

WHAT I LEARNED FROM NEIL HAMILTON ABOUT THE IMPORTANT CONNECTION BETWEEN PRODUCERS, CONSUMERS, AND EVERYONE ALONG THE WAY

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&

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My first impression of Neil Hamilton as a thought leader was formed by reading his opinion pieces on land and water conservation published in the Des Moines Register. At that time I had no idea what an impact Neil Hamilton would have on me. I practiced law in a small town and never thought Neil and I would intersect. Boy, was I ever wrong. Over the past twenty years Neil Hamilton became a friend, a colleague, a mentor, and an invaluable policy advisor on food policy, land and water conservation, and rural development. Over the next few pages I will touch on Neil Hamilton's role as that mentor and policy advisor.

I. IOWA FOOD POLICY COUNCIL

As a Governor you get a lot of advice about what to do and what not to do. So when Neil Hamilton approached me about establishing a food policy council for the State of Iowa, I initially politely listened. However, by the time he finished making the pitch I was sold.

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Professor Neil Hamilton wrote an article for this journal in 2002 titled *Putting a Face on Our Food: How State and Local Food Policies Can Promote the New Agriculture*.¹ This article examined the value of state and local policy on agriculture including direct marketing, institutional purchase, food insecurity and market differentiation.² His article outlined the multiple benefits of being the first food policy council established by a Governor.³ At Neil's urging, I directed him to work with my staff to draft an executive order. My Executive Order Number 16 was the first to outline a statewide food policy council with representation from departments under my purview, as well as, various other stakeholders interested in food production and systems.⁴

The Executive Order focused on the connection between food outputs compared against what was being consumed while analyzing the barriers to access across multiple levels.⁵ The focus on the consumers and customers was unique to the nationwide dialogue that had been fragmented between production and consumption. While inextricably connected, policy debates tended to focus on one or the other. This effort instead looked squarely at their linkage. Upon retrospect it seems ridiculous to not consider food when talking about agricultural production.

The Iowa Food Policy Council was extended throughout my final term as Governor with three other Executive Orders.⁶ Over that time period, the work included changing priorities based upon previous work, multiple statewide conferences, and important reports on various issues related to food.⁷ This was one of my first interactions with government programs that were so important to feeding those at risk, including the Supplemental Nutrition Authorization Program (formerly known as food stamps) and supplemental nutrition programs for seniors. Vulnerable communities, including people with disabilities, elderly, and children, provided avenues for policy debates that got past the anecdotes of abuse, elevating them to alleviate access barriers denying these vulnerable populations to ample supplies of nutritious foods.

The Iowa Food Policy Council's final few years under my direction focused

1. Neil D. Hamilton, *Putting a Face on Our Food: How State and Local Food Policies can Promote the New Agriculture*, 7 DRAKE J. AGRIC. L. 407 (2002).

2. *See id.*

3. *Id.* at 440, 447-49.

4. XXII Iowa Admin. Bull. 1550 (Apr. 19, 2000).

5. *Id.*

6. XXVII Iowa Admin. Bull. 1561 (May 25, 2005); XXVI Iowa Admin. Bull. 977 (Nov. 26, 2003); XXIII Iowa Admin. Bull. 1940 (June 13, 2001).

7. XXVII Iowa Admin. Bull. 1561 (May 25, 2005); XXVI Iowa Admin. Bull. 977 (Nov. 26, 2003); XXIII Iowa Admin. Bull. 1940 (June 13, 2001).

upon the economics of the linkages between food production and consumers.⁸ I began to see the linkage between food policy and rural development opportunities. I realized with the right set of policies a new market would be created through local and regional food systems providing farms with a new revenue stream and reversing the economic leakage harming rural areas.

II. USDA KNOW YOUR FARMER KNOW YOUR FOOD AND LOCAL & REGIONAL FOOD SYSTEMS

When I received word I would be nominated to be the 30th United States Secretary of Agriculture, I contacted Neil Hamilton hoping he would join me in Washington as General Counsel. He declined, but offered to help. And helpful he was for the next eight years with suggestions about policy and personnel.

