

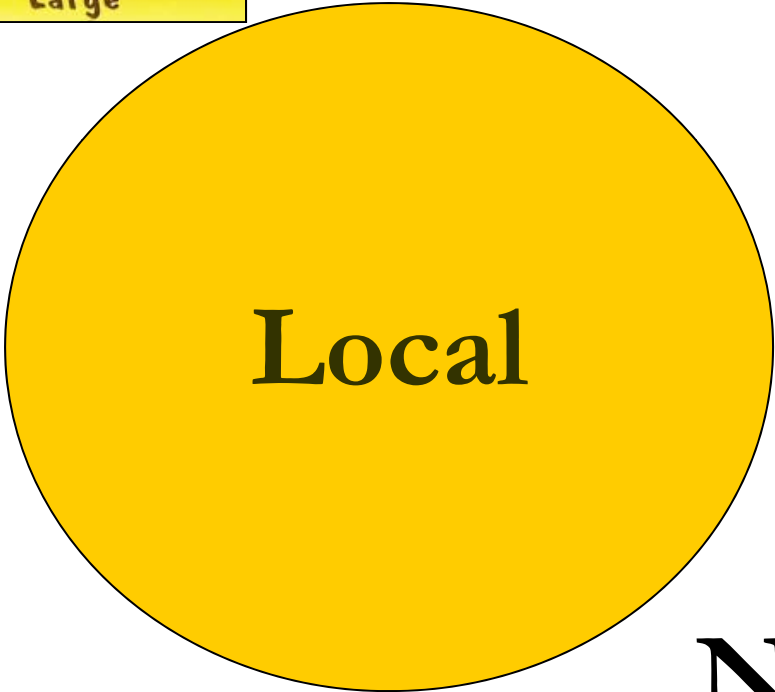
Can the Local Food Systems Movement be Sustainable?

