



Michigan Food Policy Council

Report of Recommendations

September 2013

**Cultivate a safe, healthy, accessible
food supply and build Michigan's economy**

***More investment in local food sector infrastructure
will build capacity and help grow jobs***

*Farmers market sector is key
to healthier people and economic growth*

*A more accessible and nutritious food supply
can positively impact serious health issues*

*Food sector has tremendous potential
to create new jobs, continue to provide a safe food supply*

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Executive Summary

The issue

Quality food access improves health, spurs economic growth

By improving access to healthy foods, Michigan has the opportunity to not only improve the health of its residents, but also enhance the growth of local economies and the state's entire agricultural industry.

The demand for locally-produced food is huge and the food sector has tremendous potential to create new jobs and stable employment in economically disadvantaged urban and rural communities. At the same time, a more accessible and nutritious food supply can positively impact serious health issues, such as Michigan's high obesity rate and the incidence of diet-related chronic disease.

As the state's second largest industry, the agri-food sector already employs more than one million residents, but more jobs can be created as sectors of the industry grow. The aggregate economic impact generated by many small farms operating in an area is significant.

Michigan can spur livable communities and new business growth in rural and urban communities by developing and expanding viable healthy food retailers that anchor economic and community improvement by:

1. Building capacity of Michigan's farmer market sector to increase access to healthy foods.
2. Helping small-scale farms achieve food safety certification to increase their sales to the retail food industry, institutional buyers and consumers.
3. Supporting a state Healthy Food Financing Initiatives Initiative (HFFI) to provide access to financial capital for job creation in the local food system.

MFPC Background

The **Michigan Food Policy Council** was established in June 2005 by [Executive Order](#) to bring diverse food related stakeholders together to recommend programs and policies that build on the state's agricultural diversity to enhance economic growth while cultivating a safe, healthy and available food supply for all Michigan residents. It plays a unique role in bringing state government to the table to support our food system and economy.

There are many circumstances where state government has an impact on our food system. Managing food resources is a responsibility of almost all state agencies:

Michigan Department of Agriculture and Rural Development (MDARD) – Assures a safe food supply and enforces the Michigan Food Law, economic development support for emerging and expanding food businesses. Promotes Michigan agriculture, exports and industries.

Michigan Department of Human Service (MDHS) – Administers S.N.A.P., the Supplement Food Assistance Program (formerly known as food stamps), nutrition education and food access programs for people with low-income such as the Michigan Agricultural Surplus System and other emergency food partnerships with food banks and pantries and soup kitchens.

Michigan Department of Community Health (MDCH) – Administers nutrition programs such as WIC (supplemental nutrition program for women, infants and children), Project Fresh, other community health initiatives, such as obesity and chronic illness prevention.

Michigan Department of Education (MDE) – Administers federal child nutrition programs for children, agricultural commodity distribution for the low income population and the Summer Food Service Program.

Michigan Department of Corrections (MDOC) – Feeds approximately 41,000 incarcerated individuals daily and sources Michigan produced food for its menus where possible.

Michigan Department of Transportation (MDOT) – Manages the roads that are used to transport food and agricultural products into and around the state.

Michigan Department of Natural Resources (MDNR) – Oversees wildlife and environmental resources linked to land use and food production

Michigan Department of Technology, Management and Budget (MDTMB) – Manages contracts for many state food services and purchases.

Michigan Economic Development Corporation (MEDC) – Administers economic development and financial investment in the food system to create jobs and commerce. The Michigan Economic Development Corporation and the state of Michigan offered financial support to farmers and non-profits for passive solar systems (also known as hoop houses, high tunnels, passive solar

greenhouses or unheated greenhouses) and other energy efficiency, renewable energy related equipment for agricultural related operations.

