

# **Regional Food Business Center Program South Dakota First District Association of Local Governments Action Plan**

## **Introduction**

The First District Association of Local Governments (FDALG) is a planning and development district that serves the following South Dakota counties Brookings, Clark, Codington, Deuel, Grant, Hamlin, Kingsbury, Lake, Miner, Moody and Roberts, as well as the municipalities within those counties. Membership in FDALG is voluntary, and board members consist of local elected officials, and private citizens.

The region is largely agricultural. Within the FDALG Service area there are 6,365 farms occupying 4.5 million acres of land. Most farms are commodity crop/animal production operations. They tend to raise crops and animals, typically in large volume and at high intensity, for the purpose of sale to commodity markets, as opposed to direct consumption or processing. There are several organizations which serve the local food value chain including: farmer's markets, specialty producers, food processing businesses, local bakeries and restaurants, hobby farms, food pantries, food banks and locally owned small/ medium grocery stores.

FDALG has entered into an agreement with the Region Five Development Commission, located in Staples, MN, to be a regional Technical Assistance provider for northeastern South Dakota. As a Technical Assistance provider, FDALG has developed this Action Plan which will facilitate value-chain/supply-chain coordination, assist small-scale food producers and farm businesses in the middle of the supply-chain in identifying and navigating third-party assistance, and will assist in providing other technical assistance and grant writing services.

The purpose of this Action Plan is to direct the implementation of a regional food value chain per assessed needs and opportunities derived from public and industry engagement. The Action Plan identifies how the assessment was conducted, goals, and action steps that articulate who, what, where, when, and how the region will benefit small and mid-sized producers, aggregators, distributors, processors, and food access points that sell into all types of markets. This plan will be published on the First District Association of Local Governments (FDALG) website and referenced in future funding proposals that seek investments aimed at achieving the Action Plan goals.

## **Assessment Engagement**

First District Association of Local Governments (FDALG), along with the five other planning and development districts in the State of South Dakota, have created a system of cooperation that provides statewide coverage. Through this system, the planning districts will coordinate and provide technical assistance with other food value chain organizations such as Specialty Producers, Value Added Ag Development Center (VAADC), as well as SDSU Extension office.

Coordination amongst these agencies will help reduce duplication and redundancies in outreach, research, marketing, surveying, and technical assistance work byproducts. Coordination efforts took place between the months of July through October 2023, through a series of online and in-person meetings; all six planning districts' leadership and key staff were present.

After compiling a thorough list of potential food value chain stakeholders within each specific region, the planning and development districts conducted outreach through emails, phone calls, personal interviews, and surveys as our first step in collecting the necessary information to create an Action Plan that will address the needs of each region. Through this initial outreach, we were able to gauge interest in the RFBC program for each region and then ascertain whether the resources available through the planning districts, Specialty

Producers Association, VAADC, SBDC, revolving loan funds, and other business resource partners would be sufficient to address the identified needs.

Preliminary public and individual engagement guided the creation of an online survey which was disseminated to those involved in the food industry, local governments, chambers of commerce and economic development organizations. Paper surveys were also available upon request and during follow-up calls. The questions in the survey covered multiple topics including the need for policy changes at the local/state/federal level, barriers/gaps present in the food value chain, necessary/needed infrastructure, training, and equipment for processing/producing, and sharing ideas for new or improved programs.

### **Findings**

FDALG conducted outreach and engagement with our existing stakeholders – elected officials, local economic development organizations, agricultural/ business bankers, local producers, local businesses, and others. Outreach was conducted in September and October 2023. Outreach was done via one-on-one conversations and an online survey.

FDALG also reached out to local of producers via phone calls and one-on-one conversations. Response was limited primarily due to the time of year when outreach was being conducted. This was harvest time when these producers are at their busiest. FDALG also relied on information gathered from the other planning districts as well as other partners who regularly work with producers such as SD Specialty Producers Association and the VAADC and incorporated their producer comments into this plan. Going forward, FDALG will engage further with local food producers to determine their needs.

