4. There is a lack of farmland and farmers to capitalize on these opportunities. In part, access to affordable farmland has diminished due to development of prime farmland and its rising cost. In addition, fewer people wish to farm; many children growing up on the farm don't perceive farming as a viable career option.
5. The growing season in much of the region limits production to six months or less for fresh produce without seasonal extension. Few farmers have access to or can afford greenhouse or hoop house alternatives for growing organic food during winter months.
6. A very small percentage of regional philanthropic funding is invested in programs that provide research and development for projects supporting local food systems.
7. Most Chicago area consumers are not aware of the multiple personal, health, social, and environmental benefits of supporting local, sustainable food systems.
8. Lingering misperceptions about organic produce limit more widespread consumer acceptance. For example, the belief that organic is unsafe, organic is yuppie food, organic produce is of lesser quality, etc.





## Recommended Steps to Create a Regional Organic Food System

To support the growth of such a system, Sustain and its partners in the Local Organic Initiative recommend that government agencies, civic leaders, philanthropists, academics, and other engaged community members invest in and support programs to build a regional, organic food system. Recommended programs include:

1. Support farmer training and development initiatives with a goal to rapidly increase organic farm capacity. These programs must support current organic farmers to expand or change production and help conventional farms transition to organic production. These initiatives can also teach farmers techniques to extend the growing season by using hoopouses and greenhouses. Increased support for regional farmer training and developmental organizations such as Michael Fields Agricultural Institute, the Illinois Stewardship Alliance, the CSA Learning Center, the Land Connection Foundation, the Leopold Center for Sustainable Agriculture, and others will increase the knowledge base and skill sets needed to truly build farm capacity.
2. Invest in the distribution infrastructure necessary to support a regional organic food system. This distribution system could eventually supply supermarkets, natural food stores, restaurants, institutions, food depositories, and other customers. The Local Organic Initiative is currently developing a feasibility study to determine the needs for trucking, warehousing, marketing, technology, and supply-chain management tools in such a system.
3. Expand land protection programs that encourage family farmers to continue farming organically, particularly on land threatened with development. Land trusts, Forest Preserve Districts, and other land protection organizations should incorporate provisions into their programs that encourage environmentally friendly organic farming practices. Purchase of development rights and conservation easements in addition to fee simple purchases with leaseback are often attractive to family farmers who would like to continue farming. Other programs should be created that ensure adequate local support for organic family farms and ease restrictions on their operations.
4. Encourage the USDA Extension Service, state universities, and state and federal agriculture programs to expand their support for organic agricultural initiatives. This can include funding for organic research projects, farmer development programs, marketing assistance, and other areas that receive widespread support in the conventional agriculture sector, but little in the organic area.
5. Expand the number of organic farmers' markets, particularly in urban areas. The success of the Austin Farmers' Market on Chicago's west side indicates that the appeal of organic food crosses racial and socio-economic boundaries. Create a year-round farmers' market in a prominent location in downtown Chicago. This would provide excellent visibility for the local food system. The Green City Market aspires to create a market with a large selection of locally grown and processed organic foods modeled after Pike's Place Market in Seattle. Other year-round markets can be created in city neighborhoods, such as the planned food cooperative in Chicago's Austin community.
6. Develop programs linking excess or second-quality organic produce with the Greater Chicago Food Depository and other organizations serving the hungry and homeless to ensure the provision of healthier, more nutritious food as well as providing an additional market for local producers.
7. Utilize the City of Chicago's many vacant lots as locations for urban food production. Expand food production by building on Chicago's extensive collection of community gardens. In appropriate locations, build greenhouses or hoopouses on vacant lots and rooftops to extend the season for fruit and vegetable production.
8. Develop educational programs through nonprofit and educational institutions to educate consumers and retailers about the benefits of locally grown

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organic food. These programs can utilize multimedia tools to describe the benefits of such a system and help people find locally grown organic food.

9. Develop programs that link entrepreneurs with local economic development opportunities in the organic food sector. The food processing area is particularly ripe for new companies creating specialty food products geared towards the Chicago region's organic consumers. This will enhance job creation and provide opportunities for the creation of new businesses.
10. Create programs that link immigrants and other potential farmers with agrarian roots and farming skills to jobs and ownership opportunities in the farm sector. This will benefit workers and provide necessary labor for growing farms.
11. Create programs to work with schools, hospitals, jails, and other institutions to teach them about the advantages of locally grown organic food and to supply this food to them.



## Midwestern Voters Want to Protect Farmland and Encourage Sustainable Agriculture

Preserving farmland through policies that promote local, sustainable agriculture also appears to make good political sense. In a 2001 poll commissioned by the American Farmland Trust, registered voters in five Midwestern states (Illinois, Indiana, Michigan, Ohio, and Wisconsin) made clear their preference for public policy that supports farmland protection and sustainable agriculture:

- 88 percent of registered voters believe that federal farm payments should be linked to the farmer's willingness to take proven steps to protect land and water resources;
- 73 percent of registered voters worry that too much farmland is being developed;
- 71 percent of registered voters favor making farm payments available to a wider variety of farmers, including growers of fruits, vegetables, and other products excluded from the present farm bill;
- 55 percent of registered voters support the idea of more federal funding to protect farmland from sprawl.