Michigan Department of Environmental Quality (MDEQ) – Assures a safe environment; water, soil, air. All important to farmers and food production

Michigan Good Food Charter adopted

Beginning in late 2009, three organizations -- the [MSU Center for Regional Food Systems](#), previously named [C. S. Mott Group for Sustainable Food Systems at MSU](#), the [Food Bank Council of Michigan](#) and the [Michigan Food Policy Council](#) -- came together to coordinate a grassroots process of developing specific goals for Michigan's food system that would promote equity, sustainability and a thriving economy across the state. Five work groups formed to identify priorities in different arenas of the food system. The group presented initial recommendations at a statewide summit, held at the Lansing Center on February 25, 2010.

Since 2010, the Michigan Food Policy Council and many other organizations have formally adopted the Michigan Good Food Charter goals and have incorporated them into their organizational mission, vision or work plans. MFPC chose four goals as its strategic focus in 2011 and has built the work of volunteer task forces around the goals of access, institutional food purchasing, increasing the number of food businesses and farmer capacity to produce food. Task forces were comprised of council members along with local food systems leaders, experts and partners aligned with and committed to the goals of the Michigan Good Food charter and MFPC.

[MFPC Task Force Information](#) Some 40 volunteers have worked tirelessly to identify and develop the recommendations in this report. The Michigan State University Center for Regional Food Systems recently created a report card of progress for the goals Michigan Good Food Charter Goals that MFPC has endorsed. [Michigan Good Food Charter website](#) .

In the past few years, the administration of Governor Rick Snyder has identified priority issues and initiatives of importance for our state. Many of the priorities align with MFPC goals and support the task force's work. Alignment with current administration priorities include health, access to fresh and healthy food, rural development, obesity prevention, Pure Michigan and others.

2013 MICHIGAN FOOD POLICY COUNCIL RECOMMENDATIONS:

Michigan's agriculture and food system offers tremendous opportunity to boost and sustain the state's economy. The Michigan Food Policy Council is charged with this goal via Executive Order 2007-44, with a focus on cultivating a safe, accessible, affordable food system for all people in Michigan. As the second largest industry in the state, the agri-food sector employs more than one million residents.

The Michigan Food Policy Council was initially formed to help bring together the leaders and efforts of state government in order to create collaboration and integration of programs and cultivate a safe, accessible and affordable food supply for everyone in Michigan through policy and programming recommendations to the Governor. **In 2013, the Council has three priority recommendations. They are:**

- 1. Build capacity for the farmers market sector.** The MFPC recommends that the State support and help build the capacity of Michigan's farmers market sector and its role in increasing access to healthy foods.
- 2. Develop and implement strategies that allow very small-scale farms to be certified to a food safety system acceptable to the retail food industry, institutional buyers and consumers.** The food industry and institutional buyers currently often require such food safety certifications as Good Agricultural Practices (GAP)
- 3. Support and invest in a Healthy Food Financing Initiative for Michigan.** The MFPC recommends that state government support and invest in the creation of a Healthy Food Financing Initiative for Michigan that will provide access to financial capital for business and job creation in the local food system.

Additional Detail for 2013 Recommendations

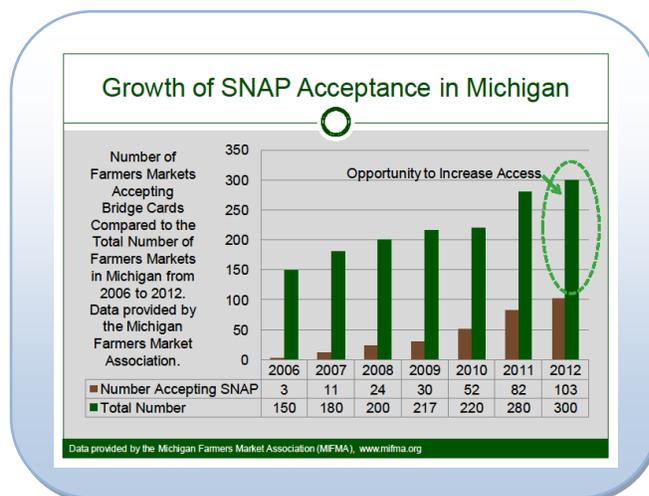
Recommendation 1

Healthy Food Access Task Force Recommendation:

- **Build capacity for Michigan's statewide farmers market sector**

A farmers market is a public and recurring retail environment through which farmers and others sell their food and agricultural products directly to consumers. Markets may occur seasonally or year-round, and may happen in a temporary setting like a park or street, or within a permanent structure.

