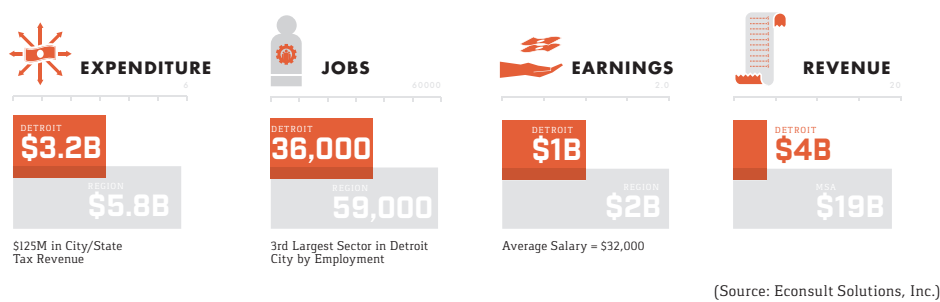


DETROIT AND ITS FOOD SYSTEM

Detroit has an active, multifaceted food system comprised of bustling local and international food terminals, a vibrant and growing restaurant scene and a model urban agriculture movement with more than 1500 small farms and school, backyard, and community gardens. The Detroit food system also denies access to healthy, fresh, and sustainably grown food to many of the city's residents, which is especially evident in the prevalence of diet-related illness such as diabetes and hypertension, and a steadily increasing obesity epidemic that disproportionately affects people of color and youth. Many residents rely on government food subsidies such as SNAP and WIC, and there is an overabundance of marginal food outlets charging high prices for low quality food.

This report assesses the current state of Detroit's food system— the economic, social, and physical value it holds— and provides recommendations that address the challenges within the system. Through significant data analysis and qualitative interviews with residents, businesses, public leaders, advocates, and other stakeholders, we have outlined a comprehensive picture of Detroit's food system today. At a glance, the Detroit food system looks like this:



If all of the food system's requirements were localized in Wayne County by 30% the food system would go from the 3rd to the 2nd largest economic sector, after government.

From this analysis, the following observations are made:

1. Detroit's food system is rich, vibrant, and comprises a large segment of the economy;
2. Detroiters interact with food every day— they grow, manufacture, process, package, distribute, trade, and discard food; and
3. This active engagement in the food economy has broad implications for not only economic development, but similarly for social and environmental well-being.

LOCALIZING FOOD

Great effort has been taken to highlight the manner in which city residents and stakeholders currently interact with food on a daily basis by displaying to readers the lives of everyday Detroiters and their relationship to the local food economy. Our analysis resulted in a holistic understanding of the opportunities and challenges of Detroit's food system, allowing us to put forth recommendations that, cumulatively, form a strategic approach to cultivating a food system inclusive of the needs of all city residents.

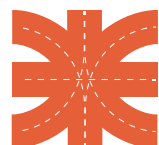
DETERMINANTS OF LOCALIZATION



Access to Capital



Workforce Development



Public Infrastructure



Political Will



Local Demand



Business Viability

See how these determinants affect the lives of a typical Detroit family.

ECONOMIC ANALYSIS OF DETROIT'S FOOD SYSTEM

Executive Summary

MOVING THE NEEDLE

The recommendations were developed in response to stakeholder interviews, research, and the need to highlight great work being done in the city currently, as well as opportunities to pilot new ideas. These recommendations are not put forth with the assumption that the Detroit Food and Fitness Collaborative (DFFC) will take them on; the goal is to encourage organizations and agencies from across Metro Detroit to work collaboratively to the move the needle toward a more robust and equitable food system. A few recommendations to consider:

Create the Definitive "Go-To" Support Organization for the Detroit Food System: Equal parts think tank, intermediary funder, and trade association, this organization would have a deliberate focus on growing the Detroit food economy through research and analysis, policy advocacy, business development, and guiding investments.

Develop a Food Funding Syndicate of Commercial, Public, and Philanthropic Capital Sources to Invest in the Detroit Food Economy: A food funding syndicate of banks, CDFIs and other intermediaries, public sector, and philanthropic entities will target their investments at specific Detroit food system needs through a coordinated and collaborative strategy for greater overall impact.

Partner with Major Employers to Develop Vocational Training and Job Placement Initiative for Youth and Adults: The private sector represents the most viable opportunity for introducing initiatives that will train individuals for real-world jobs, while creating a career pathway.

Develop a Small Scale Food Ecosystem: The ultimate mission of this initiative is to provide small businesses with practical tools such as business education, market data and intelligence, support services, and access to networks and capital. These tools are required to enhance business opportunities and prosperity.

Invest in Hands-On Technical Assistance for Anchor Procurement: An effective anchor procurement program requires ongoing, intensive, hands-on assistance, helping entrepreneurs build capacity and relationships with procurement directors and large service providers of anchor institutions.