Tim Woods

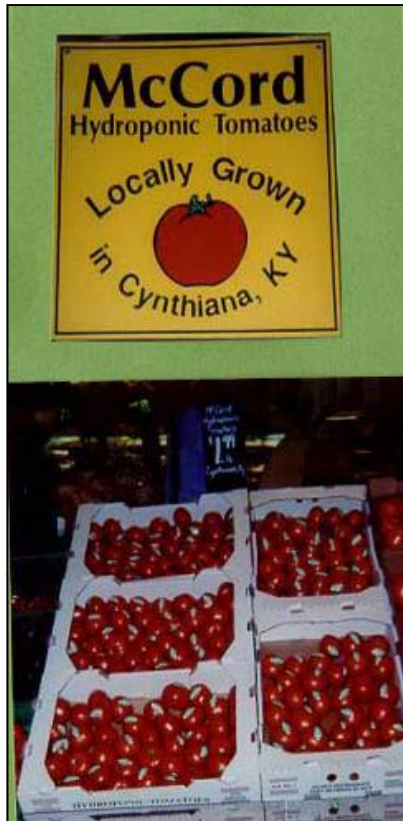
Extension Agricultural Economist

University of Kentucky

The Local Food Systems Model



Not Local



SELL SELL SELL



INCREASED MOVEMENT CASES

TOMATOES 21 TO 63

GREEN PEPPERS 19 TO 29

SQUASH 14 TO 38

ZUCCHINI 21 TO 47

EGGPLANT 3 TO 12

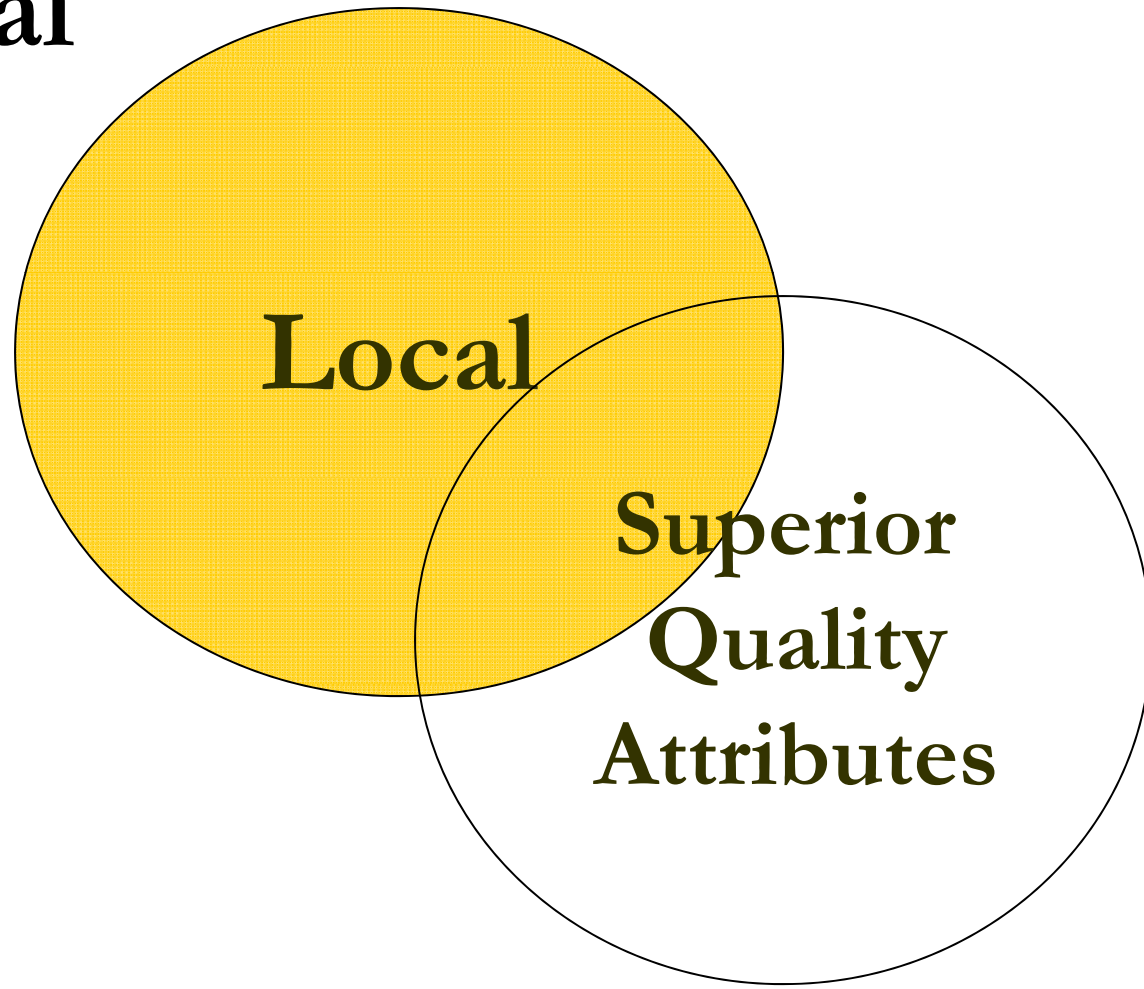