Farmers markets provide a range of benefits to communities including offering key access points for fresh, affordable foods in underserved areas. As farmers markets grow and increase their organizational capacity, they are able to offer opportunities to increase access to healthy food including the acceptance of food assistance programs such as SNAP and offering nutrition education on-site.



The Michigan Farmers Market Association (MIFMA) has been mobilizing partners and 300 farmers markets of all sizes across Michigan to strengthen and grow this key sector. MIFMA leads local and statewide efforts to provide the necessary training, technical assistance and networking to establish and support emerging markets. As a direct result, Michigan is a leader in the region and nation in farmers markets, particularly those that provide the win-win of healthy food access and agricultural economic impact.

State funding to build sector capacity is critical to farmers markets' impact on:

Health and Wellness

Farmers markets provide affordable and easy access to fruits and vegetables in many underserved communities. Farmers markets with adequate organizational capacity are better able to accept and leverage state and federal nutrition assistance benefits such as SNAP (Supplemental Nutrition Assistance Program) and Double Up Food Bucks (DUFb). Such programs directly impact the health of those Michigan families who experience higher rates of obesity and diet-related chronic disease.

Economic Development

Annual sales at farmers markets across the nation exceed \$1 billion and put consumer dollars directly in the hands of agricultural producers. Last season, \$1.5 million in federal SNAP benefits (formally the Food Stamp Program) were spent at Michigan farmers markets, making our state the leader in SNAP sales at markets in the Midwest, despite only one-third of markets participating.

For those markets participating in DUFB, an overwhelming majority of Michigan farmers report that they make more money and sell more fruits and vegetables than they do at other markets.

Place making

Thriving farmers markets represent important local assets in the revitalization of Michigan communities and keep money circulating in the Michigan economy. They improve the quality of life of residents, create lively social networks and gathering places and foster diverse entrepreneurial opportunities, often in core commercial areas that benefit from the infusion of energy, people and commerce.

An investment of at least \$150,000 in MIFMA as the leader of the farmers market sector will provide:

- Essential training and technical assistance on implementing and optimizing food assistance programs at farmers markets
- A coordinated statewide outreach campaign that communicates the health and economic benefits of using SNAP at farmers markets to purchase and consume fresh, healthy foods
- A coordinated research initiative including a sample of Michigan's 300 farmers markets to demonstrate the farmers market sector's impacts on customers, vendors and the community
- Continued measurements of progress toward increasing food access through farmers markets through a year-end annual survey and publication of an annual report

Recommendation 2

Farmer Task Force Recommendation:

➤ Food Safety and Profitability for Very Small Scale Farms

GAP (Good Agricultural Practices) certification, which is the most recognized certification program for farm food safety, is unattainable for very small and small farms due to the diversity of agricultural products that they produce.

If food safety is truly the goal of GAP certification, then modifying the audit process to fit the operational structures of very small and small farms should be a priority. Modifying the process is especially important if Food Hubs and local food economies are to grow and flourish. A very small or small farm may not have a huge economic impact on the agricultural economy in its respective area, but the aggregate economic impact generated by many very small and small farms operating in an area is significant.

MFPC recommends that strategies be developed and implemented that allow very small-scale farms to be certified to a food safety system acceptable to the retail food industry,

Task Force Definition of a small farm:

- Ranges from one to a few hundred acres
- Urban or rural
- Managing a diversified enterprise (many crops)
- Challenged to establish a viable business model within current regulations

institutional buyers and consumers. The food industry and institutional buyers currently often require such food safety certifications as Good Agricultural Practices.

