

“Harvesting Opportunity: The Power of Regional Food System Investments to Transform Communities”

NARRATOR. The Federal Reserve Board in August hosted a conference and published a book titled "Harvesting Opportunity: The Power of Regional Food System Investments to Transform Communities." The book and conference were the culmination of a two-year partnership between the U.S. Department of Agriculture and the Federal Reserve.

ANNA ALVAREZ BOYD. Through our partnership with the USDA and our St. Louis Federal Reserve Bank, we brought together key stakeholders that think about regional food distribution. So we brought together policymakers, regulators, the folks that have access to capital to think about how we can make a difference for job creation and for better access to healthy food.

NARRATOR. The inspiration that led to this topic began at the Federal Reserve Bank of St. Louis.

DANIEL DAVIS. We started to have some events across the state of Missouri to connect the dots for local economic developers, about how regional food systems could play a role in influencing their local economies. And we heard local small farmers and food entrepreneurs talk about how much of a challenge it was to actually finance their work, which led us to begin thinking about how does this happen? How do you find the capital? Find the credit access to pay for food entrepreneurship? And that initiated this partnership that we have with the United States Department of Agriculture and with the Federal Reserve Board.

NARRATOR. Regional food systems encompass a variety of different industries.

MARY HENDRICKSON. The regional food systems are about the production, distribution, marketing, processing, retailing of food that is connected to a specific place. Not

every region has the same kind of foods, and you really build out the differentiations that connect people to their place through food.

MALINI MORAGHAN. Regional food systems have benefitted greatly from a lot of pretty major shifts in consumer preferences and consumer buying habits. Consumers now preference transparency and traceability, and they're also multi-channel shoppers. What we've also seen are major shifts in market share where you have small and mid-sized companies gaining share at the expense of the larger brands.

ANDREW DUMONT. We believe that investments in regional food systems can create better and more enhanced access to economic opportunity for rural, suburban, and urban communities around our country by providing opportunities for small business development and entrepreneurship in the agriculture and food-related industries.

NARRATOR. The “Harvesting Opportunity” publication was created to highlight the resources required in this industry.

KATE DANAHER. So, when you think about regional food enterprises and how we're going to rebuild the regional food system, they really start as small businesses, and small businesses have a tremendous amount of needs--not only in access to capital but technical assistance and preparing management for understanding their financials and how to grow and be operationally self-sufficient. In the traditional financing sector, the risks that are identified are usually known risks. Regional food system space is different, the risks aren't known to us. There is a tremendous amount of different types of capital required. It's all about collaboration. I think it's really important that people realize that bringing different types of capital together to meet the need can actually make other investors more comfortable.

NARRATOR. For more information on the topic of regional food systems, go to the Federal Reserve's website, and look for the "Consumers and Communities" tab. You will also find a link to download the "Harvesting Opportunity" publication.