CUCUMBERS 21 TO 55

GREEN BEANS 6 TO 34

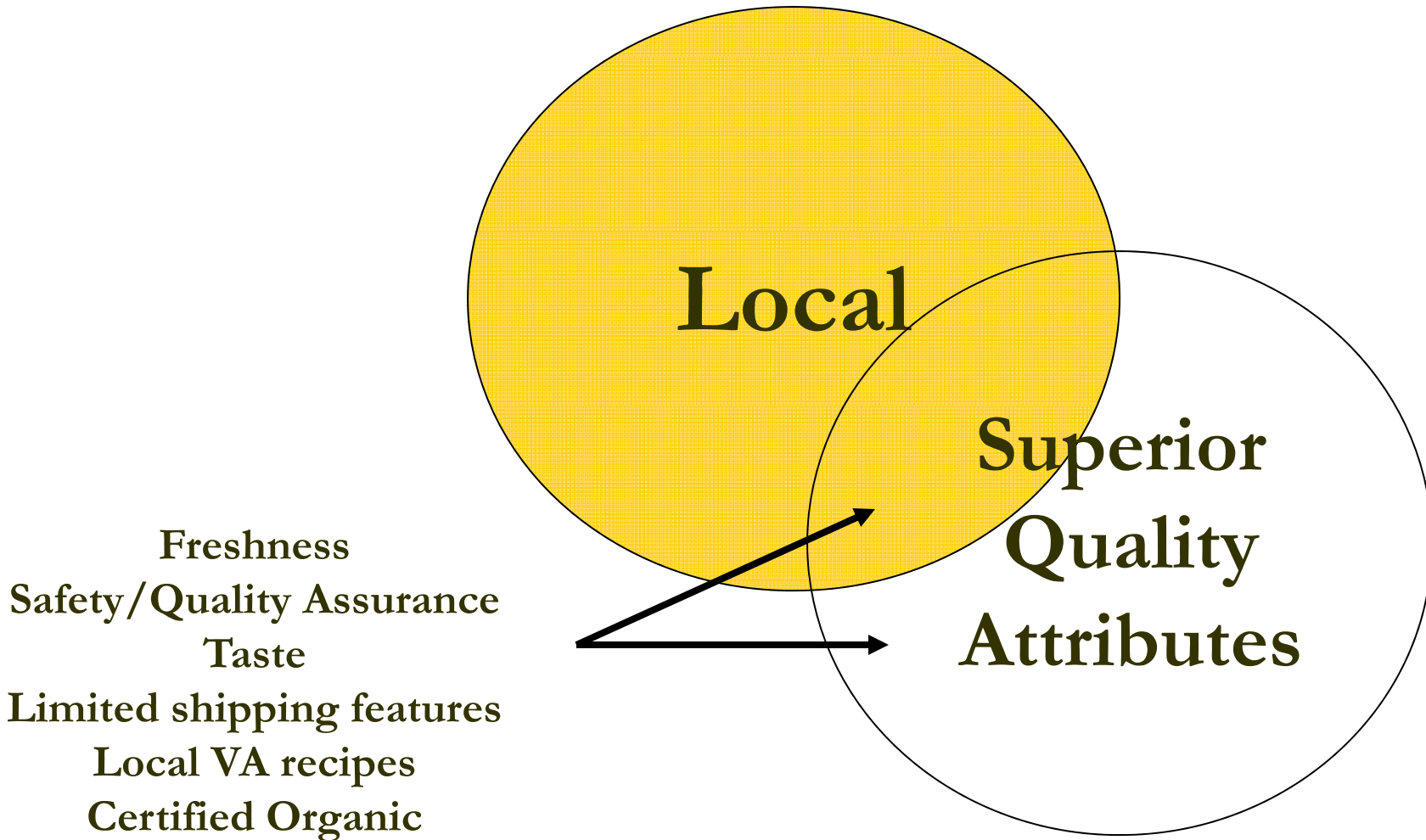
Source: KY Dept of Ag

The Local Food Systems Model

Not Local



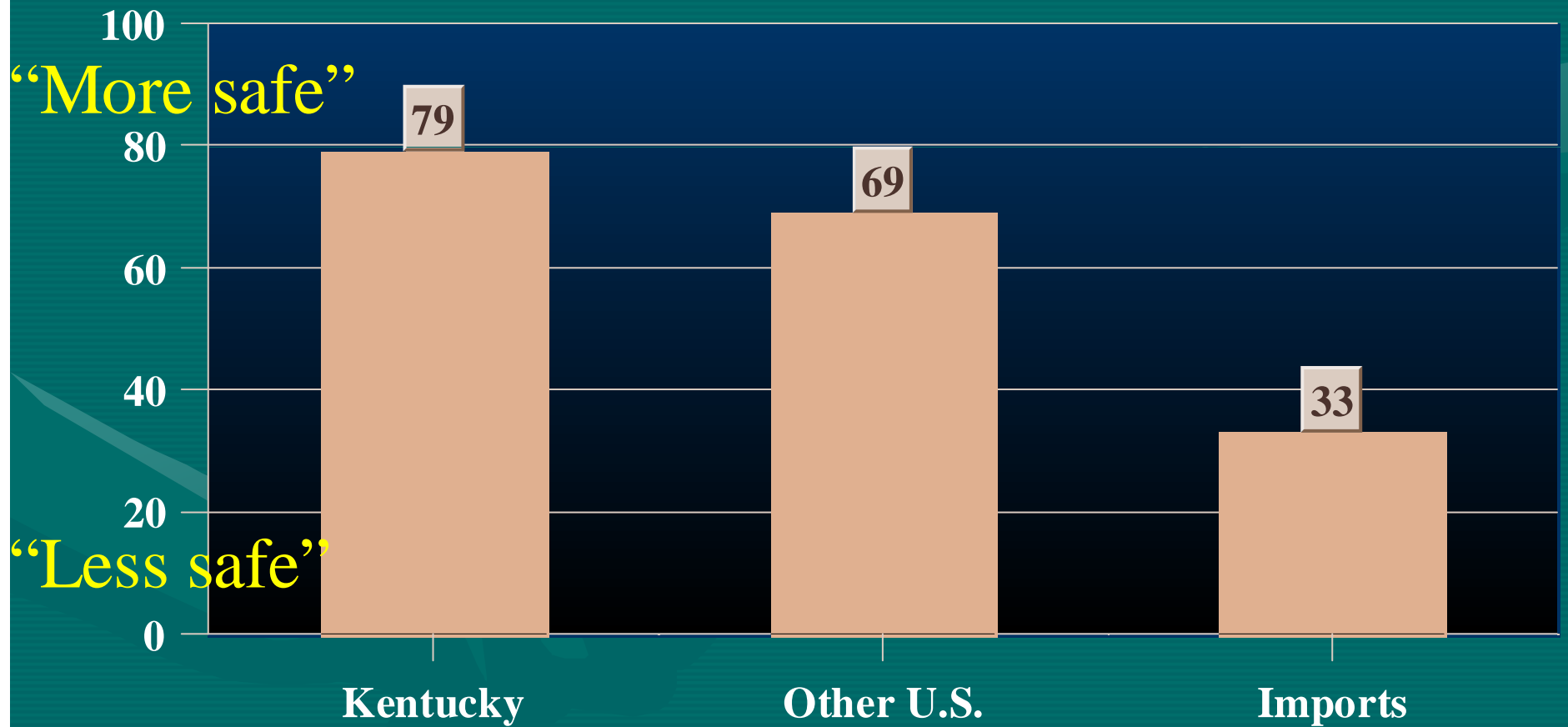
The Local Food Systems Model



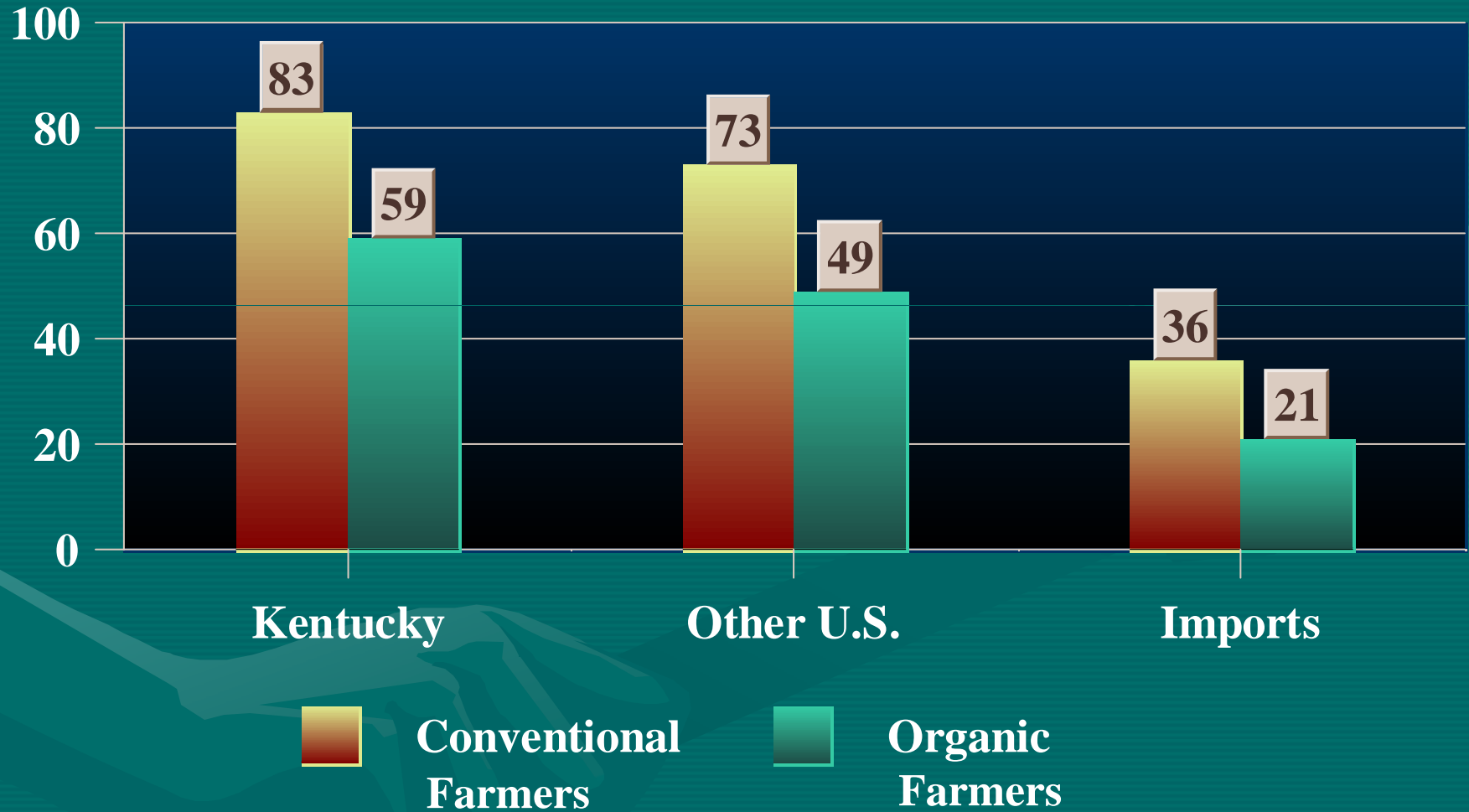
Local spinach anyone?



Food Safety Rating



Perceptions of the safety of produce in U.S. markets



More than 10% of my neighbors...

- Use “off-label pesticides”

Conventional	13%
Organic	33%
- Inadequately clean their sprayers

Conventional	28%
Organic	58%
- Apply dosages exceeding label recommendations

Conventional	15%
Organic	45%

More than 10% of my neighbors....

