Developing Whole Communities:  
Community Economic Development and Locally Based Sustainable Agriculture

If the community economic development field is to re-brand itself and refocus its attentions towards a more comprehensive vision of sustainable community development, a very natural step for community-based development organizations (CBDOs) is to build sustainable agriculture into their mission and activities. Sustainable agriculture is a natural extension of the goals of sustainable community development—it builds community capacity, creates jobs, recognizes health as part of community development, strengthens the rural-urban connection, and has the potential to address social justice issues, the original bedrock of community economic development.

CBDOs are uniquely positioned to help support and further the budding locally based sustainable agriculture movement. The recent push towards locally based sustainable agriculture has created some new resources for sustainable agriculture, but many gaps in services and support still remain. At this moment, most existing resources for farmers are geared towards conventional and industrial agriculture. CBDOs are well situated to expand the reach of these resources to support the locally based sustainable agriculture system.

Thankfully it will not take much for CBDOs to expand their efforts to support localized sustainable agriculture. Opportunities abound for CBDOs to use their existing expertise in finance, technical assistance, development, advocacy, and supporting low-income communities to support the existing sustainable agriculture ecosystem. In order to best support the sustainable agriculture system, however, CBDOs must be prepared to adapt their traditional expertise to the particular needs of farmers and other players in the local food system.

A Natural Fit: Sustainable Community Development and Locally Based Sustainable Agriculture

If community economic development is to expand and grow, it needs to view the community as a whole and not just focus on development alone. Focusing on localized sustainable agriculture fits neatly into the existing charitable purposes of CBDOs, revitalizing communities and aiding low-income families and farmers, and fits within the more expansive goals of sustainable community development.

Starting with a very basic definition of community economic development, it is clear that localized sustainable agriculture helps CBDOs meet their existing mission and goals:

“Community Economic Development is a process by which communities can initiate and generate their own solutions to their common economic problems and
thereby build long-term community capacity and foster the integration of economic, social and environmental objectives.”

Locally based sustainable agriculture neatly fits into the general goals and purpose of community development. It builds community capacity in low-income areas by creating jobs, developing a community ethos, building healthy communities, and connecting rural and urban areas. Perhaps most importantly, focusing on localized sustainable agriculture gives CBDOs the opportunity to make communities adaptive and resilient by creating food sovereignty and allowing CBDOs focus on social justice through the food system. The following sections highlight how sustainable agriculture fits into the goals and overall purposes of sustainable community development:

Creating Jobs and Building the Local Economy. Locally based sustainable agriculture systems create jobs and strengthen local economies. In North Carolina, if consumers spent just 10% of their food dollars on local foods, it would add an additional $3.5 billion into the local economy. A national study found that every $1 million in revenues earned by producers who sold into local and regional markets created 13 full time jobs. Farmers who did not sell into local and regional markets created only three full-time jobs. By supporting locally based sustainable agriculture, CBDOs can create new jobs and further develop the communities in which they work.

Developing a Community Ethos. Locally based sustainable agriculture strengthens the connections in a community. Farmers markets bring together customers and sellers weekly or bi-weekly, organically building connections and anchoring people into both a sense of place and the community itself. Additionally, studies have shown that local sustainable agriculture farmers are more civically involved than those that do not sell locally. The focus on local and sustainable agriculture builds a more active and engaged community connected to food and the places where it was grown.

Connecting Rural and Urban Areas. A focus on localized sustainable agriculture allows CBDOs to expand their reach beyond a locality to support growth in entire regions of the country. Locally based sustainable agriculture efforts bridge the rural and urban divide by connecting consumers with their food and farmers with their customers.

Building Healthy Communities. Healthy communities are strong communities. Access to fresh and healthy foods reduces risk of chronic diseases prevalent in low-income communities such as diabetes and may help prevent obesity. If CBDOs want to build whole communities, they must focus on health as well as economics.
Food Sovereignty and Security. Locally based sustainable agriculture brings the control over food and food production back to communities. It also can provide food security for communities, ensuring that every household has access to fresh and healthy foods.