### **Summary**

- Within our region and throughout the planning districts, a majority of survey respondents said they know of someone selling/processing/adding value to locally grown foods.
- For aggregation and distribution, it seems the only ones to be doing this in our region are the Hutterite Colonies and Meat Lockers. While survey respondents didn't specifically mention it, the assumption is that they are distributing their own foods. No one we talked to is aware of anyone aggregating products from multiple producers and distributing the aggregated products.
- Bankers and economic development professionals in our region get asked for assistance with business startups regarding local foods as well as financing and marketing. This is similar to the services they provide to all local businesses.
- When asked what the needs are within the local foods area, the top needs were farmers markets, information on specialty producers, community gardens, support of local foods, and advertising/marketing/promotion.
- When asked about barriers to growing food businesses or access to local foods, the most mentioned barriers were Processing Facilities and Equipment, Financing and Aggregation/Distribution System for Local Foods
- When asked if they are interested in knowing more to help grow the local foods system in their community, those who responded said they were interested in learning more.

### **Initial Key Take Aways**

- FDALG will need to further investigate the industry, delve into the outreach, and follow up of the initial engagement done in September-October 2023.
- Farmers Markets are quite common in the FDALG region. Respondents stated that they have a farmers' market in their community or the surrounding area but also believe that assistance is needed with marketing/advertising/social media.
- Farm to School seems to be gaining momentum. There are a handful of schools looking at this option (particularly with local beef) with some schools asking local producers to donate beef (processed at local meat lockers) to the program.
- Fewer respondents were aware of community gardens and roadside stands in their communities. Networking group responses say there are pop-up stands but they are not open on a regular basis and mostly during sweet corn season, etc.
- With the exception of meat lockers, there are few processing facilities and/or commercial kitchens in our region.
- There is a need for more education around the importance of local foods and the impact it can have on our regional economies and communities.

### **Other Partners Findings**

- Other Planning Districts experienced similar themes and results in their outreach.
- The Planning Districts also coordinated with the VAADC and the South Dakota Specialty Producers Association (SDSPA). They both work directly with producers and their outreach centered around those producers.
- The top challenges VAADC's clients identified were branding, marketing and sales strategy, labor and workforce, transportation and Market Access and Distribution.
- The top food supply chain challenges SDSPA members identified were demand forecasting, inventory management, quality control, sustainability/environmental responsibility, transportation, and marketing.
- FDALG staff also attended the South Dakota Local Foods Conference hosted by the South Dakota Food Coalition November 17-18, 2023, where they were introduced to small and mid-sized producers, distributors, food access points, and tribal members, and environmental stewards. identified challenges in the local food system and brainstormed potential solutions.

### **Continued Engagement**

Response to the interest generated from the initial outreach and surveys has aided FDALG in beginning to understand the needs of the local food value chains in our region. It has also identified the need to continue those initial conversations to direct our resources (staff time and technical assistance) to those producers, aggregators, distributors, and processors that would benefit from the Wealth Creation assessment to better define gaps in the food value chain. In order to accomplish this, the FDALG will host up to eleven public engagement sessions (one per county), to help educate others and learn for our region about the deficiencies

in our current food value chain. FDALG will schedule 2-3 separate, in-person sessions for public and industry continued engagement. Those invited included growers, producers, aggregators, distributors, processors, elected officials, policy makers, and interested members of the public.

In addition to public engagement as time permits, FDALG we will participate in onsite tours and analysis of farms and businesses to gain better understanding of their respective role(s) in the food value chain system. We anticipate these engagements will highlight the areas where problems are apparent in the local food supply chain in northeastern South Dakota.

### **Value Chain Map**

Through FDALG engagement and outreach, a value chain map has been developed to show key stakeholders and partners, activities and functions, products and services, and support for the current process. The map will be utilized to evaluate and compile gaps and needs within the process to further increase the value and have wealth creation.

