



## *Planning and Zoning for Local Food Systems*

# Processing and Distribution

### Center for Land Use Education Fact Sheet

Our food system relies on a complex web of relationships, regulations, and infrastructure to get food from field to mouth. The food system includes processes as diverse as food production, processing and distribution, access and consumption, and waste recovery. Local food system development requires a comprehensive approach with both planning and zoning solutions.<sup>1</sup>

Public interest in local food systems has grown.<sup>2</sup> The USDA describes local food as “produced, processed, and distributed within a particular geographic boundary that consumers associate with their own community.” Some define local as within 100 miles, or from within the boundaries of the state. In addition, consumers often associate local food with characteristics such as environmental sustainability.<sup>3</sup>

The first fact sheet in this series addresses food production. This fact sheet addresses infrastructure for food processing and distribution, with an emphasis on businesses that link to small and midsize producers.

It is well documented that lack of infrastructure for processing and distribution is a barrier to the development of the local food system.<sup>4</sup> Local food producers need processing and distribution infrastructure that is regionally accessible and appropriately scaled to their needs. A recent report found that ‘relational infrastructure’, or relationships between supply chain partners, is also key to distribution.<sup>5</sup> Developing, or identifying already existing, appropriate infrastructure can help farms and other local food businesses access new markets.

#### **Processing**

Prior to distribution, some local food farms and businesses engage in food processing activities. Processing can extend product shelf life, provide a wider array of products, and increase the value of raw products.<sup>7</sup> Examples of processing include peeling and chopping carrots, making jam or salsa, quartering chicken or making sausage, and drying or freezing products. All meat and dairy products require processing. In addition, most of Wisconsin’s produce is grown for processing.<sup>8</sup> Processing can provide a use for ‘seconds’, or cosmetically imperfect produce, and thereby increase farm profit and reduce food waste.<sup>9,10</sup>

**Helping local producers access new markets can enable them to earn a living, preserve their agricultural traditions, and avoid selling their land for development.<sup>6</sup>**

In Wisconsin, there are 952 food processors.<sup>11</sup> Of those, 84 are fruit and vegetable preserving and specialty food manufacturers (including frozen, canned, pickled, dried, and dehydrated products), and 140 are animal slaughtering and processing manufacturers (of which eight are poultry processing). Some small-scale processing may not be captured in the numbers above. For example, the extent of on-farm processing is not easily quantified because it is not tracked separately from other types of certified kitchens.

Food processors range in size, scope, and involvement in the local food system. Many large processors, such as Del Monte and Tyson Foods, are vertically integrated and work primarily with large-scale regional producers under contract to serve national and international markets. Some processors obtain most of their source product from regional producers, others ship in product from other states and countries.<sup>12</sup> Most do not have local product lines.

Anecdotal evidence suggests that processors with local product lines are often locally owned and smaller in size.<sup>13</sup> Some processors and butchers, such as Seaquist Canning Company and the Underground Butcher, aggregate and process products from multiple producers. Others process products for producers to distribute under their own label. This is known as contract processing, co-packing or co-manufacturing.<sup>14</sup>

Producers that have trouble accessing processing suited to their needs may have to invest in their own certified kitchens to process products<sup>15</sup> or explore opportunities to share processing infrastructure. For example, there are approximately 23 shared use and incubator kitchens in Wisconsin, which are facilities in which multiple users can rent space and process their own products.<sup>16, 17</sup> For areas with insufficient meat processing, mobile slaughter units can serve multiple farms.

## Distribution

Local food must be distributed in an efficient manner. Many local producers sell direct-to-consumer at farm stands, u-pick farms, farmer's markets, and public markets. In addition, some producers sell "shares" of their annual harvest to members in an arrangement called community-supported agriculture (CSA). Direct sales require on-farm infrastructure such as farm stands and packing houses, as well as community infrastructure such as dedicated farmer's market or public market space.

Accessing intermediated markets such as retail outlets, restaurants, and institutions requires understanding buyers' requirements for delivery, insurance, and more.<sup>18</sup> Businesses may need to invest in appropriate infrastructure. This may include warehouses for packing and storage (dry, refrigerated, and frozen), loading docks, and transportation.<sup>19,20</sup> Some producers may directly sell to these buyers, whereas others may find it beneficial to work through a distributor or food hub. Distributors such as Reinhardt FoodService and Keewaydin Organics sell local products as an intentional aspect of their business.

In addition, food hubs help connect producers with markets.<sup>21</sup> A food hub is "a business or organization that actively manages the aggregation, distribution, and marketing of source-identified food production primarily from local and regional producers to strengthen their ability to satisfy wholesale, retail, and institutional demand".<sup>22</sup> In Wisconsin, there are at least 12 food hubs.<sup>23</sup> Common ownership types for food hubs include privately held businesses, cooperatives and nonprofits. Food hubs vary in scope, but can include aggregation, processing, storage, and distribution components.