During President Obama's first term, Dr. Kathleen Merrigan served as the Deputy Secretary of Agriculture. Dr. Merrigan had served in a previous Administration and came back to the United States Department of Agriculture (USDA) with a true passion of developing and expanding local and regional food systems and organic production. She approached me with an idea to concentrate a comprehensive effort to assist local and regional food systems. Her vision, which I embraced because of Neil Hamilton's reference, centered on a system approach spanning from producer to consumer.

We decided to market this effort under the moniker of "Know Your Farmer, Know Your Food," (KF2) which would be the first complete effort at USDA to support local and regional food systems. One of the effort's goals was to open up the door of the USDA a little wider for a new generation of farmers who were interested in a direct connection to the customers. All of which paralleled Neil Hamilton's effort with the Iowa Food Policy Council.

KF2 brought together the various USDA agencies to better "help stakeholders navigate USDA resources and efforts related to local and regional food systems."⁹ The goal of any Secretary is to try to break down the walls between their different programs for their ultimate customers, the taxpayers. With programs for agricultural producers, food assistance programs and other various areas, the USDA had a real opportunity to help build the connection between agricultural producers and the people eating their food.¹⁰

8. See JOHN COTTON DEAN, THE IOWA FOOD POLICY COUNCIL: A CASE STUDY 32, 52 (2012), <https://perma.cc/LJ78-3LRN>.

9. USDA, KNOW YOUR FARMER KNOW YOUR FOOD 6, <https://perma.cc/GQH5-Z2LK> (archived Aug. 16, 2019).

10. Interview with Kathleen Merrigan, Former U.S. Deputy Sec'y of Agric. (Dec. 12, 2018).

Under the rubric of KF2, USDA established a microloan program, expanded farmers markets, started a farm to school program supplying local schools with locally produced products, supported value added processing, created financial food hubs to aggregate locally produced foods, and launched a number of targeted conservation and risk tools as part of a comprehensive commitment.

KF2 helped to spark growth in the area of local and regional foods by helping better coordinate resources within the Department to support its organic growth. A website dedicated to KF2 (KF2Compass) allowed people interested in supporting local and regional food supplies to learn about the various programs that were a part of KF2. The website reported on activities state by state that highlighted the broad impact and effect of KF2.

The release of the KF2 Compass in 2012 reported that farm to school programs grew “from 400 in 2004 to over 2,300 in 2011 and the number of operating farmers markets blossom from 4,685 in 2008 to over 7,100 in 2011.”¹¹ Programs like the Value-Added Producer Grant or the Beginning Farmer and Rancher Development Program were not the reason these rural entrepreneurs took the risk, but hopefully they provided some resources to help them better analyze the risk and market to thrive.

Consumers are interested in understanding more about where their food comes from and then make buying decisions based upon the information they receive.¹² This is shown through nationwide trends like the market growth of organic, grass-fed, and cage free.¹³ The growth in local foods has outstripped any of those with consumers associating local with “fresh”.¹⁴ In a 2015 market report from Packaged Facts they showed a nearly \$7 billion growth in local food from 2008 to

11. Tom Vilsack & Kathleen Merrigan, *The Know Your Farmer, Know Your Food Compass*, USDA (Feb. 29, 2012), <https://perma.cc/N69E-CZ2Q>.

12. See generally Michael Zacka, *Local Foods: From Fad To Force And What It Means For The Food Industry*, HUFFPOST (June 17, 2014), <https://perma.cc/8F37-5LX6>.