### **Specific Products**

- Products and services the value chain will provide.
  - Farm to School
  - Farm to Table
  - Farm to Community
- Benefits this value chain will bring when functioning effectively.
  - Local economic and developmental boost
  - Less waste
  - Fiscally efficient processes

### **Demand Partners**

- Self-interested buyers
  - Farmer's Market customers
  - Local restaurants buyers
  - Institutional facilities
- Demand for the product
  - Seasonally influenced.
  - Additional state and federal programs
- Benefits of the value chain
  - Readily available
  - Higher profit margins
  - Lower logistical needs

### **Functions Connecting Supply to Demand**

- Different functions necessary/needed to connect the product to the demand.
  - Meet state/ federal program requirements.
  - Demand expectations for proper planning
  - Timelines for product
  - Research local and regional gaps

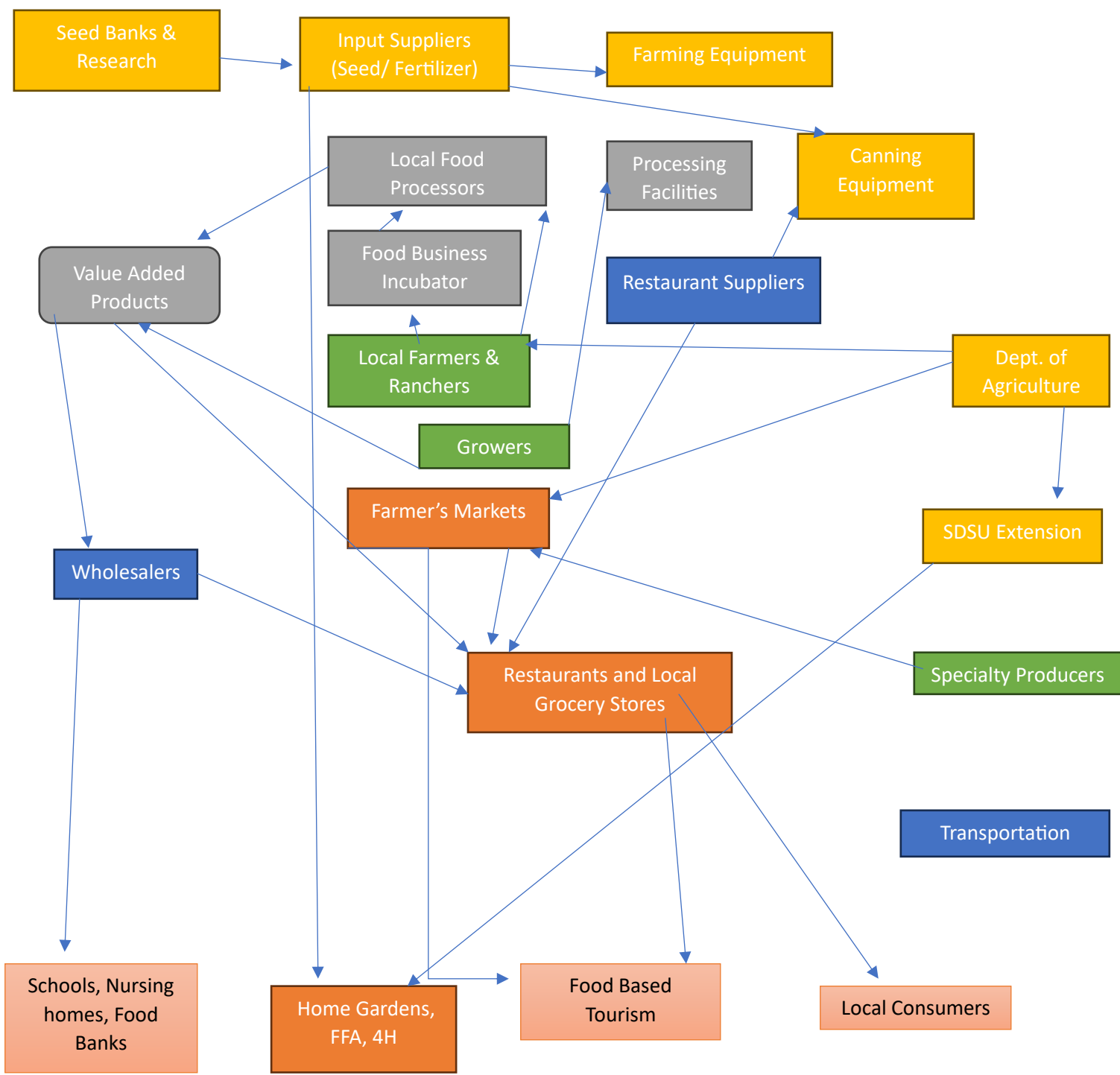
### **Support Partners**

- Removing barriers and procuring resources.
  - Local government involvement for policy/ regulatory changes

- Regional Chambers of Commerce and Economic Development organizations
- Broad network of involvement from producers
  - To ensure consistency
  - Well-rounded use
  - Demand coverage in case of lower yields
- Working with SDSU Extension, SDSPA, VAADC, SBDC
- Local FFA & 4H programs
- Types of support necessary for a well-functioning value chain
  - Financial programs/ grants/ loans
  - Marketing
  - Connections and Networking to other resources

#### Rules/Regulations

- Rules, regulations, and policies relevant to the value chain
  - Local requirements
  - State/Federal requirements
  - Institutional demands



Wealth: Banks, Investors and Small Business Finance programs

Inputs

Retail

Consumers

Producers

Distribution

Processing

## **Goals & Action**

### **Goal #1 - Continue assessment and engagement with the local foods industry.**

#### **Action Steps**

- Continuously reassess the original engagement process to keep current with identified needs/challenges to ensure flexibility and direction within the program.

**Lead:** FDALG staff will continue to build on the first steps taken in industry outreach/engagement in September – October 2023.

**Timeline:** November 2023 – June 2028

#### **Needs:**

- Conduct outreach and follow-up
