

# Evaluating the economic impact of local food systems

Researchers developed a Local Food Systems Toolkit to evaluate the economic impact of local food systems.

It opens the door to having conversations with officials and funders who might normally dismiss localised food systems as relatively unimportant.

Even small organisations can use elements of the Local Food Systems Toolkit.



If every dollar or pound spent within the local economy has the potential to [increase localised spending and support smaller-scale enterprise](#), does this mean that local food systems show similar impacts? This local multiplier effect is what Becca Jablonski, Dawn Thilmany McFadden, and their team of Agricultural Economists from across the U.S. set out to investigate. With the backing of the United States Department of Agriculture's Agricultural Marketing Service, they developed the [Local Food Systems Toolkit](#) to evaluate the economic impact of local food systems policies, programming and initiatives, with the hopes of making the evaluation of impacts more standardized and accessible to policymakers and funders.

## Setting up the methodology

Local and regional food systems have been suggested as one strategy to support positive economic impacts across the U.S. However, there has historically been limited resources available to identify and substantiate the financial impact of investment in local food systems. Data had often been collected, but not in a standardized way.

Through partnerships across academic institutions **researchers developed the Toolkit to help stakeholders explore the impact of local food efforts**. The project was based on principles of inclusiveness, realistic action, empowerment, flexibility and increasing partner understanding of data collection, analysis, and interpretation.

Between 2015 and 2018 the team developed and launched the Toolkit, working with thousands of participants across a broad range of interests. They trained people to:

- Use the toolkit;

Emma BURNETT  
December 2019

Urban Food Futures would like to thank [Becca Jablonski](#) for her inputs and comments.

Source:  
[Economics of Local Food Systems: Utilization of USDA AMS Toolkit Principles](#), *Journal of Agriculture, Food Systems, and Community Development*, Special Issue (2019, Vol. 8, Suppl.3)

Picture credits:  
[Cultivate Oxfordshire](#)

You can find this article on the URL below:  
<http://www.urbanfoodfutures.com/local-food-systems-toolkit>



- Collect and use relevant data;
- Better understand what is meant by 'economic impact', e.g. how a 'shock' (in this case a new policy, program, or initiative) ripples throughout the local economy;
- Discuss how these impacts can be effectively communicated with policymakers and other stakeholders.

### Local food, national impact

[The Journal of Agriculture, Food Systems, and Community Development](#) released an open access special edition which featured case studies of community stakeholders who had used the principles in the Toolkit to evaluate the economic impacts of their work.

Papers were submitted by joint teams of practitioners and academics, and addressed a number of topics around the implementation of the Toolkit, and the reality and use of measuring economic impact.

In particular, **the issue questions whether it is possible for small-scale practitioners to collect and analyse data**. Some organisations have tried, in recent years, with varying degrees of success. Studies highlighted the importance of customised data collection and analysis, which may require extra resourcing or a University partner. However, **the Toolkit can encourage engagement with economic impact assessments, and provide outputs for promotional materials**.

Given this central role for data collection and analysis, **is there any benefit to communities with limited resources using the Toolkit?** One paper focuses on other techniques that may support evaluation of a program. For example, social network analysis can provide evidence of how the social capital within a community is affected by a local food systems effort. A second constructs a [local food system impact calculator](#), which estimates the impact that projects or enterprises have on the local or regional economy. This is particularly useful to limited resource communities that do not have the ability to conduct a full fledged case study.

### Getting the numbers right

Another set of papers looks at the methodological challenges associated with assessing economic impacts. For instance:

- **Measurement issues:** what are best practices for measuring production functions (the land, labour, and capital invested)? One study explored the complications relating to data collection, and importance of both primary and secondary data. A second study reinforced the importance of reflecting on-the-ground conditions when modelling impact. Through the Toolkit, both found **net positive impacts on the local economy which exceeded the predictions of IMPLAN's default system** (IMPLAN is a tool for input-output economic modelling).
- **Specific market channel analysis:** how do specific programmes designed to increase market access for producers get assessed? Two studies focused on the economic impact of farm-to-school projects. Researchers found that **it is easy to overestimate the net positive effect of such projects on the local economy**, and important to incorporate the channels these programmes utilise to access locally produced food.



### Does demonstrating economic impact influence policy makers?

How do policymakers respond to economic impact assessments of local food systems? Studies in this *Special Issue* show that:

- **Decision makers are more supportive after finding out the results of a study;**
- The results can be used to develop better data collection;
- They can be used to inform local and regional government development strategies.

The Toolkit was also used in a collaborative planning process to guide discussions around a definition, enforcement, and evaluation of 'agricultural viability'. Agricultural viability refers to the ability of farmers to use land productively, to run business(es) from it, and to maintain long-term stewardship over the land. This type of conversation can help to build cohesion among diverse stakeholders.

**The Toolkit opens the door to having conversations with officials and funders who might normally dismiss localised food systems as relatively unimportant, or who need further evidence to legitimise funding them.** Though currently limited to financial data, and based only in the United States, this is a solid step towards having those conversations.

#### Want to join the community of practice?

If you're based in the US, you can register your project. If you have any questions, you can get in touch with the team at:

<https://localfoodeconomics.com/>

@<https://twitter.com/localfoodecon>

The Local Food Systems Toolkit is only available to use in the United States, but has been developed to help stakeholders explore the impact of local food efforts. There is potential for broadening out over time.

Sign up for our [bi-monthly Coffee Break newsletter](#).  
Every other Friday, take your coffee with a shot of urban food science directly delivered to your inbox.

**Your mission?** Make the coffee.

**Our mission?** Deliver you an easy-to-read information to go with it!

[Sign up here](#)