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## Planning

There are several components of community planning in which local governments can consider and promote local food processing and distribution.

**Build relationships** among food system partners.

- Provide opportunities for partners to discuss food system policy on an ongoing basis. This may be facilitated by a planning department, food policy council, or committee.
- Create regular networking opportunities for supply chain businesses such as buyers, food producers, and distributors.

**Gather data on food processing and distribution.** For example:

- Work with community and university partners to conduct a comprehensive food system assessment that includes processing and distribution.<sup>24</sup>
- Assess local food processing demand and capacity by type of product (e.g. produce, meat, dairy) and type of processing (e.g. fresh, frozen, canned).
- Inventory local infrastructure for food aggregation and distribution.

**Build relationships across departments to address complex food issues.** For example, partner with the health department to create a database of available commercial kitchen space that can be rented to local food businesses.

**Develop specific and measurable goals for local food infrastructure** in community plans including comprehensive, farmland preservation, sustainability, and other plans.<sup>25,26,27</sup> Communities that address food systems in their plans adopt more policies or programs related to food systems than communities that do not have such plans.<sup>28</sup>

**Provide education and outreach** about the economic, social and environmental

benefits of investing in local food infrastructure to stakeholders, including

- Community members
- School officials
- Community and economic development staff, and
- Elected officials

### Comprehensive Plan Examples

1. The city of Eau Claire included the following policies in the health chapter of their comprehensive plan<sup>29</sup>:

*Policy 2.5 Public Market:* The City and/or Redevelopment Authority should consider developing a year-round public market.

*Policy 2.6 Regional Food Hub:* Collaborate with others to research if the region could support a regional food hub.

2. Marquette County, Michigan developed a Local Food Supply Plan as a chapter of their comprehensive plan,<sup>30</sup> which included the following infrastructure-related policies:

Encourage the establishment of food processing facilities including meat and frozen produce.

Identify opportunities for cooperatives for food processing, equipment, and storage areas.

3. Other example goals are as follows:

- Strengthen food distribution networks in the region.
- Reduce barriers to processing and distribution in the zoning code.
- Provide in-kind or financial support to develop local food infrastructure.<sup>31</sup>

## Regulation

There are numerous local, state and federal regulations affecting local food infrastructure related to the processing and distribution of food on a local and regional basis.<sup>32</sup> At the local level, you can take action in the following ways:

**Educate local government officials, staff, and the public** about local zoning regulations affecting food processing and distribution. Provide the information by topic on local government websites.

**Work across departments to streamline the development of infrastructure.**<sup>33</sup>

For example, create a handout for new commercial kitchens with information about planning and zoning considerations, as well as necessary licensing permits through the health department.

**Specifically define uses related to local food infrastructure in the zoning code.**

- This may include farm stands, farmers markets, public markets, mobile markets, packing houses, warehouses, mobile slaughtering units, community kitchens, and more.
- Consider defining “food hubs”, which include multiple uses and may not easily fit into one category.<sup>34</sup>

**Reduce unnecessary barriers to food distribution in each district** (e.g., residential, commercial, industrial and mixed use).

- Allow appropriately scaled food system infrastructure such as small-scale farm stands, and farmers markets in non-agricultural zones with appropriate standards.<sup>35,36</sup>

**Consider creating district that specifically allow a mix of uses**, e.g., food production, aggregation, processing, distribution and retail). Examples include food innovation districts in urban areas and local food production districts on the development fringe.<sup>37,38</sup>

### Model Food Innovation District

Food innovation districts include a mix of uses, including production, processing, restaurants, retail and wholesale sales, and food-related education and events.<sup>39</sup> Consider creating a new district or an overlay district that allows for these uses. Grand Rapids, Michigan has created a food innovation district on land zoned for commercial and industrial purposes adjacent to the Grand Rapids Downtown Market. Madison, Wisconsin is working on a similar project.

### Model Local Food Production District

CR. Planning Inc. created a model ordinance for local food production districts in the development fringe.<sup>40</sup> Food processing is included as a provisional/ accessory use. This means that the accessory use is permitted as long as it follows the standards outlined.

“Processing food products whose defining ingredient was produced locally, subject to the following conditions:

1. There shall be no indication of offensive noise, vibration, smoke, dust, odors, heat, or glare at or beyond the property line
2. The processing operation shall not generate excessive traffic that is detrimental to the rural character of the local food production district.
3. The processing operation shall not generate hazardous or excessive waste unless a plan for off-site management of waste is approved.
4. Off-street parking shall be provided for any non-resident employees.”