- Public engagement activities
- May need assistance from local Chambers of Commerce and Economic Development organizations, as well as Technical Assistant providers to help engage various levels of the food chain.

#### **Performance Measures**

- Number of new food businesses
  - Food Hubs
  - Distributors
  - Producers
  - Restaurants
  - Retailers
  - Other
- Demographics of these businesses served.

#### **Capitals of Wealth Addressed**

- Intellectual
- Financial
- Cultural
- Built
- Political
- Individual
- Social

### **Goal #2– Educate public and private partners on local foods and Wealth Creation**

#### **Action Steps**

- Outreach and follow-up with Technical Assistance providers to set up engagements on information of value for each portion of the chain.
- Advertise and share on social media platforms to add value and increase wealth.
- Host up to eleven Wealth Creation seminars in the FDALG region to continue education of much needed topics, ascertained by the engagement tools.

**Lead:** FDALG staff will organize meeting locations, provide education materials, and facilitate seminars.

**Timeline:** October January 2024 to January 2025

#### **Needs:**

- Conduct outreach and follow-up
- Public engagement activities
- May need assistance from local Chambers of Commerce, Economic Development organizations, as well as other Technical Assistance providers to help engage private industry, advertise, and market the seminars, and find meeting space in rural communities.

### **Performance Measures**

- Improvement of best practices and technologies/ marketing
- Program efficiencies and training
- Build networks/ relationships.
- Underserved market assistance

### **Capitals of Wealth Addressed**

- Intellectual
- Financial
- Cultural
- Built
- Political
- Individual
- Social

**Goal #3**– Identify gaps in the local food value chain and determine if gaps can be addressed or corrected

### **Action Steps**

- Meet with individuals to discuss what changes are needed and how changes being made have affected the chain.
- Compile results from Wealth Creation seminars to ensure program is assisting to eliminate or minimize the gaps.
- Identify areas where one project can address multiple gaps or benefit multiple stakeholders.