- Apply pesticides too closely to the harvest date

Conventional 8%

Organic 39%

- Operate livestock activity within 100 yards of produce activity

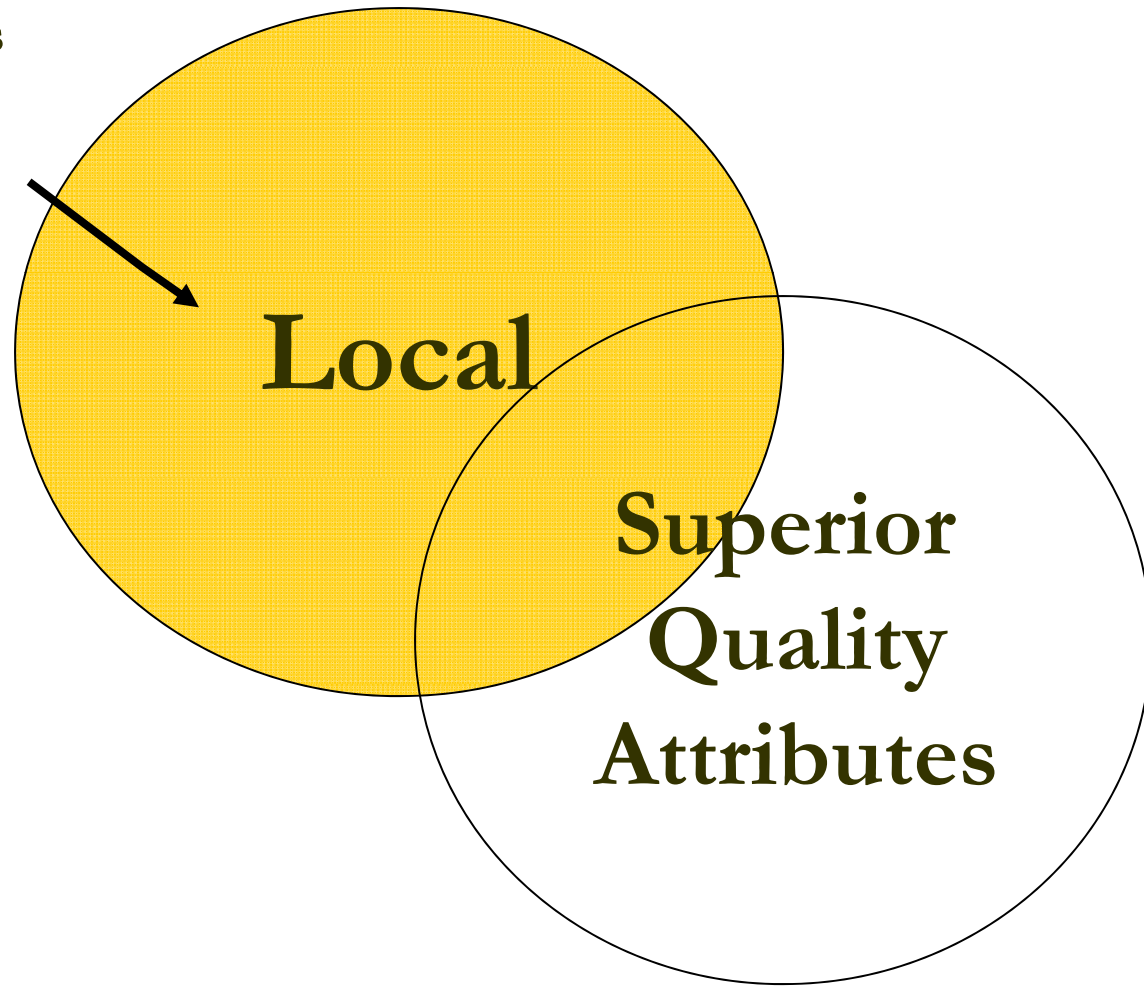
Conventional 29%

Organic 42%

The Local Food Systems Model

State Promotion Programs

Are all local products
worth promoting?
Competitiveness?
State brand equity?