13. Nancy Matsumoto, *Why More Farmers Are Making The Switch To Grass-Fed Meat And Dairy*, NPR: THE SALT (Mar. 22, 2017), <https://perma.cc/8RNK-9RC4>; Maggie McNeil, *Maturing U.S. organic sector puts 2017 organic growth rate at 6 times the pace of overall food market*, ORGANIC TRADE ASS'N (May 18, 2018), <https://perma.cc/N7N2-YJYG>; Lydia Mulvany & Deena Shanker, *Cage-free eggs are out, pastured ones in as tastes change, again*, ALBUQUERQUE JOURNAL (Nov. 24, 2018), <https://perma.cc/4X6G-PKTG>.

14. Lisa Goller, *Local Foods Drive Massive Growth in Retail*, RANGEME (Jan. 19, 2016), <https://perma.cc/MXN5-GVRS>.

2014¹⁵ and predict another eight billion by 2019.¹⁶ These customers want their food to be grown near them and are willing to pay a bit more for that.¹⁷ Despite an unregulated definition for what “local” means consumers are forcing change for retailers and direct marketing as more consumers look for this distinction.¹⁸

Support for this growth and the KF2 initiative led the USDA to perform a survey in 2015 with USDA’s National Agriculture Statistics Service on local food marketing practices.¹⁹ The survey matched much of what was collected through other marketing data which included a fairly even split between avenues of opportunity for direct sales to consumers at 35%, 27% for sales to retailers and 39% of sales toward institutional purchasing.²⁰ The gap between raw commodities and value-added commodities was small with \$4.8 billion to \$3.9 billion, respectively.²¹ This breakdown demonstrates the exponential growth we were experiencing was not solely roadside stands and farmers markets, but rather the change in overall market opportunities.

Direct to consumer growth has been shown through the meteoric explosion of farmers markets across the country and specifically in Iowa. In the mid-1990s there were just 1,755 farmers markets nationwide and by 2012 that number had grown to 8,144, a 350% increase over roughly 20 years.²² In that same time period Iowa’s number of farmer’s markets have nearly doubled from 116 in 1994 to 229 by 2014.²³ The numbers in Iowa puts the state at fourth for number of markets in the United States and second in number per capita.²⁴ The Iowa Department of Agriculture and Land Stewardship showed a 92% growth in sales over a five year

15. Oran B. Hesterman & Daniel Horan, *The demand for ‘local’ food is growing—here’s why investors should pay attention*, BUSINESS INSIDER (Apr. 26, 2017), <https://perma.cc/7PDY-HCP4>.

16. Daniel Granderson, *Sales of Local Foods Reaches \$12 Billion*, PACKAGES FACTS (Jan. 28, 2015), <https://perma.cc/RQS8-G3HZ>.

17. Goller, *supra* note 14.

18. Granderson, *supra* note 16.

19. *2015 Local Food Marketing Practices Survey*, USDA, <https://perma.cc/7FR4-ZHR6> (archived Aug. 16, 2019).

20. *Id.*

21. NAT’L AGRIC. STATISTICS SERV., EXECUTIVE BRIEFING: 2015 LOCAL FOOD MARKETING PRACTICES SURVEY (2016), <https://perma.cc/9GCL-8AAV>.

22. Zacka, *supra* note 12.

23. *2015 Local Food Marketing Practices Survey*, *supra* note 19; DANIEL OTTO & THERESA VARNER, IOWA STATE UNIV., CONSUMERS, VENDORS, AND THE ECONOMIC IMPORTANCE OF IOWA FARMERS’ MARKETS 4 (2005).

24. Teresa Bjork, *Iowans Love Farmers Markets*, IOWA FARM BUREAU (July 29, 2018), <https://perma.cc/4C66-UZR6>.

period with \$38.4 million in sales by 2010.²⁵ These sales generate nearly eighteen million in payroll and nearly 600 jobs in Iowa.²⁶

Nationally, new retail opportunities have shown similar dramatic growth.²⁷ In 2010, Wal-Mart, committed to doubling its sales of local produce and by 2015 had exceeded the goal with \$825 million in revenue coming from local produce.²⁸ This success has driven them to commit to doubling that figure again to \$1.65 billion by 2025, along with other related sustainability goals for their suppliers.²⁹ This is the nation's largest grocer responding to their consumers while their competition like Supervalu, who owns the Jewel-Osco, Albertsons, and Lucky chains, are only purchasing 25%-40% of their produce locally.³⁰

