

EASTERN MARKET CORPORATION

United States Senate
Committee on Agriculture, Nutrition, and Forestry

Healthy Food Initiatives, Local Production, and Nutrition

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Testimony of
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Good morning Chairman Stabenow and Distinguished Members. Thank you for hosting this important discussion, and warm greetings from the eastside of Detroit. I would like to begin by bringing you a hearty slice of Eastern Market in this short video.

We are proud that we have been able to leverage SNAP to benefit both consumers and producers.

Yet, despite attracting more than two million customers each year to our retail market, Eastern Market's SNAP redemptions are a tiny fraction of all SNAP redeemed in Detroit. Just as at the nation level, despite geometric growth, farmers markets account for only a few percentage points of total food sales.

But Eastern Market is not just a farmers' market. In addition to our Tuesday and Saturday Retail Markets, we also have an overnight wholesale market during the Michigan growing season and we are surrounded by eighty food processors, distributors, and retailers that provide growers with multiple sales channels while creating jobs and wealth for the under nourished local economy.

Eastern Market is both a remnant of an earlier food system, one before consolidation, concentration, and globalization and a pioneer of more diverse future food system.

Make no mistake; you do not need to be a Luddite to support the development of strong local or regional food systems. More robust regional food systems compliment national and global systems. We need both to feed hungry people around the world.

Incremental growth of small entrepreneurial businesses alongside the continued consolidation of large firms is happening in many industries. In the media thousands of blogs successfully compete with the daily newspapers published by fewer and larger survivors. In the world of beer the number of successful small craft breweries has exploded while the number of large breweries dwindles.

In 1980 there were 101 breweries in the United States. Today there are more than 1,900. Consumer demand has driven this growth. People, willing to pay more for more diverse and higher quality products, have strengthened that industry with the net result of more than 1,800 new job creating and tax paying businesses.

With the surge of interest in local food sourcing, food hubs like Eastern Market can help local growers and processors harness the power of consumer choice to strengthen the agriculture and food sector. We are not alone; there are more than 400 food hubs around the country trying to improve the market channels of small and emerging growers and processors.

Building upon its historic food system assets, Eastern Market is building a comprehensive *Healthy Metropolitan* Food Hub to support regional food system development.

Healthy because we believe we can help contribute to a healthier economy in southeast Michigan. Last summer economic guru Michael Porter investigated food systems in Detroit and Boston and found the food sector has an unparalleled potential to deliver significant jobs across a full spectrum of skill sets.

It is estimated that if Detroit could access 20% of its food from regional sources, nearly 5,000 jobs, \$25 million in new state and local taxes, and \$125 million of new household income would be generated. Local food system development can address structural unemployment in both urban and rural places with few job opportunities.

Healthy because there is a connection between what we eat and our health. The USDA recommends half of our daily caloric intake should be in the form of fruits and vegetables and food hubs can play an integral role in promoting greater consumption of produce. Public markets are a common ground where communities convene and are convivial places where a civic discussion of food and other important issues can ensue.

Metropolitan because we believe that is the appropriate scale. We believe regional food system work can help reconnect urban, rural, and suburban communities who have common cause to create jobs and improve their health.

Here are some examples of the kind of work we are doing to strengthen regional agriculture in southeast Michigan.

- **Farm to School**

Detroit Public Schools spends more than \$16 million per year on direct food purchases. The Office of Food Service plans on replacing 30% of highly processed student meal content with locally grown and/or minimally processed food.

We are working with them as their community partner to remove food chain barriers and connect local growers and processors to this \$5 million dollar market. Recent USDA

pilot programs in the area of school nutrition have been of great assistance. Any steps USDA can take to make it easier for school districts to increase whole and minimally processed foods in student meals would be appreciated.

- **Institutional Buyers**

Beyond public schools, EMC is connecting growers and processors with institutional markets. Our partner, Source Detroit, is a consortium of Wayne State University, Henry Ford Health Systems, Detroit Medical Center and a few other large institutions that have pledged to buy more local products. An early victory was a local bakery that picked up a contract worth several hundred thousand dollars annually from a local hospital.

- **Incubating Niche Food Processors**

Four years ago, Eastern Market had no prepared food vendors at its retail markets. Today there are between 30 and 60 prepared food vendors depending upon the season. Some of these firms are growing rapidly. Already, several hundred jobs have been created. Pickles, pies, sausage, pasta, are just some of the products that are already being made with Michigan crops. A shared-use Community Kitchen is under-construction to increase our rate of business formation.

- **Web Based Virtual Market**

Small growers and independent restaurants are often not able to visit our midnight to 5am wholesale market so we are working with a technology partner to develop an on-line sales and logistics tool that can make it easy for restaurants to purchase locally grown or processed foods on-line and using existing food service delivery routes to get food from Eastern Market to the buyer.

- **Neighborhood Farmers Markets**

A 2010 USDA Farmers' Market Promotion Program grant enabled EMC to spearhead the continued development of a network of four neighborhood markets in the City of Detroit that have become effective sales outlets for many smaller growers.

- **Connecting to Existing Food Processors**

With a Specialty Crop Block Grant, EMC and a handful of state and local economic development agencies have developed a regional network of food and Ag businesses. Though early in the process of network building there have been a few notable victories including the success of a tortilla manufacturer sourcing 3 million pounds of white corn from Michigan growers.

- **Commissary Functions**

EMC has identified a number of food processing opportunities as we have begun to explore current food sourcing practices. In one case 4,100 meals per day (more than 1.5 million annually) are fabricated in Jackson, MS and shipped to Detroit for a senior meals on wheels programs.

- **Nutrition Drop In Center**

Many of our retail customers wouldn't know which end of a zucchini to hold. To help improve food literacy, EMC is working with health care providers to develop a wide variety of community engagement and programming to provide people with the skills then need to become more frequent buyers of produce. SNAP Education funds have been useful in this endeavor.

Eastern Market is well on its way of evolving into a comprehensive, *healthy, metropolitan* food hub. To date, modest USDA investments have helped us grow the market and improve our farmers' bottom lines. Continued support of these programs is needed:

- ✓ Specialty Crop Block Grants
- ✓ Farmers' Market Promotion Program
- ✓ Community Food Projects

To assist with the development of a national network of food hubs we urge support for measures to help fund food hub development.

- ✓ Continued support of USDA AMS to conduct research and provide technical assistance needed to support food hub development
- ✓ Identify partnerships with HUD and DOT to include food hub development as part of the Sustainable Communities Initiative.
- ✓ Remove barriers within existing USDA program to using infrastructure development funds for food hub projects in urban areas that benefit rural growers.

Thank you for your time and attention.

Materials Attached:

Eastern Market Development Strategy
Detroit Eastern Market SNAP Program video
Detroit Food System Report