Social Justice and Food. Access to food is closely tied to social justice issues that CBDOs face, particularly in low-income areas. Children and families in urban areas are often faced with food deserts—large areas, typically low-income and minority, of cities without access to grocery stores or healthy food. Increasing access to fresh and healthy foods in low-income areas, whether it be through creating new markets or building community gardens, can help start to address these social justice issues.

Resource Sustainability and Resiliency. Focusing on sustainable agriculture allows CBDOs to incorporate environmental sustainability into their efforts, creating a whole community that is environmentally sustainable and resilient. Sustainable agriculture is an environmentally sound way of farming that produces food in a way that can improve the environment and preserves resources for future generations. For example, sustainable agriculture practices such as diversifying and rotating crops and livestock can build soil health, which ensures future crop yields and increase biodiversity.

Thus, working in locally based sustainable agriculture also supports the goals of developing a sustainable community, one that “continually adjust[s] to meet the social and economic needs of its residents while preserving the environment’s ability to support it.”

Filling the Gaps: How CBDOs Can Support Localized Sustainable Agriculture

Although CBDOs could devise entirely new programs around sustainable agriculture, the easiest first step a CBDO can take to support locally based sustainable agriculture is to adapt existing programs to meet the needs of the field. The following sections recommend different ways that CBDOs can leverage their expertise and adapt existing programs to support the localized sustainable agriculture system.

To determine how best to leverage the existing expertise of CBDOs to support locally based sustainable agriculture, it is important to focus on sustainable agriculture as an entire system. By understanding the gaps in the system, CBDOs can determine how they can play a role. The figures below represent a few, but not all of the main components of the food system:
The localized sustainable agriculture system has many opportunities and gaps that a CBDO can fill using its existing skill sets and expertise. If designed properly, CBDOs have the ability to support all parts of the localized sustainable agriculture system from the farmer, to distribution and processing, to the market, and to rural and urban communities. To best support locally based sustainable agriculture, CBDOs will need to adapt some of their existing programs to meet the particular needs of the system.

**Leveraging Expertise #1: Expanding Access to Capital for Farmers**

*The Opportunity:* One of the main obstacles facing small farmers, particularly sustainable farmers, is lack of access to capital to purchase land and to support or expand their production capabilities. Through their extensive knowledge and use of financial products specifically designed to support small and local businesses, CBDOs have a unique opportunity to help support farmers.

*Adapting Existing Programs:* CBDO’s already have or have access to several different types of financing opportunities. A few of the existing programs that could be tailored to support the locally based sustainable agriculture system are:

*Bridge Loan to Purchase Land.* One major barrier to the development of new farmers is the price of land. By providing bridge loans to purchase land, a CBDO can help farmers purchase their farms over time, build assets, and ensure that the farmer is committed to the land. For example, Craft3, a CDFI in Washington, successfully developed an innovative lease-to-own program. A conservation land trust owned simple title on a piece of farmland. Partnering with Craft3, the land trust took out a mortgage on the land and then leased the land to a local farmer. The farmer’s lease payments to the land trust applied directly to the mortgage and built equity for the farmer.

*Micro Loans or Revolving Loans for Farmers.* Small sustainable farmers often have difficulties accessing capital to support or expand their operations. Providing a microloan to farmers can help bridge this access-to-capital gap. For example, the California Coastal Rural Development Corporation provides a non-revolving line of credit to farmers. Farmers can draw upon the line of credit during the early part of the
year when the farmer is preparing and planting her crops and then will pay back the loan during the selling and harvest season.  

Rural Individual Development Accounts (IDAs). Many CBDOs utilized IDAs to help low-income individuals build savings that will either be used towards education, buying a house, or business expenses. CBDOs can expand their existing IDA programs to specifically target farmers, encouraging savings that will be used to purchase land or farm equipment. Although the federal program, “The Beginning Farmer and Rancher IDA Program,” does not appear to be fully funded, CBDOs could potentially use a traditional small-business IDA for farmers.