**Lead:** FDALG staff will meet with individuals, compile results, and help stakeholders identify possible projects. FDALG will also help identify possible funding sources and solutions.

**Timeline:** January 2024 to June 2027

### **Needs:**

- Conduct outreach and follow-up
- Public engagement activities
- May need assistance from Chambers of Commerce, Economic Development organizations, as well as Technical Assistance providers to help compile results.

### **Performance Measures:**

- Leveraged funding opportunities
- Existing program improvements
- Increase in viability/ acumen on new and existing stakeholders
- Connection of programs utilizing local producers

### **Capitals of Wealth Addressed:**

- Intellectual
- Financial
- Cultural
- Built
- Political
- Individual
- Social

**Goal #4 – Connect Value Chain Stakeholders with Technical Assistance.**

### **Action Steps**

- Review and assist in developing business plans
- Provide grant writing services
- Direct stakeholders to other Technical Assistance providers



- Ensure food and farm businesses are meeting rules and regulations
- Assist local governments in understanding their rules and regulations and how it may affect food and farm businesses

**Lead:** FDALG

**Timeline:** January 2024 – January July 2028

**Needs:**

- Research available funding opportunities and rules
- Connect with food and farm businesses interested in financial planning, business development, and financial assistance.
- Outreach and follow-up with Technical Assistance providers to ensure resources are being utilized appropriately
- May need assistance from Chambers of Commerce, Economic Development organizations, as well as Technical Assistance providers to help with applications.

**Performance Measures:**

- # of business plans developed
- # of new businesses
  - Food Hubs, Distributors, Producers, Retailers, Restaurants, Other
- # of local government policies reviewed/changed
- # of feasibility studies conducted
- # of grants applied for/awarded
- Funding Programs/Dollars Invested

**Capitals of Wealth Addressed:**

- |                |              |
|----------------|--------------|
| ○ Intellectual | ○ Political  |
| ○ Financial    | ○ Individual |
| ○ Cultural     | ○ Social     |
| ○ Built        |              |

**Goal #5: Support community based local foods activities which increase market awareness and access.**

**Action Steps**

- Facilitate creation/expansion of Community based local foods events/activities: Farmers markets, Community gardens, Commercial kitchens, Farm to school, Local Ag Education programs, Agritourism
- Increase market awareness using Social media and news outlets
- Increase access to distributors, retail outlets, and institutions: Schools, Restaurants, Grocery Stores, Hospitals, Create food processing opportunities (freeze drying, packaging, canning)

**Lead:** FDALG Staff

**Timeline:** January 2024 – June 2028

**Needs:**

- Technical assistance
- Marketing/Promotion/Social Media
- Financing
- Information and Education
- Identifying partners and Sharing Information

**Performance Measures:**

- # of formalized partnerships between producers and end users (Institutions, processors, aggregators, retail, etc.)
- # of local food events
- # of social media sites developed
- # of processors
- # of community kitchens
- Production level increases

**Capitals of Wealth Addressed:**

- Intellectual
- Financial
- Cultural
- Built
- Political
- Individual
- Social

**Goal #6: Work with partners in the food value chain to advance the industry.**

**Action Step**

- Partner with existing (SD planning districts, VAADC, SDSPA, SDSU Extension) and future partners to strengthen the food value chain.

**Lead:** FDALG staff will continue to work with existing partners and/or reach out to new partners to help advance the industry.

**Timeline:** November January 2024 – June 2028

**Needs:**

- Technical Assistance
- Information and Education
- Constant Communication
- Assist partners with their goals

**Performance Measures:**

- # of formalized partnerships between producers and end users (Institutions, processors, aggregators, retail, etc.)
- # of local food events
- # of social media sites developed
- # of processors
- # of community kitchens
- Production level increases

**Capitals of Wealth Addressed:**

- Intellectual
- Financial
- Cultural
- Built
- Political
- Individual
- Social