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Local Foods in Iowa: Increased Opportunities for Economic Growth

Leopold Center for Sustainable Agriculture

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Local Foods in Iowa: Increased Opportunities for Economic Growth

Abstract

This fact sheet provides a quick overview of potential economic benefits of increased local food production and consumption in Iowa. The fact sheet was prepared for a work session to develop recommendations for the Iowa Local Food and Farm Plan.

Disciplines

Agricultural and Resource Economics | Agricultural Economics

Local foods in Iowa:

Increased opportunities
for economic growth



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LOCAL FOOD PRODUCTION IS A KEY ISSUE FOR THE LEOPOLD CENTER'S MARKETING AND FOOD SYSTEMS Initiative, and important to Iowa's economy. The research study findings cited below point to the potential economic benefits of increased local food production and consumption in the state. All but one were funded by the Leopold Center and conducted by David Swenson, ISU Department of Economics.

Potential benefits of local food:

- Options for diversifying existing farm operations
- Create jobs in food and farm sector
- Keep dollars circulating locally
- Create ancillary businesses (e.g. specialty seed, feed, services)
- More opportunities for rural communities
- Complement Iowa's global agricultural economy

Regional economic impacts of Iowa's small meat processors (2011)

- For every 1,000 cattle processed, 7.4 jobs are created (economic multiplier=1.32).
- For every 1,000 hogs processed, 3.2 jobs are created (economic multiplier=1.32).
- For every 1,000 goats/lambs processed, 1.2 jobs are created (economic multiplier=1.32).

Value of Iowa's farmers' markets (2010)

- There were 374 direct jobs and 200 additional indirect jobs attributed to Iowa farmers markets in 2009, with estimated overall sales of \$38.4 million.
- This study was conducted by Dan Otto (ISU) for the Iowa Department of Agriculture and Land Stewardship and the Iowa Farmers' Market Association.

Iowa, Illinois, Indiana, Michigan, Minnesota and Wisconsin Study (2010)

- A scenario of increased production of 28 fruits and vegetable crops in these six states could mean about \$882 million in sales at the farm level, more than 9,300 jobs and nearly \$395 million in labor income.
- This same scenario in Iowa could mean farm-level sales of about \$61.4 million, with a potential retail value of \$230.1 million and a total of 657 farm-level jobs, compared to the 131 jobs currently generated from this acreage under corn and soybean production.

Southwest Iowa (2009)

- The study included Adair, Adams, Audubon, Cass, Guthrie, Harrison, Mills, Montgomery, Pottawattamie and Shelby counties.
- Results showed that increasing fresh fruit and vegetable production to accommodate local or regional demand would generate \$2.67 million in labor incomes at the farm level and the equivalent of 45 jobs in the 10-county region.

Southeast Iowa (2009)

- The study included Davis, Jefferson, Keokuk, Mahaska, Van Buren and Wapello counties.
- Data showed that increasing local production of fresh produce and eggs and production and processing of chicken, lamb, and goat could create 50 to 75 jobs for the region, divided between rural areas and communities.

Black Hawk and surrounding counties (2006)

- If residents purchased locally grown fruits and vegetables just three months out of the year, that would mean 475 new jobs and \$6.3 million in labor income added to the local economy.
- For every dollar the Leopold Center invested in this region for research and outreach about local food systems, \$14.70 worth of local food was purchased.
- A local restaurant buying more than 70 percent of its food items from Iowa farms had a job income multiplier of 1.54, compared to 1.2 for the typical Iowa restaurant.