Create and Execute Local Purchasing Legislation for Public Sector Agencies and Departments and Publicly-Funded Institutions and Projects: In cities throughout the country, local purchasing agreements and procurement contracts that require a minimum local spend have helped to boost companies in various sectors of the economy. This legislation also helps to retain businesses that may have relocated elsewhere, and in some cases attracts new firms into the city.

Create a Public Infrastructure Initiative: The public sector, private sector, and funder community should unite in an annual effort to appraise the food industry and identify infrastructure weaknesses and gaps. This study would review national best practices and models, new equipment, and industry innovations to stay ahead of the curve in terms of the most meaningful infrastructure investments.

The potential impact of investing in Detroit's food system is virtually limitless. The hope is that this report has put forth solutions that are both innovative and thoughtful, and have a basis in the lived reality of the diverse groups that comprise Detroit's social, political, and economic fabric. The food economy in Detroit is already the third largest sector of the economy, and is poised to be the next largest growth sector for the city. Only by engaging Detroiters and supporting the local, small, and medium sized actors in the system can we ensure that this growth directly affects the creation of jobs, wealth, and more equitable conditions for residents, and begin to unlock the potential of Detroit's new economy.

THE PARKERS



YVETTE PARKER
Bookkeeper, Age 52

STEPHEN PARKER
Hospital Administrator, Age 54

TATIANA PARKER
College Student, Age 19

MARCUS PARKER
High School Student, Age 16

A Day in the Life of Detroiters: CURRENT DAY

YVETTE AND STEPHEN PARKER LIVE IN ROSEDALE PARK WITH THEIR SON, MARCUS.

The Parkers are native Detroiters that have been married for 19 years; their oldest child, Tatiana, is a freshman at Western Michigan University and lives on campus. They bought their brick tudor home 10 years ago and have become very involved in their neighborhood.



21.52%
OF DETROIT HOUSEHOLDS ARE MARRIED COUPLES (VERSUS 48.42% FOR MI)

Source: US Census 2010

YVETTE, STEPHEN, AND MARCUS BUZZ IN AND OUT OF THE KITCHEN, making breakfast to go before they jump in the car to start the day.



STEPHEN PRACTICES PORTION CONTROL WITH A BOWL OF SOUP AND A CRUSTY ROLL from Avalon Int'l Breads in Henry Ford Hospital in Midtown. Marcus grabs the last pizza rolls in the school's buffet line. Yvette eats leftover pasta at her desk.

YVETTE WALKS THROUGH THE AISLES OF A LARGE, SUBURBAN SUPERMARKET to pick up groceries to supplement her Eastern Market Saturday haul. Marcus has an energy drink after track and field practice, while Stephen is on the freeway to pick him up.

SUPERMARKET

MARCUS COOKS A HEALTHY DINNER FOR HIS DAD before they head for a night jog. Stephen sneaks out later to get ice cream. Yvette heads to community theater rehearsal with snacks from Metro Foodland, her local grocer.



7:00AM

9:00AM

11:00AM

1:00PM

3:00PM

5:00PM

7:00PM

9:00PM

PERISHABLE PREPARED FOOD MANUFACTURING PROVIDES



172 JOBS
IN THE CITY OF DETROIT.

Source: Econsult Solutions, Inc.

52.6% of Detroiters are homeowners.

Source: US Census 2010

RETAIL AND COMMERCIAL BAKERIES COMBINED FOR \$67M IN REVENUES AND 557 JOBS. COMMERCIAL BAKERY EMPLOYEES (\$37,156) AVERAGE ALMOST DOUBLE IN WAGES THAN THEIR RETAIL COUNTERPARTS (\$18,180)

Source: Econsult Solutions, Inc.

Henry Ford Health System spent **\$930,621** or 6% of its total institutional spend on food service in 2010.

Source: U3 Ventures, The Midtown Project Phase II Report, 2010



26.2%

OF DETROIT HOUSEHOLDS DO NOT OWN A VEHICLE. AT \$10,723 ANNUALLY, DETROIT'S INSURANCE PREMIUMS ARE THE HIGHEST IN THE US AND MORE THAN DOUBLE THE NEXT CITY.

Source: NerdWallet.com

The Eastern Market District is one of the great food meccas in America. With **152** food businesses across 43 acres, it serves every aspect of the Detroit Food System. Low-income customers spent **\$1.23M** in EBT sales at Eastern Market alone since 2007.

Source: Eastern Market Corporation

38.1%
DETROIT OBESITY RATE

34.3%
WAYNE COUNTY OBESITY RATE

Source: State of Michigan, Dept of Health, 2009

The ice cream man is coming! Mobile Food Services only capture **\$1.2M** annually in the city, while **\$19.5M** is spent in the metro area.

Source: Econsult Solutions, Inc.