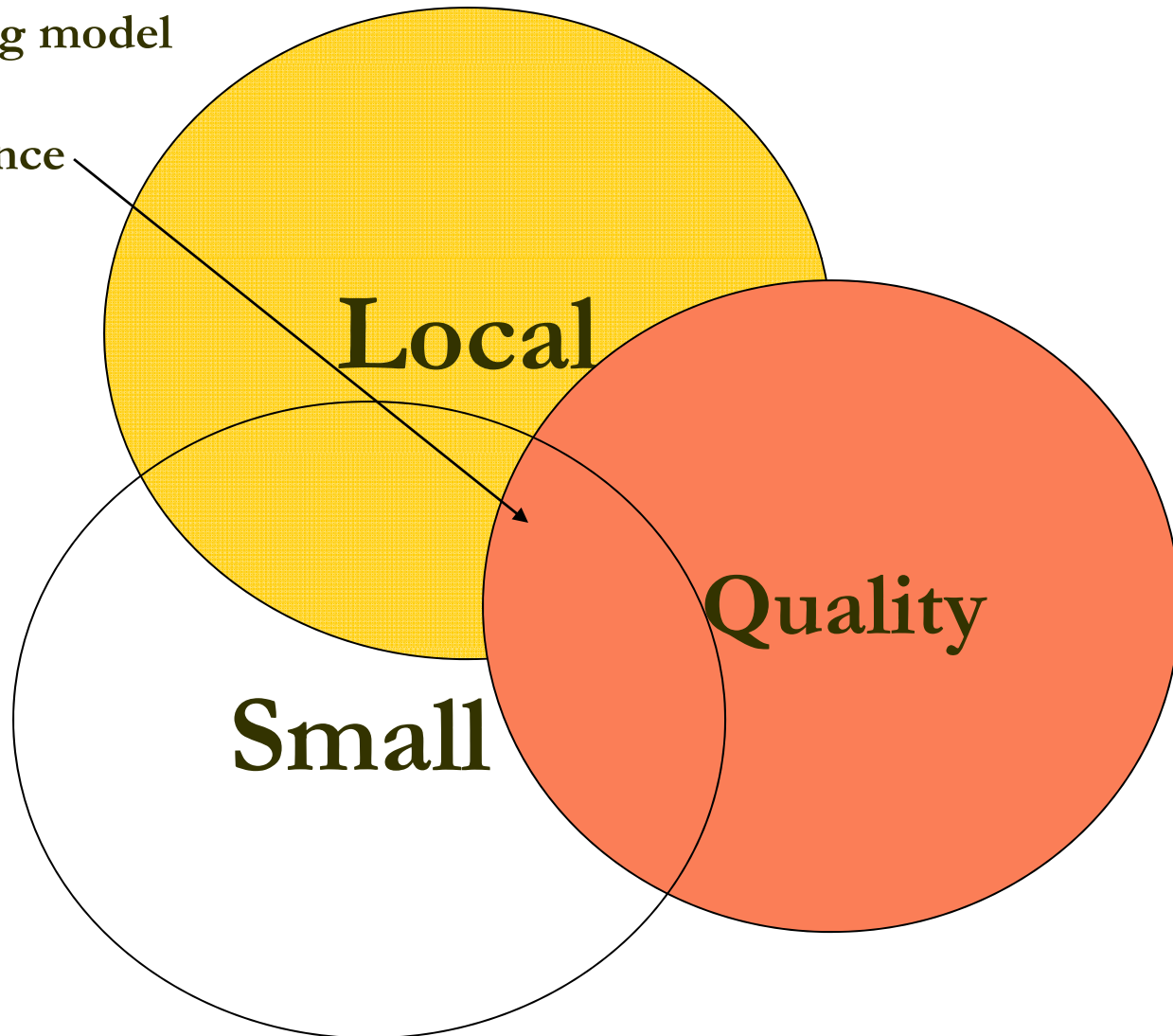


Local Food and Local Economies

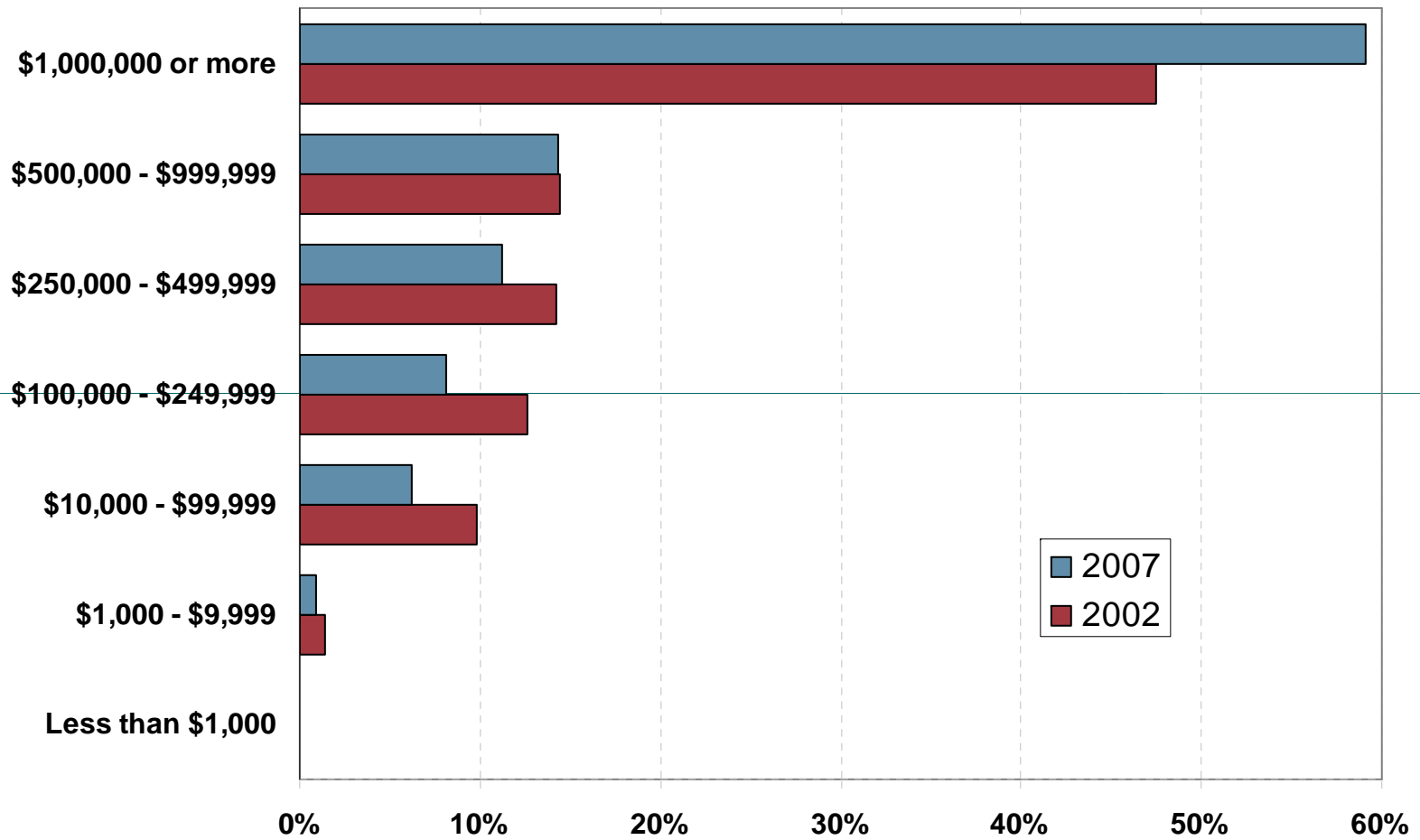
- Foodroutes.org
- “thousands of miles fresher”
- Invest your food dollars locally – support your local economy
- Preserve plant diversity

The Local Food Systems Model

'Local' Marketing model
focuses
on confluence



Value of Sales by Class, 2002 and 2007



Doing local Big

Frito-Lay pitches its chips as locally made

Campaign customized for each state cashes in on hot trend

By Bruce Horowitz
USA TODAY

Here's proof-positive that more shoppers must seriously want to know where their food comes from: Frito-Lay, the world's biggest snack-food maker, is getting into the act.