*2001 National Public Opinion Poll commissioned by the American Farmland Trust.*



## Appendix

# The Local Market Opportunity for Organic Produce: An Objective Business Analysis

*"The Local Market Opportunity for Organic Produce: An Objective Business Analysis" was commissioned by the conservation community Prairie Crossing. It is a groundbreaking study by Erik G. Birkerts of The Prairie Partners Group, LLC that examined the Chicago area market for organic food including the amount grown locally. Here is an excerpt of its findings:*

The Prairie Partners Group analysis found that the Chicago region consumes sizable amounts of organic fruits and vegetables on an annual basis. The study examined the market channels through which this produce moves and found that more than 95 percent of the organic produce consumed in the region is sold through retail grocery outlets. According to their produce buyers, these large supermarkets account for \$60 million or more in annual organic produce sales. The region has more than 20 Whole Foods Markets, Wild Oats, Treasure Island, and Sunset Food locations that sell a wide variety of organic produce. Jewel and Dominick's stores, of which there are approximately 300 in the region, also carry organic produce and state that they are increasing their commitment to it.

organic grower in the Midwest is operating on sufficient scale to consistently supply large retail grocery chains across a range of produce items.

Large retail buyers also require suppliers who provide consistent production of quality supply, irrespective of weather patterns and seasonality. As one corporate buyer stated, "the issue [facing local farmers] is providing X quantity on Y day, week after week, with little or no variance."

Interviews also uncovered a reluctance to emphasize locally-grown items at the retail store level. In conversations with produce managers, it became clear that many are rewarded based on the financial performance of their individual departments. Many produce managers have refined their merchandising and displays to optimize sales and they are reluctant to alter their approaches to introduce new items. It is interesting to note, however, that several store executives interviewed expressed an interest in locally-grown items as they see a unique merchandising opportunity in the "local story."

The small amount of locally grown organic produce sold in the Chicago region flows primarily through direct-to-consumer channels. The largest points of sale are the region's farmers' markets. These markets include the Evanston Farmers' Market, the Oak Park Farmers' Market, and the Green City Market in Chicago, among others. Initiatives are also underway to improve access to organic produce in inner-city neighborhoods such as Austin and Englewood.

Distribution Points	Retail Sales	Locally Grown
Institution	\$0+	~\$0
Retail	\$60,000,000+	~\$200,000
Restaurant	\$600,000+	~\$500,000
Farmers' Market	\$700,000+	~\$600,000
CSA	\$500,000+	~\$500,000
Farm Stand	\$200,000+	~\$200,000
Home Delivery	\$1,000,000+	~\$0
<b>Total Market</b>	<b>\$63,000,000+</b>	<b>~\$2,000,000</b>

Less than one percent of organic produce sold in retail outlets is locally grown. The reasons for this dearth of locally grown organic produce, as cited in interviews, centered largely on the requirements of the retailers logistical and distribution systems. Retail produce buyers seek to consolidate their suppliers. They prefer broad-line sources for produce that supply adequate volume for an entire product line or series of product lines across all stores. To date, no single

Chicago's chefs, counted as some of the nation's best, have demonstrated their interest in local organic produce by purchasing directly from local farmers as well as from the Green City Market, a weekly market geared towards meeting their needs. These chefs, including Rick Bayless of Frontera Grill, Charlie Trotter of Charlie Trotter's, Sarah Stegner of the Ritz-Carlton, Paul Kahan of Blackbird, Gale Gand of Tru, Bruce Sherman of North Pond Café, and Michael Altenberg of

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Campagnola, often base their menus around what is available locally and in season. One consistent lament among the top chefs interviewed for this report was that they had limited access to locally grown organic produce.

Chicago is home to one of the nation's largest Community Supported Agriculture (CSA) operations, Angelic Organics, which delivers local, organic produce to nearly 1,000 area families weekly during the growing season. A number of other CSA's such as Prairie Crossing Farm and King's Hill Farm also have begun to serve the Chicago market; this trend is expected to continue to grow rapidly in the area.

The research found little evidence that the institutional market segment, comprised of schools, hospitals and other healthcare facilities such as nursing homes, purchased organic produce, local or otherwise. Given the importance of good nutrition for growing minds, not to mention the importance of diet to good health and recovery, this omission is striking. However, efforts such as the Illinois Farm-to-School Initiative being sponsored by Generation Green are trying to address this issue by tying local farmers to Illinois school food programs.

## Chicago Region Organic Produce Sales

The current market for organic produce (at retail prices) is estimated to be between \$60 and \$80 million. Only about 3 percent of this is grown locally.



Source:  
"The Local Market  
Opportunity for Organic  
Produce: An Objective Business  
Analysis", The Prairie Partners Group.



## Summary of Prairie Partner Group's Key Findings

1. Annual retail sales of organic produce are estimated to be \$60 million to \$80 million in the Chicago metropolitan area. These figures are based on interviews with buyers from Dominick's, Jewel, Treasure Island, Whole Foods, and Wild Oats coupled with examination of buying trends at farmers' markets, community-supported farms, and other outlets for organic food.
2. No more than 3 percent of the organic produce purchased in the Chicago metro region is supplied by local farmers. Local retailers ship the vast majority of organic produce into the region from distant agricultural operations in locations such as California, Florida, Mexico, and the Netherlands.
3. Retail grocery outlets sell 95 percent of the region's organic food. The remainder is sold through farmers' markets, community-supported farms, and restaurants.
4. Schools, hospitals, nursing homes and other institutions do not purchase organic food for their food service, despite the fact that some of their patrons would prefer it and potentially benefit from it.
5. Retail grocery outlets sell little locally-grown organic produce largely due to the requirements of their logistical and distribution systems. For example:
  - In most cases, local farmers cannot provide sufficient quantity of consistent quality to interest regional distributors and large retailers.
  - It is difficult for retailers to access regionally produced organic food. Local farmers are handicapped by a lack of regional infrastructure such as warehouses, trucking services, and marketing programs to facilitate bringing product to market.
  - Retailers prefer to limit trade relationships and prefer to deal with large suppliers that offer broad selection and volume. They are also concerned about weather and seasonality.



*The Land of Organic Opportunity* was developed by the Local Organic Initiative, a project of Sustain.

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