Programs such as these are mere expansions of existing programs found across CBDOs throughout the United States. To make sure that these financing structures can successfully transition to support sustainable agriculture, however, CBDOs will need to adapt their existing programs to align with the realities of farming. For example, the underwriting requirements for a small farm may need to be different than that of a more conventional business loan. Most CDFIs typically focus on the five C’s of credit—character, capacity, capital, collateral, and conditions. The CDFI Fund recommends that lenders to sustainable agriculture borrowers focus primarily on: cash flow, farm business management skills, market access, market conditions, and character. Cash and collateral are typically secondary considerations in farm loans. In addition to focusing on slightly different components of credit-worthiness, successful CDFIs have hired lenders with significant agricultural lending experience.

Additionally, loan repayment schedules should be adapted to align with crop cycles. For example, Fresno CDFI makes loans in December and January in preparation for planting and defers the interest and principal payments until harvest time, which can range from April to November. This is admittedly a bit unusual for traditional lenders, but will best support the farmer and is more likely to ensure repayment of the loan on time.

In short, CBDOs can build off of their existing knowledge and expertise to provide financial support to farmers. Providing this support will require some adaptation of existing financial programs, but with planning and forethought, this should be a relatively straightforward process.

Leveraging Expertise #2: Providing Business Planning Technical Assistance for Farmers

The Opportunity: A farm is a business. To succeed, it must be run well. Small, sustainable, and organic farmers need the technical support to build their farm as a business and into a credit-worthy borrower. Historically, one of the best technical assistance resources for farmers, farm
extension, run through the US Department of Agriculture, focused primarily on conventional and large-scale agriculture. Although new programs on sustainable agriculture and organic farming are popping up throughout the country, organic and sustainable farmers still need access to technical support and business planning programs. Business planning skills, similar to what CDBOs already provide, are necessary for any farmer to build and maintain a successful farm.

Adapting Existing Programs: Many CBDOs already run small business development programs that work with community members who are in the early stages of a business or those who are looking to expand their business. It does not take much of a leap to partner with an existing sustainable agriculture organization to expand an existing business development program to include farming-specific business planning issues. By partnering with an existing sustainable agriculture organization, the CBDO can contribute its knowledge of business planning basics and the partner can bring its knowledge of sustainable agriculture.

Similar to the considerations necessary for the financial products, the CBDO will need to adapt its programming to meet the needs of farmers. For example, the CBDO should consider running business-planning programs between growing seasons when farmers actually have time and capacity to attend. Similarly, where a small business development center may exist in an urban center, CBDOs should consider reaching out to nearby rural areas to provide small business support to farmers, thus bridging the urban-rural divide.

Leveraging Expertise #3: Developing and Redeveloping Land to Strengthen Processing and Distribution Efforts

The Opportunity: Support, however, does not need to be focused only on the farmer. CBDOs can make an impact in other parts of the sustainable agriculture system, particularly with processing and distribution. Over the past few years, many communities and sustainable food groups have focused on building processing centers, aggregators, and distribution centers for small farmers. These facilities are designed to help farmers expand their access to new markets.

Interestingly enough, many of the food groups and communities that have built such facilities have not seemed to use CBDOs to develop the needed physical infrastructure. This seems like a lost opportunity on both sides. One of the core strengths of many CBDOs is development. CBDOs have a deep understanding of the building process, the ability to run market analyses, and access to and knowledge of the various layers of financing available. Sustainable agriculture groups understand the needs and motivations of farmers and the necessary components of an aggregator. CBDOs can support these efforts by taking on the many phases of development with which it is most comfortable.
Adapting Existing Programs: Although there are many structural differences between developing a cold storage space versus affordable housing, a CBDO should not need to make too many changes to its existing development program to develop an aggregator or food processor. For example, although New Markets Tax Credits cannot be used for agricultural operations, they could be used to build aggregators or food processors.  