Marketing Today, Frito-Lay will unveil an unlikely marketing strategy for its Lay's brand chips that focuses on the 80 "local" farmers from 27 states who grow the potatoes used to make its chips. In a new world of better-for-you food concerns, it's not about chips being fun to eat. It's about chips being local.

And trackable. A tech toy at Lays.com dubbed Chip Tracker will let folks see where any bag of chips was made. Type in the first three digits of the product code on the bag and your ZIP code and out pops the location of the plant.

"Knowing where food is made and grown is important to consumers," says Dave Skena, vice president of potato chip marketing at Frito-Lay. "Sharing with consumers how regional we are is relevant



Frito-Lay

Lay's Local: The brand's biggest campaign in 2009.

and compelling."

TV spots will be focused to make that point. Michigan farmer Brian Walther appears with his brother, Gary, in a spot to air in that state and tells viewers: "Next time you grab a bag of Lay's in Michigan, think of us."

"Lay's Local" will be the brand's biggest 2009

campaign, Skena says. It also features 40,000 in-store displays customized for each state. Ads and regional store displays use such phrases as, "locally made in Texas."

With good reason. A national survey of restaurant chefs by the National Restaurant Association found "locally grown" food to be the hottest industry trend for 2009. Frito-Lay does not claim its products are "locally grown," a popular and hotly debated industry term without a clear definition.

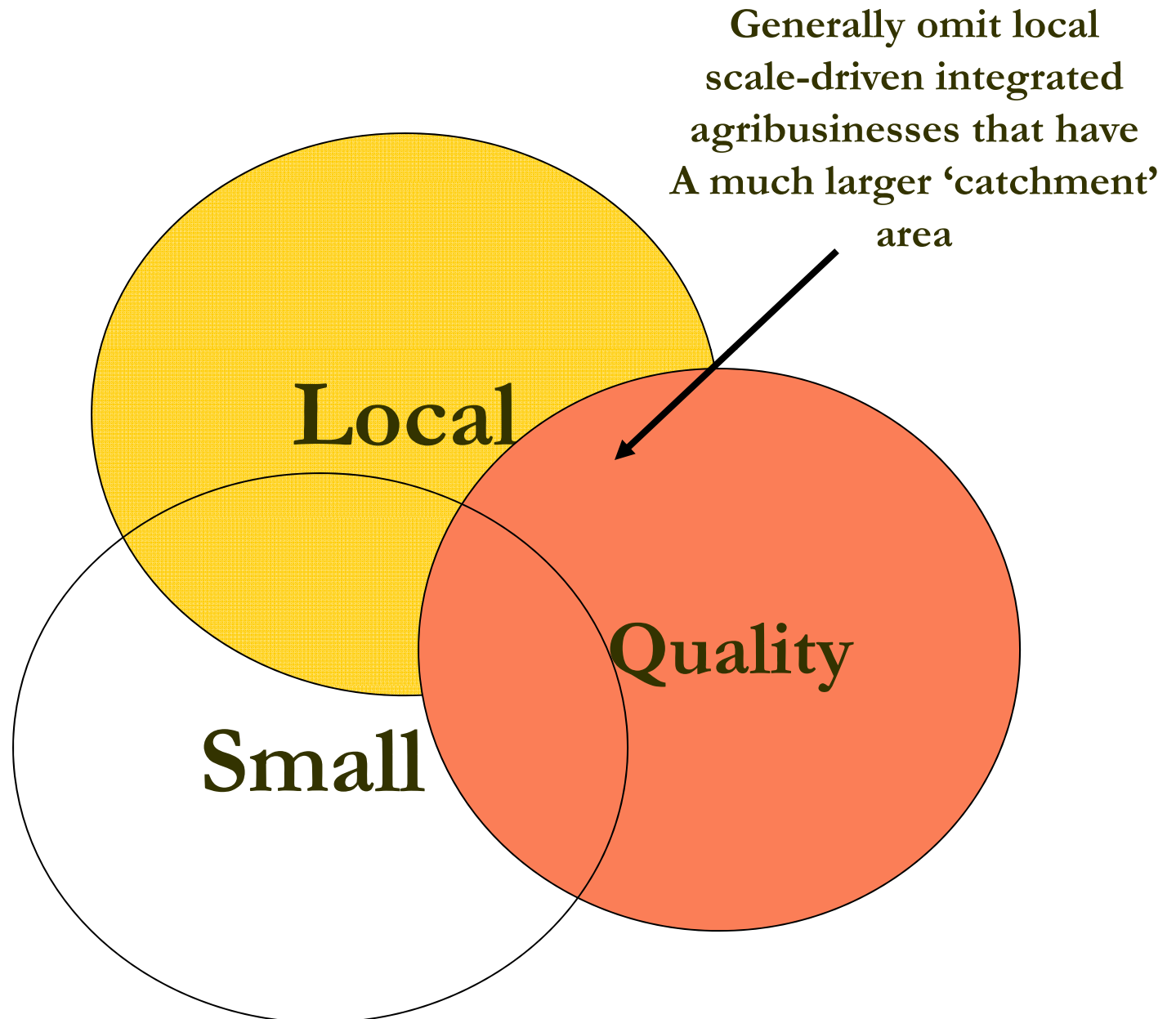
Some say Frito-Lay is trying to fool folks. "They're trying to confuse consumers with something consumers already are confused about," says Dawn Brigid, marketing manager at Sustainable Table, a group in support of "green" eating. "Most of their products are obviously grown on industrial farms."