Partners Needed

For such a program to be successful, a wide range of industry partners from private and public sectors need to be at the table throughout the entire development process. Some initial stakeholders may include, but are certainly not limited to, farmers, MDARD, MIFMA, MIFFS, MOFFA, MSUE, MSU Center for Regional Food Systems, U.P. Food Exchange, MI Food Policy Council Taskforces, MI Good Food Steering Committee, retail grocers, hospitals and schools.

Measuring Success

The success of the certification program can be measured by an increase in the number of very small and small farms that currently have no farm food safety certification becoming certified under the newly created program. A further measure of the success of the program will be an increase in the number of small and very small farms that sell to institutions. Statistics can be tracked via reporting through the Michigan Food Hub Network.

Recommendation #3

Business Task Force Recommendation:

➤ Invest and support a Michigan Healthy Food Financing Initiative

The MFPC Business and Farmer task forces have identified “lack of access to financial capital” as a barrier to increasing the number of agri-food business that provide supply and demand for local, Michigan-produced food. Capital is needed along the supply chain -- production, distribution and especially grocery retail. At the same time, across the country, nutritious, affordable and high quality food is out of reach -- particularly low-income neighborhoods, communities of color and rural areas.

“Access to healthy food is associated with lower risk for obesity and other diet-related chronic diseases. Researchers find that residents have lower rates of diet-related diseases than their counterparts in neighborhoods lacking food access.”²

Healthy food access is hindered in many ways along the food supply chain. Creating and expanding businesses that supply healthy food often requires financial capital, such as adding equipment, securing land, facilities upgrades, business planning and marketing. A viable alternative to securing loans from traditional lenders is a Healthy Food Financing Initiative. Healthy Food Financing Initiatives are being created all across our country. There is a federal funding source for HFFIs that has supported the model that was first launched in Pennsylvania and led to the development of the Fresh Food Financing Initiative. As policymakers and community leaders have sought to develop similar programs across the country, Pennsylvania’s Fresh Food Financing Initiative has served as a model for accomplishing goals.

In September 2013 it was confirmed that a \$3 million federal grant award was approved to implement the Michigan HFFI, named “The Michigan Good Food Fund.”

Healthy Food Financing Initiative provides financing tools

An HFFI is a financial mechanism with the goal of improving access to healthy food and better health. It:

- Promotes interventions that expand the supply of and demand for nutritious foods, including increasing the distribution of agricultural products, developing and equipping grocery stores and strengthening the producer to consumer relationship.
- Provides the financing tools that form the core of the initiative which are aimed at supporting broad based and strategic interventions delivered through multiple mechanisms such as **low cost loans** to corner stores or mobile vendors to help owners obtain equipment and partner with local growers; and **technical assistance** to help healthy food businesses develop strategies that make them profitable over the long term.

Recommendation

MFPC recommends that state government support and invest in a Healthy Food Financing Initiative for Michigan that will provide access to financial capital for business and job creation in the state.

How would HFFI work in Michigan?

An HFFI is administered by a Community Development Financial Institution (CDFI). The CDFI secures funds and makes lending decisions about projects based on a set of program guidelines written by the stakeholders of the food access initiative. The W.K. Kellogg Foundation has been spearheading the initiative and the Michigan Food Policy Council has been convening a workgroup to help create the HFFI for Michigan. We are also receiving support from PolicyLink, the national leader and advocate for healthy food access via HFFIs.

An HFFI in Michigan will bring millions of federal dollars back to our state. There are U.S. Department of Health and Human Services grant dollars that our partner CDFI (National Capital Bank- Capital Impact) has applied for on behalf of Michigan. Additional sources of investment will be sought to build the fund and ultimately create a self-sustaining source of financial capital (tens of millions of dollars) to address food system needs. We are loosely following the California HFFI model, California Freshworks (www.cafreshworks.com) as well as the Pennsylvania model. The stakeholders in Michigan are working on generating the matching funds needed to accept a federal HFFI grant. We have identified three grocery retail projects to finance as our initial investments. Future investments would include loans and financing projects in the food chain such as production, distribution and other types of retail.

