

Urban Growers' Collaborative Project

Project Summary and Recommendations

UC San Diego | **Center for**
SCHOOL OF MEDICINE | **Community Health**



Leichtag
Foundation

About the Urban Growers' Project

Led by the University of California San Diego's Center for Community Health, the Urban Growers' Collaborative Project explored the feasibility of collaboration amongst and in support of small urban growers in the San Diego region. More specifically, the project sought to understand the barriers and opportunities to improving urban growers' viability and entry into new local markets, particularly markets that serve or can potentially serve low-to-moderate income urban residents.

To meet these goals, the Center for Community Health implemented a multi-phased research approach. The objectives of each phase were as follows:

Phase One: Product Supply and Needs Assessment

- Review available research related to the viability of urban agriculture.
- Assess the product supply of local urban growers in San Diego County.
- Identify opportunities to provide technical assistance to help urban growers access local markets that could increase the viability of their farm operations.
- Gauge growers' interest in collaborative projects.

Phase Two: Demand Assessment

- Assess the local demand for urban-grown produce from both buyers and direct consumers.
- Provide initial recommendations for a collaborative action among urban growers.
- Provide technical assistance to urban growers to help them access local markets in San Diego County that increase the viability of their farm operations.

The Urban Growers' Collaborative Project is directed by Elle Mari, Director of Urban Food Environments at the Center for Community Health. Phases One and Two of the project, which took place between July 2017 and September 2018, were carried out in collaboration with consultants from the Leichtag Foundation, Sona Desai and Niki Mazaroli. This project is funded by a planning grant from the USDA Local Food Promotion Program and additional support from the Alliance Healthcare Foundation. Phase one of the project was supported in part by the County of San Diego Health and Human Services Agency.

Project Findings

The assessments conducted in Phases One and Two outlined the supply and demand barriers and needs related to the viability of urban farms in the San Diego region; the findings are summarized below:

Phase One: Product Supply and Needs Assessment

The Phase One Product Supply and Needs Assessment identified the barriers to viability that urban growers in San Diego County face and confirmed that they face many of the same barriers to viability as urban growers statewide and nationwide. The Product Supply and Needs Assessment was informed by an initial in-person convening of local urban growers and one-on-one site visits and in-depth interviews with a subset of growers.

The subset of growers interviewed included nine urban growers in the San Diego region – four of which are for-profit businesses and five non-profit organizations. These businesses or organizations have been in operation for an average of 4.5 years. Farms range in size from an eighth of an acre to 3.5 acres, with an average of 0.86 acres in production.

The assessment generated a baseline understanding of the barriers that the participating local urban growers face in achieving or advancing the viability of their urban farming operations. The growers are receptive to and eager for technical assistance and other forms of support. One-on-one coaching in business planning and marketing was found to be the most immediate technical assistance need, followed by training for accessing capital or credit, non-profit fundraising, and production.

On the product supply side, the assessment highlighted that supply is relatively small and inconsistent. An approximate total of \$152,700 in sales were made in 2016 across all nine growers. The top product or crops based on 2016 sales included salad mix, lettuce, amaranth, kale, chard, carrots, and tomatoes. The top three sales outlets were (1) direct to consumer sales via farm stand or farmers' markets, (2) CSA programs, and (3) sales to restaurants.

Additionally, the assessment sought to understand participating growers' preliminary interest in working with other growers on a collaborative project, including one that would leverage the role of urban farms in increasing food access for low-income residents. The growers expressed unanimous interest in a potential collaborative project with other urban growers, as well as interest in a project that would support urban food access. Individual farm technical assistance will be an important precursor to any collaborative project to ensure both the viability of the farms and the project itself.

Phase Two: Demand Assessment

Building off of the findings from Phase One, the Phase Two Demand Assessment examined the interests and constraints of buyers and direct consumers as it relates to purchasing locally grown produce in the San Diego region and supporting urban growers. The findings indicate a clear interest from both buyers and consumers to support urban growers in a way that is synergistic with their needs and barriers for purchasing local produce. Additionally, the assessment determined that there is interest and/or mission alignment among a subset of buyers and a sample of individual consumers in San Diego County to participate in a pilot project that supports the viability of local urban growers.

The Demand Assessment was informed via one-on-one interviews with local buyers and an online survey of consumers in San Diego County.

Buyer Interviews

One-on-one interviews were conducted with representatives from 17 businesses from 5 buyer categories, including independent grocers (10 of which participate in the *Live Well Community Market Program* which aims to improve food access in underserved neighborhoods), restaurants, caterers, small-scale distributors, and small-scale processors. Findings indicated that, in general, there is strong interest from buyers to purchase local products and more specifically to support small urban growers. While the large majority of buyers interviewed clearly see advantages to buying from local farms, their ability to begin or increase purchasing from local farms is limited. The most cited opportunities for buyers to support urban farms are through purchasing product, as well as promoting growers' brands and farming efforts through potential partnerships. Beyond this, most of the buyers interviewed, especially the small

independent grocery stores, are challenged by low profit margins, which limit their ability to cultivate new relationships and take on additional projects. This is of particular concern for buyers based in low-income communities, and thus need to maintain a lower price point for the produce items they offer.