Leveraging Expertise #4: Advocate to Help Develop the Sustainable Agriculture System

The Opportunity: With their extensive track record working with city and county governments and in advocating for the needs of the communities that they serve, CBDOs could be a strong and effective voice advocating for locally based sustainable agriculture. The North Carolina Farm to Fork Report lists several different advocacy opportunities to help build the locally based sustainable agriculture economy:

“Engaging Decision makers in strategic food-systems planning and implementation.” Historically, food systems have not been priorities for state and local officials. The report suggests building food policy councils to engage local and state officials. CBDOs should become involved in such councils because their view of low-income communities, pressures on land, and markets is a critical point of view to have in any discussion around sustainable food initiatives and local economies.

“Strengthening local government initiatives.” In North Carolina, state law gives local governments authority to participate in economic development. Local governments can be engaged around land policies, such as zoning, that promote the development of sustainable agriculture on vacant land, invest in food systems infrastructure, and develop a county agricultural economic development and farmland protection plan. CBDOs are already involved in the planning process and thus can speak in support of locally based sustainable agriculture.

Adapting Existing Programs: CBDOs that have political clout, connections with city-planners, or are a respected voice of the community, have the opportunity to expand their advocacy efforts to include a push for localized sustainable agriculture. If not through direct advocacy work, CBDOs can connect government officials with sustainable agricultural groups, bringing both entities to the table for discussion.

A few issues arise when convening food policy councils, particularly when the goals of sustainable agriculture may be at odds with traditional community economic development. For example, such groups often disagree as to the best use of land—whether it should be used for agriculture or development. Yet, if CBDOs are truly working towards creating a more expansive definition of community and their role within it, the potential tension between agriculture and
development is one that should be resolved through working together not by working against each other.

**Leveraging Expertise #5: Focus on Low-Income Areas to Build Healthy Communities**

*The Opportunity:* Historically, CBDOs have always fought for low-income communities. CBDOs can continue to do so through connecting low-income areas to locally and sustainably produced food. One of the complaints surrounding localized sustainable agriculture is that it provides healthy, fresh food to white upper middle class consumers and does nothing for the urban poor or those who need it most. At the moment, this is a somewhat unavoidable problem. The profit margins on sustainable agriculture are so thin that farmers must sell their produce at a premium. This, however, leaves low-income communities in urban areas without access to fresh food and produce.

CBDOs have the opportunity to support or subsidize projects that are designed to get affordable fresh food into low-income communities. Because CBDOs are nonprofits, they have the ability to step in to support low-income communities where for-profit organizations and farmers cannot afford to do so. One simple method to bring sustainable agriculture to low-income urban areas is to make land available for inner-city urban gardens. Coupled with either a youth development program, like Brainfood in Washington, DC, which works with inner-city students to teach them how to cook with fresh food, or a more general community education program, inner-city gardens are a low-cost way for CBDOs to utilize vacant land and develop community.

Another potential opportunity for CBDOs is to subsidize or support the development of mobile food markets into low-income areas. Programs such as the Feast Down East in southeastern North Carolina have focused on connecting farmers with low-income communities. By financially supporting mobile food markets, CBDOs can again focus on improving low-income communities, this time by creating access to fresh fruit and vegetables.

*Adapting Existing Programs:* Creating an urban garden or supporting a mobile market would be new ventures for a CBDO. Both, however, build off of the existing focus on low-income areas and the desire to build sustainable communities—a natural extension of the efforts of a CBDO.

**Sustainable Communities and Sustainable Agriculture**

CBDOs should assess their existing strengths and expertise to determine how they can best support the sustainable agriculture system. The easiest way for an urban CBDO to get involved is to build a community garden into any new (or old) development project. It is a simple step towards creating community that brings healthy food and an appreciation for the land into urban areas.
But, if CBDOs want to truly become involved in the locally based sustainable agriculture system, there are two easy and effective entry points: (1) CDFIs can create a loan fund for farmers paired with business planning instruction; and (2) CDCs can work with food groups to develop a food processor, aggregator, or value-added production space.

