

Locally grown foods could energize rural economies

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Terry Vanderpol of the Land Stewardship Project and U.S. Congressman Collin Peterson discuss the positive effects a growing local foods market could make on rural areas during a press conference Monday at the University of Minnesota, Morris.

United States agricultural products have been underpriced for years, but with the rise in prices related mostly to a burgeoning energy market, government subsidies for agriculture could be a thing of the past within a decade.

Seventh District Congressman Collin Peterson made that prediction Monday during a briefing at a local foods seminar at the University of Minnesota, Morris.

Peterson, chairman of the House Agriculture Committee, also said he believes that a growing market in local foods could bolster rural economies substantially and help farmers trying to get established gain a foothold.

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Peterson and Terry Vanderpol of the Land Stewardship Project spoke briefly following Peterson's presentation to the seminar audience.

Vanderpol said UMM's food supplier, Sodexo, is making a concerted effort to continually acquire more regionally grown foods, and that positives such as increased profits, improved taste and freshness could lead other suppliers to make more local foods available to consumers and serve as "an economic development engine for rural communities."

Community producers may eventually develop and streamline regional processing and distribution systems to take advantage of economies of scale and more efficient transportation. That will help produce "sustainably raised foods with the farmers' face on it," Vanderpol said.

"There's a lot to like about community-based food systems," Vanderpol said.

Peterson agreed. For more than a century, U.S. farmers stuck with what they knew best -- farming -- and allowed others to market and distribute their products.

That led farmers to often sell products for less than cost and rely on subsidies to make up the difference.

Developing local and regional markets will give farmers more control and, potentially, more profit, Peterson said.

“What’s exciting is we’re starting to see consumers driving a new opportunity here,” he said, “and it’s not only in foods and in organic foods, it’s in energy.”

For example, the ethanol industry is conducive to local ownership because the plants are most profitable at about 100-million gallons of production per year, and when the corn -- or, cellulosic material, in the future -- is transported from within a 20 to 30-mile range. Making the facilities larger than that or incurring more transportation costs “kills the economics,” Peterson said.

The move to more local food and energy production and consumption won’t put giants like Wal-Mart or Safeway out of business, but could create competition among those types of companies for products that could drive up prices and make more money for local growers, Peterson said.

School nutritional programs could be improved, and new farmers could get into the business when the scale and cost of operation can be smaller, he said.

“I think there’s a huge opportunity for us to change the landscape and the way things are organized,” he said. “And not just in Minnesota but around the country.”

The potential change already is having an effect. Corn growers are seeing a significant increase in per-bushel prices, and the possibility of even higher prices looms with the ethanol boom that’s predicted.

“We could be five to 10 years from not having government subsidies,” Peterson said.

But those prices also cause some to complain, to which Peterson has an answer ready.

“I tell anyone from the big towns that they should be paying more for their food,” he said. “And they should.”



U.S. Congressman Collin Peterson, chairman of the U.S. House Agriculture Committee, was a sponsor of a seminar Monday at the University of Minnesota, Morris that examined the role of locally produced foods and byproducts in rural areas' economic futures.