## Examples in Wisconsin

Below are examples of planning and zoning activities related to local food infrastructure.

### Food Enterprise Center, Viroqua, WI

[www.veda-wi.org](http://www.veda-wi.org)

The Vernon Economic Development Association (VEDA), a nonprofit organization based in Viroqua, was formed in 2006 to “create economic wealth and prosperity while preserving our rural Vernon County lifestyle”. Located in an agricultural region, VEDA saw potential in developing the infrastructure for small businesses serving the regional food system. In 2009 VEDA participated in the “Vernon County, Wisconsin Community Food Assessment”. Later that year, they obtained an abandoned 100,000 square foot manufacturing facility. VEDA partnered with the city of Viroqua to successfully obtain a \$2 million federal Economic Development Administration grant in 2010 to develop the site into a multi-tenant food processing and distribution center. The Food Enterprise Center is now home to 10 food and wellness-related tenants, including the Fifth Season Cooperative, Wisco Pop, LuSa Organics, Kickapoo Coffee, Fizeology and others. The city of Viroqua is providing tax increment financing as collateral on a \$1.8 million Midwest Disaster Area Bond that helps finance tenant build-outs at the site.



### Community Commercial Kitchens, Door County, WI

[http://map.co.door.wi.us/planning/zoning\\_ordinance.htm](http://map.co.door.wi.us/planning/zoning_ordinance.htm)

The Door County Zoning Ordinance did not have a category for stand-alone community commercial kitchens, but recognized that interest in community commercial kitchens was growing in the area. This type of kitchen did not fit well under processing plants, which were generally larger-scale. Therefore, Door County Planning and Zoning proposed adding a definition for “community commercial kitchen” as follows:

*An establishment where space is leased or otherwise shared by individual entities for short periods of time to process, typically only in small quantities and only periodically, the food that they grow or produce, primarily for purposes of selling or distributing off-site. (Approved April 2012)*

Community commercial kitchens are allowed in the commercial center, mixed use commercial, and light industrial zoning districts.

## Conclusion

A healthy local food system requires infrastructure to help producers aggregate, process, and distribute their product to local and regional markets. Communities that engage in planning and zoning for their local food system may be better prepared to address food processing issues related to land use.