These seem to be the simplest points of entry because both build off the existing strengths of CBDOs:

- CDFIs successfully lend to small businesses. As discussed previously, agricultural lending is different because it focuses on crop cycles or different parts of the 5Cs of lending, but it can and should be done. It fills a real and serious need for funding.
- CDCs are great at financing and developing buildings. Food processors and commercial kitchens, for example, can benefit from this expertise. CDCs can help support sustainable agriculture by working with existing groups to access funding for development and develop new agriculture facilities.

These are two simple options that build off existing strengths, but further the community economic development’s shift to sustainable community development. Loans to low-income minority farmers aligned with technical assistance help farmers build assets and strengthens the overall community. Developing food processors that create jobs in distressed rural economies create jobs both onsite and on-farm.

By helping foods get to market and helping develop the markets, CBDOs have the opportunity to focus on all of the parts of sustainable community development, from farm to fork and farm to community. A focus on sustainable agriculture soundly meets the goals of sustainable community development building community capacity—an excellent way to make a positive economic, social, and environmental impact on the communities they serve.
Sources:

1 Written by Paige Madeline Gentry on behalf of the Duke Law Community Enterprise Clinic, March 2013.
2 For example, the 2013 EQIP Organic Initiative supports certified organic producers and farmers looking to transition to organic farming. The Carolina Farm Stewardship Association now has a staff member dedicated to helping farmers develop the plans necessary to qualify for EQIP. For more information, see http://www.carolinafarmstewards.org/cap-consulting-services/ and http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/programs/financial/equip/?cid=nrcs143_008224.
4 Mark Roseland, Sustainable Community Development: Integrating Environmental, Economic, and Social Objectives, 54 Progress in Planning 73, 97 (2000).
7 Id.
10 CURTIS, supra note 5, at 19.
11 “Food sovereignty is the right of peoples to healthy and culturally appropriate food produced through ecologically sound and sustainable methods, and their right to define their own food and agriculture systems.” Definition of Food Sovereignty, International Planning Committee for Food Sovereignty, http://www.foodsovereignty.org/FOOTER/Highlights.aspx (last visited Apr. 22, 2013).
14 Campbell, supra note 9, at 18.
16 Cocciarelli & Cantrell, supra note 4, at 15.
17 Id.
18 Id.
19 Id.
20 Id. at 4–5.
21 Id.
Suput & Denise Dukette, Applying the 5 Cs to Food Production Loan Applications, presentation available at http://www.cdfifund.gov/what_we_do/resources/Analyzing%20a%20Farm%20Loan_FINAL.pdf.

24 Gray Harris, Denise Dukette, & Dorothy Suput, Credit Skills for Lending to the Food Production Sector, Financing Healthy Food Options: Implementation Handbook, 1 (May 2, 2012).

25 Id.

26 Id. at 2–8.

27 Id. at 8–10.

28 Cocciarelli & Cantrell, supra note 4, at 13.

29 Id. at 11.

30 A new program at the USDA farm extension agency does focus on sustainable agriculture, though it is just getting underway. See Organic Agriculture and Research Initiative, USDA, at http://www.csrees.usda.gov/fo/fundview.cfm?fonum=2120.

31 LAURA D. KIRBY, CHARLIE JACKSON & ALLISON PERRETT, GROWING LOCAL: EXPANDING THE NORTH CAROLINA FOOD AND FARM ECONOMY, APPALACHIAN SUSTAINABLE AGRICULTURE PROJECT 77 (Aug. 2007)


34 CURTIS, supra note 5, at 8.

35 Id.

36 Id.

37 Id.

38 Id.

39 Id. at 58–59.

40 Interview with Jen Walker, Researcher at UNC on Sustainable Agriculture, February 2013.


42 Feast Down East, Bringing Local Farmers to Market, at http://www.feastdowneast.org/.

43 See supra text accompanying notes 23-29.