A Healthy Food Financing Initiative is a multi-pronged solution to a number of problems we face in Michigan. It will bring millions of federal dollars back to Michigan, address the need for access to financial capital for food businesses and access to healthy food. It will create jobs and commerce for Michigan's food industry. The ultimate outcome is improved health through better nutrition and consumption.

Sample Goals

1. Develop healthy food retailers in underserved areas that currently lack them, especially to provide good food to vulnerable children and families.

2. Reduce childhood obesity rates by increasing the availability and consumption of a full range of healthy foods, including fruits and vegetables, low fat dairy products and lean proteins, especially for vulnerable children and families.

3. Expand the number of quality jobs in the food sector by creating new opportunities for stable employment in economically disadvantaged urban and rural communities.

4. Spur ‘livable communities’ and business growth in rural and urban communities by developing and expanding viable healthy food retailers that can anchor economic and community improvement.

5. Create new opportunities for agricultural producers by expanding access into underserved consumer markets and stimulating greater overall demand for healthy food.

Food Policy Council Network Task Force

In addition to the four Michigan Good Food Charter Goals, the MFPC embraced the formation of a task force to research and explore the work being done by local food policy councils.

Summary:

The LFPC Task Force was very productive and met all of its goals. After 15 months, we know there is a network of motivated organizations poised to help carry out Michigan Good Food Charter Goals, as well as mobilize in local communities. We recognize that network development requires a dedication of leadership, time and resources. We also recognize the energy, enthusiasm and willingness of folks at the local level to work for better health, nutrition and meeting the basic needs of families and communities is powerful.

Task Force Recommendation:

MFPC recommends continuation of efforts to support the formation of local food policy councils. Supporting leadership at the most local level will further the attainment of the goals of the Michigan Good Food Charter. Additionally a statewide network would be a valuable support to move the network forward to attainment of the goals.

The MFPC has created a resource website for local food policy councils in Michigan.

Local Food Policy Council listing and resource website:

<http://mifoodpolicynetwork.weebly.com/council-list.html>

Recent research on current local food policy councils showed:

Current Status of Local FPCs in Michigan	
Active	65%
In Development	35%

Policy areas local FPCs are working to improve	
Farm to School	88%
Farmers Markets / EBT use at markets	94%
Grocery stores / SNAP & WIC usage	69%
Urban agriculture / City zoning	63%
Emergency Food Assistance	50%
<i>*Not mutually exclusive - percents do not add up to 100%</i>	



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- WK Kellogg Foundation
- Michigan Department of Agriculture and Rural Development
Food and Dairy Division
- MSU Center for Regional Food Systems
- Fair Food Network
- Marquette Food Co-op
- MFPC Task Force Members

NOTES

1 [Excerpt from Executive Order 2007-44](#)

2 ["The Grocery Gap: Who Has Access to Healthy Food and Why It Matters," PolicyLink 2010](#)

3 <http://www.acf.hhs.gov/grants/open/foa/view/HHS-2013-ACF-OCS-EE-0583>

4 ["The Grocery Gap: Who Has Access to Healthy Food and Why It Matters," PolicyLink 2010](#)

5 [Boinapally P, Fussman C, Imes G. Overweight and Obesity Facts in Michigan Adults. Michigan's Nutrition, Physical Activity and Obesity Program Surveillance Brief. Michigan Department of Community Health, Division of Genomics, Perinatal Health and Chronic Disease Epidemiology.](#)

6 Above

7 Above

8 [Improving Access to Healthy Food, Policy Link](#)
<http://www.policylink.org/site/c.lkIXLbMNJrE/b.7718745/k.CA11/Advocacy.htm%20SIGN%20UP%20FOR%20UPDATES.PDF>

9 [USDA Food Desert Data](#)

10 [USDA Farm Service Agency](#)

11 [MDCH Overweight and Obesity In Michigan: Surveillance Update](#)

12 [Food Bank Council of Michigan, 2010 Hunger in Michigan study](#)

13 [USDA Food Desert Data](#)

14 www.mifma.org

15 Definition of a farmers market provided by MIFMA and used by MDARD Food and Dairy Division

16 www.mifma.org