Consumer Survey

The second part of the Demand Assessment was an online survey of approximately 200 consumers that work and/or live in San Diego County. The objective of the survey was to collect general information about consumers' shopping habits related to local produce.

Survey results indicated that there is a clear interest among consumers to support urban farmers as part of their current local purchasing habits. 58% of survey respondents purchase local produce either once a week or once a month, and the majority of these purchases are made at farmers' markets and/or grocery stores. The highest ranked motivator of these purchases is consumers' desire to support local growers.

The survey also sought to gauge consumers' interest in participating in a potential Community Supported Agriculture (CSA) pilot project that would support local urban growers. 83% survey respondents (156 individuals) indicated that they would consider joining a CSA that supports small-scale urban growers in San Diego. When considering joining a CSA, consumers indicated that the three most important attributes of a CSA are: diversity of produce items, choice in frequency of shares, and ability to choose specific products included in share.

Technical Assistance for Urban Growers

During Phase Two of the project, the Center for Community Health (CCH) offered technical assistance targeted to urban growers' needs as identified in Phase One. A workshop on the basics of business planning and understanding financials was provided for urban growers and conducted by a leading farm and food business expert from Kitchen Table Consultants. CCH also partnered with the University of California Agriculture and Natural Resources (UCANR) to host a marketing and business planning workshop tailored to the needs of urban growers that featured a panel of experienced local growers, a local farm-to-table restaurateur, extension agents, and other agricultural practitioners. Participating growers were also sponsored to attend relevant agriculture business training workshops, summits, and classes offered by the Community Alliance with Family Farmers (in partnership with the San Diego chapter of the Farmers Guild) and the San Diego Small Business Development Center. In addition to training, free one-on-one coaching was offered to all participating urban growers, with outcomes including securing two new buyers for one participating grower.

Recommendations for Collaborative Action

Recommendations for collaborative action to support urban growers are informed by the interests, needs, and barriers of local urban growers, buyers, and consumers in the San Diego region as identified in Phases One and Two of the project. The following pilot projects are recommended for further exploration:

Resource hub for urban farms: A resource hub can offer ongoing support and promotion of urban farms in San Diego. Consider developing a farm directory along with marketing materials that educate buyers (with an emphasis on buyers who serve low-

income communities) and consumers about urban farms; this could include urban farming news (local and national), updates and events, and a targeted marketing campaign to promote increased consumer support of farms. In addition, the hub can provide services to growers, including education, technical assistance, and networking support for urban farms. The resource hub should be guided by an urban grower advisory team of key stakeholders and experts to ensure that it meets growers' needs.

Urban grower multi-farm CSA: A multi-farm CSA can meet consumer demand for diversity and flexibility without straining the resources of a single farm. By bringing farmers together, risk can be mitigated for the consumer while drawing on the expertise and/or niche products of each individual grower. Given that the supply is relatively small from urban growers in San Diego and expressed consumer interest is high, a multi-farm CSA is a potential model for improving farm viability if it can offer farmers with flexibility, minimal risk, and high returns while providing consumers with the desired diversity, choice, and flexibility in their CSA membership. A multi-farm CSA can also provide local produce to low-income urban residents. The CSA could accept and institutionalize EBT/SNAP payments, and in the short term, grant funding could be explored to subsidize the cost of a subset of shares. As the CSA becomes financially viable over time, the business can cover the cost of subsidized shares through earned revenue.

Urban farm broker: An urban farm broker can play the role of “matchmaker” by connecting urban growers with appropriately matched local wholesale markets, including restaurants, retailers, processor, and distributors. Brokering includes creating product value, selling to buyers, coordinating transportation, providing customer service, and developing point-of-sale materials. Given the limited supply from San Diego urban growers and the limited demand expressed by buyers, developing a viable brokerage model may be challenging; if this action was selected, a low overhead model is recommended, one that focuses primarily on facilitating sales, providing customer service, and coordinating transportation services. Additional targeted market research of local buyer demand will also be necessary in order to ensure adequate volumes and price points can be met in a way that advances urban farm viability in the region. In the short term, the urban farm broker can also help match products to meet lower price points for buyers that sell to low-income consumers. For example, a surplus of a certain locally grown crop could be sold at a lower price to such buyers. However, any sustained efforts of an urban farm broker to prioritize selling product at lower price points to serve the low-income community will likely need to be supported by grant funding.

The overarching goal of the Urban Growers' Collaborative Project was *to understand the barriers and opportunities to improving urban growers' viability and entry into new local markets, particularly markets that serve or can potentially serve low-to-moderate income urban residents.* While the primary design of the pilot projects presented above is to support the viability of urban growers, each of the projects can also be optimized to serve low-income residents in the San Diego region. However, it is important to note that the viability of local urban farms is a necessary precursor to any related local food access goals or projects. Without viable urban farms, growers will not be able to bring the products to market at a price point that meets the needs of low-income residents.

Next Steps

The following next steps are recommended to pursue a collaborative project:

1. Select preferred pilot projects from the recommended collaborative actions.
2. Identify funding to support the development of a business plan and/or pilot for one or two of the preferred collaborative actions.
3. Develop a comprehensive business plan, including a description of products and services, market analyses, operational plan, management and legal structure, and financial plan.