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## References

- <sup>1</sup>See Russell, APA PAS Memo, March/April 2011, Local Agricultural Preservation: Making the Food System Connection. In his research, he found that “non-zoning programs generally played a more important role in determining whether a community was successful at keepings its farmland in production and its farms profitable”.
- <sup>2</sup>See p. 7-8 in USDA. Role of Food Hubs in Local Food Marketing.
- <sup>3</sup>Martinez, Steve, et al. May 2010. Local Food Systems: Concepts, Impacts, and Issues. USDA.
- <sup>4</sup>See USDA’s website on food hubs for more information about infrastructure needs. Available at [www.ams.usda.gov/AMSV1.0/foodhubs](http://www.ams.usda.gov/AMSV1.0/foodhubs).
- <sup>5</sup>Day-Farnsworth, Lindsey, and Michelle Miller (CIAS). 2014. Networking Across the Supply Chain: Transportation innovations in Local and Regional Food Systems.
- <sup>6</sup>APA. 2007. Policy Guide on Community and Regional Food Planning.
- <sup>7</sup>Harvard Food Law and Policy Clinic. 2012. Putting Local Food Policy to Work for Our Communities.
- <sup>8</sup>In Wisconsin, 81 percent of produce acreage is intended for processing, compared to 44 percent nationally. See 2007 Census of Agriculture. 2009. Wisconsin Report. and Table 34. Vegetables, Potatoes, and Melons Harvested for Sale: 2007 and 2002.
- <sup>9</sup>The NRDC reports that 20 percent of produce in North America goes to waste during production. Some losses occur on farm. See NRDC. 2012. Wasted: How America Is Losing Up to 40 Percent of Its Food from Farm to Fork to Landfill.
- <sup>10</sup>Berkenkam, JoAnna (School Food Focus). 2014. Eating Our Peas & Carrots: Strategies for Expanding K-12 Access to Fruits and Vegetables through Supply Chain Innovation and Investment.
- <sup>11</sup>US Census. 2011 County Business Patterns (NAICS). State of Wisconsin. Over half (495) have less than 20 employees. Nearly half of Wisconsin processors are dairy product and bakeries and tortilla manufacturing.
- <sup>12</sup>There is no comprehensive data on how much product Wisconsin processors are importing.
- <sup>13</sup>USDA. 2012. Slaughter and Processing Options and Issues for Locally Sourced Meat.
- <sup>14</sup>DATCP. 2010. Wisconsin Local Food Marketing Guide.
- <sup>15</sup>Wisconsin’s Pickle Bill also allows the limited sale of foods that are home-canned without a license.
- <sup>16</sup>See list on the Organic Processing Institute website: [www.organicprocessinginstitute.org/resources/kitchen-facilities/](http://www.organicprocessinginstitute.org/resources/kitchen-facilities/)
- <sup>17</sup>For more information on each type, see Lindsey, Timothy and Jim Slama. January 2012. Building Successful Food Hubs: A Business Planning Guide for Aggregating and Processing Local Food in Illinois.
- <sup>18</sup>Learn more about buyer needs on the Institutional Food Market Coalition website: [www.ifmwi.org/growers.aspx](http://www.ifmwi.org/growers.aspx).
- <sup>19</sup>Harvard Food Law and Policy Clinic. 2012. Putting Local Food Policy to Work for Our Communities.
- <sup>20</sup>Day-Farnsworth, Lindsey, and Michelle Miller (CIAS). 2014.
- <sup>21</sup>Food hubs provide economic efficiencies and a single point of contact. See Harvard 2012, Lindsey and Slama 2012, and USDA website.
- <sup>22</sup>USDA. 2012. Regional Food Hub Resource Guide. P. 4.
- <sup>23</sup>See complete list of U.S. food hubs on the National Good Food Network website: [www.ngfn.org/resources/food-hubs#section-11](http://www.ngfn.org/resources/food-hubs#section-11).
- <sup>24</sup>Freedgood, Julia, Pierce-Quiñonez, Marisol, and Kenneth A. Meter. Dec. 2011. Emerging assessment tools to inform food system planning. Journal of Agriculture, Food Systems, and Community Development. p. 86-88.
- <sup>25</sup>Find a link to your community’s comprehensive plan on the Department of Administration’s table of plans: [www.doa.state.wi.us/category.asp?linkcatid=746&linkid=128&locid=9](http://www.doa.state.wi.us/category.asp?linkcatid=746&linkid=128&locid=9).
- <sup>26</sup>See actions by component in Roberts, Rebecca. Planning for Community Food Systems. Land Use Tracker, Winter 2007.
- <sup>27</sup>See Hodgson, Kimberley (American Planning Association). Planning for Food Access and Community-Based Food Systems. Appendix J. Examples of Plan Language: Vision, Guiding Principles, Goals, and Policies.
- <sup>28</sup>Michigan State University Center for Regional Food Systems. September 2013. Local Government Support for Food Systems: Themes and Opportunities from National Data. P. 7.
- <sup>29</sup>Access the health chapter of the Eau Claire Comprehensive Plan at [www.eauclairewi.gov](http://www.eauclairewi.gov).
- <sup>30</sup>See the county website for a copy of the plan: <http://co.marquette.mi.us>.
- <sup>31</sup>For example, local government can streamline permitting, provide grants, donate resources (such as staff expertise), or establish partnerships that enable the development of processing and distribution infrastructure. See APA. 2007. and National Association of Counties (NACO). 2007. Counties and Local Food Systems.
- <sup>32</sup>In Wisconsin, the Department of Agriculture, Trade and Consumer Protection (DATCP) is responsible for inspection and licensing most food processing activities, and local health codes may also affect food preparation.
- <sup>33</sup>ChangeLab Solutions offers numerous examples of licensing and permitting issues, including From the Ground Up: Land Use Policies to Protect and Promote Farmers Markets. In addition, see Alfonso Morales (APA). Feb. 2009. Practice Public Markets. Zoning Practice, Issue 2.
- <sup>34</sup>See Michigan Food Hub Learning and Innovation Network. June 2013. Zoning Lessons Learned Regarding Food Hubs.
- <sup>35</sup>Lavine. 2011. Regional Foodsheds: Are Our Local Zoning and Land Use Regulations Healthy?
- <sup>36</sup>Morales, Alfonso. 2009.
- <sup>37</sup>See Cantrell, Patty, Kathryn Colasanti, Laura Goddeeris, Sarah Lucas, Matt McCauley, Michigan State University Urban Planning Practicum 2012. Food Innovation Districts: An Economic Gardening Tool. March 2013. Available at [www.nwm.org/food-innovation-districts](http://www.nwm.org/food-innovation-districts).
- <sup>38</sup>Food processing is allowed as an accessory use in local food production districts. Ross, Brian (CR Planning, Inc.). 2008. Local Food Networks. Updated Model Ordinances for Sustainable Development. MPCA.
- <sup>39</sup>Cantrell, Patty et al. March 2013.
- <sup>40</sup>Ross, Brian (CR Planning, Inc.). 2008. Local Food Networks. Updated Model Ordinances for Sustainable Development. MPCA.