Frito-Lay's new positioning for Lay's is not authentic, says Kate Newlin, consultant and author of *Passion Brands*. "They're trying to take a big, huge brand and make it look tiny. It's a shell game."

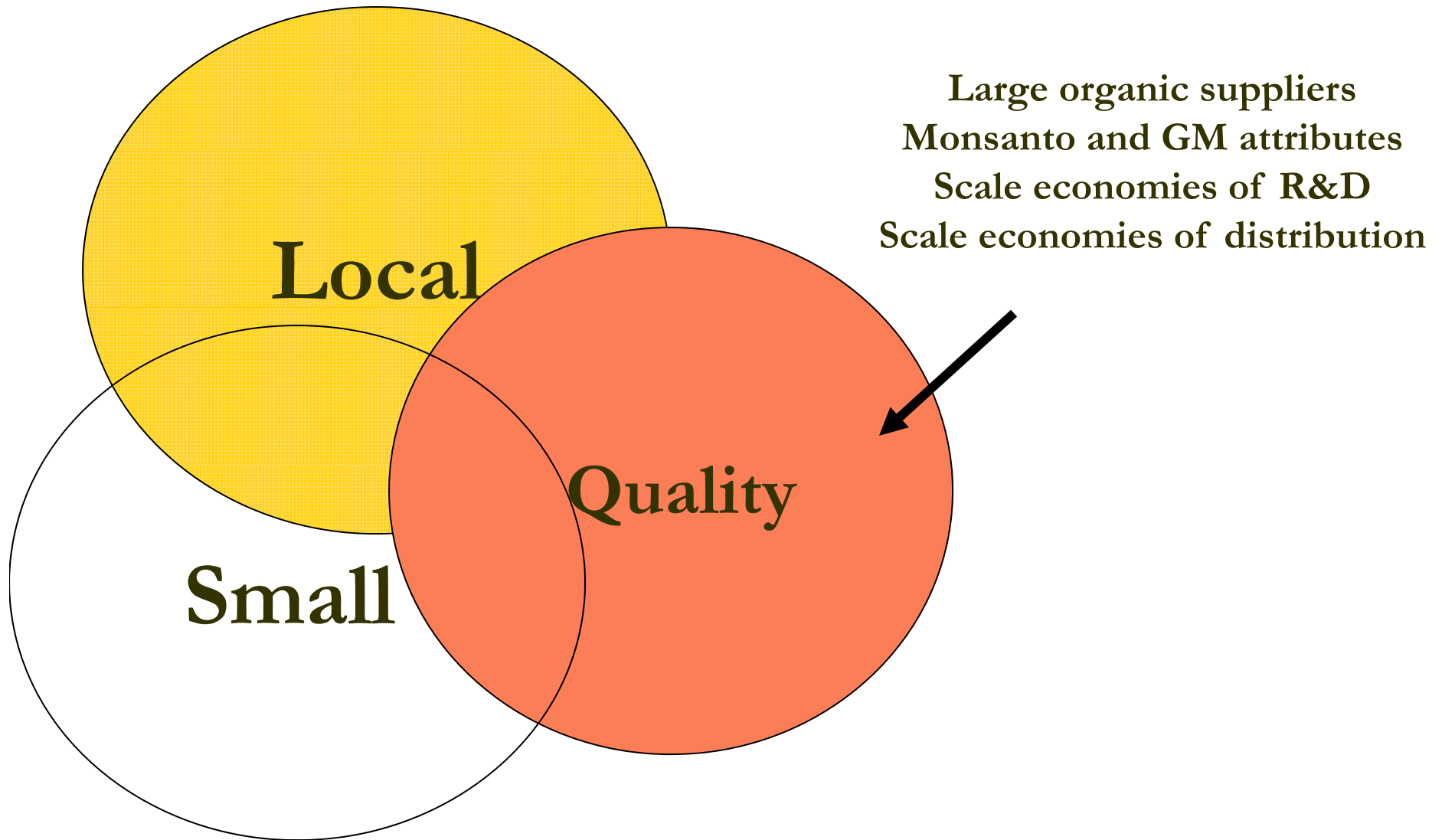
But, to Frito-Lay's credit, says ad consultant Allison Cohen at PeopleTalk, the campaign reminds folks that Frito-Lay is an American brand that supports American farmers in tough times.

Says Skena, "Our intention is solely on celebrating the contributions people and communities across the country have made to the Lay's brand."

The Local Food Systems Model



The Local Food Systems Model



Summary Message

- Clearly define the benefits of local
- Others are going to compete for consumer attention of 'local-like' attributes
- Small farms have a difficult time competing on scale-driven, low-cost strategies.