A Day in the Life of Detroiters: 5 YEARS LATER

(...and with greater localization in the Detroit Food System)

NOT MUCH HAS CHANGED IN THE PARKER HOUSEHOLD.

Yvette and Stephen Parker continue to live in the house they have occupied for the past 24 years. Marcus is now a junior at the University of Michigan. He lives on campus in Ann Arbor. His sister Tatiana has just graduated from college and now lives at home while looking for permanent

employment. Yvette and Stephen are at the same workplaces, but Yvette has been promoted to office manager from bookkeeper. Stephen's lost a little weight too.



From bookkeepers to graphic artists, the myriad occupations that support the food system represent **16.8%** of the jobs in the Detroit food system.

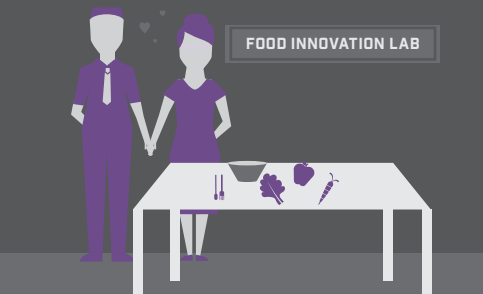
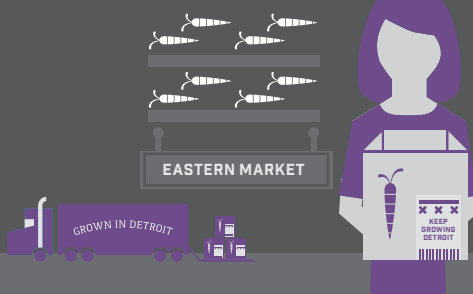
Source: Econsult Solutions, Inc.

YVETTE MAKES A FRESH JUICE BLEND WHILE STEPHEN EXERCISES. They talk fitness while Tatiana is still sleeping after a long night waitressing and tending bar.

TATIANA IS AT EASTERN MARKET WORKING WITH KEEP GROWING DETROIT and their Grown in Detroit brand to distribute Detroit-grown and -made food products. Yvette and Stephen are eating healthy lunches they make at home.

STEPHEN PICKS UP THEIR FRESH FOOD SHARE BOX sold at Henry Ford Hospital, which he takes to Yvette at the Rosedale Community Players. Tatiana gets home and changes for her other part-time gig at a local restaurant.

YVETTE AND STEPHEN HEAD OUT ON A DATE NIGHT at a new Food Innovation lab that hosts cooking classes in its test kitchen. Yvette and Stephen learn to cook vegetarian dishes from across the globe. Tatiana gets her second wind while bartending at a local bar.



7:00AM

9:00AM

11:00AM

1:00PM

3:00PM

5:00PM

7:00PM

9:00PM

THE FRUIT SMOOTHIE AND JUICING MOVEMENT HITS DETROIT.

WITH 30% ADD'L LOCALIZATION, \$17.5M IN FROZEN FRUIT, JUICE, AND VEGETABLE MANUFACTURING REVENUES ARE AVAILABLE FOR DETROIT FIRMS.

Source: Econsult Solutions, Inc.

Detroiters currently spend **\$142.8M** annually on Fruits and Vegetables.

Source: Econsult Solutions, Inc.

Tatiana will be able to take advantage of dedicated workforce programming and job placement assistance in the food system.

See the workforce recommendations section for more details.



THE WHOLESALE AND DISTRIBUTION SECTOR HAS 2,569 JOBS, WITH THE POTENTIAL FOR 840 MORE WITH 30% ADD'L LOCALIZATION. IT ALSO HAS SOME OF THE HIGHEST WAGES EARNED OF ANY FOOD SECTOR AT \$177.8M.

Source: Econsult Solutions, Inc.

Crop production has one of the highest opportunities for localization with **\$123.6M** available for Detroit firms to capture.

Source: Econsult Solutions, Inc.

THE GROWN IN DETROIT BRAND HAS THE POTENTIAL FOR CITY- AND REGION-WIDE RECOGNITION FOR QUALITY AND VALUE FROM DETROIT CONSUMERS.

The recommendation section highlights strategies for building a Detroit-wide food brand.

The canning industry is hot in Detroit. With add'l 30% localization, an extra **\$42.5M** is available for Fruit and Vegetable Canning, while **\$9M** is open for Detroit firms involved in Specialty Product Canning.

BREWERIES, WINERIES, AND DISTILLERIES OFFER A MASSIVE SET OF OPPORTUNITIES FOR DETROIT FIRMS TO INCREASE MARKET SHARE. WITH 30% ADD'L LOCALIZATION, DETROIT FIRMS WOULD ABSORB AN ADDITIONAL \$99.8M.

Anchor institutions, such as Wayne State University, could play a unique role in the Detroit Food System through purchasing, programming, and community engagement.

See more about anchor institutions and the food system in the recommendations section.