These opportunities for farmers and ranchers are not just in California and New York. For Iowa, the 2012 USDA Census on Local Foods put Iowa tenth overall with \$194 million in direct farm sales of food.³¹ This number compared against the sales to farmers markets shows the growth in Iowa beyond direct sales and retail opportunities. The state is fortunate to have two successful grocery chains, founded in Iowa, who continue to be committed to the state. Their businesses continue to look for opportunities for local sourcing of their products. Fareway Stores, Inc. (Fareway) operates 122 store locations in five states with over 11,000 employees.³² While local foods have grown in popularity recently, Fareway has integrated these foods into their core business for many years. Throughout Fareway's history, their trademark meat markets have driven customers to their stores while sourcing approximately 80%-85% of their product volume within a several hour drive from their distribution center in Boone, Iowa.³³ Similarly, Hy-Vee has more than 245 stores in eight states with over 84,000 employees.³⁴ Their creation was founded on building a network of local growers in Iowa and Missouri which more recently has turned into the Hy-Vee Homegrown program that works with local producers to

25. OTTO, *supra* note 23, at 3.

26. Bjork, *supra* note 24.

27. Zacka, *supra* note 12.

28. *Locally grown produce becoming big business for supermarkets*, FRESH PLAZA (May 3, 2017), <https://perma.cc/TF7D-CRCV>.

29. *Id.*

30. Laurie Tarkan, *The big business behind the local food*, FORTUNE: FOOD INDUSTRY (Aug. 21, 2015), <https://perma.cc/D9MP-BTNP>.

31. *2015 Local Food Marketing Practices Survey*, *supra* note 19.

32. *About*, FAREWAY MEAT & GROCERY, <https://perma.cc/6VYN-XJPA> (archived Aug. 30, 2019).

33. Interview with Garrett Piklapp, Vice President, Sec'y, Gen. Council, Fareway Stores, Inc. (Mar. 14, 2019).

34. *The Hy-Vee Story*, HY-VEE, <https://perma.cc/3JKE-8V6Y> (archived Aug. 29, 2019).

source fresh fruits and vegetables grown within 200 miles of a store.³⁵

The work under KF2 profoundly impacted Iowa and underscored the strength of Neil Hamilton's vision with the Iowa Food Policy Council. KF2 supported the concurrent movement of consumers toward buying local and the broader demographic trends across Iowa and the county. This is extremely significant as the data shows the interest and growth in the local food industry is not a fad but represents a growing opportunity.³⁶

III. LAND AND WATER CONSERVATION

In addition to his profound effort on the importance of food, Neil Hamilton never stopped thinking and writing about the importance of land and water conservation. His consistent advocacy made an impression on me as both Governor and Secretary. With the able leadership of Paul Johnson and Jeff Vonk as Iowa Department of Natural Resources director and Neil Hamilton's inspiration, Iowa led the Nation in buffer strip conservation efforts while I was Governor.

The value of conservation and lessons learned in Iowa carried over during the eight years I served as Secretary. During that time USDA made a historic investment in conservation, supported the development of ecosystem markets help pay farmers for conservation protection, and implemented new efforts to leverage Federal and farmer investments to tackle projects needed in large scale water sheds. One example of this historic effort was the Regional Conservation Partnership Program (RCPP), which reflected Neil Hamilton's belief conservation should be a community supported effort. The Agricultural Act of 2014 (2014 Farm Bill) established RCPP. Under the programs eight critical conservation areas, including the Upper Mississippi River Basin, were established to help fund conservation efforts targeted to treat designated areas. RCPP stimulated competition for a limited pot of resources equal to 7% of funds, 7% of conservation stewardship acres. A key factor in awarding funds and acres involved the number of partners and the amount of resources committed from the partners. The initial effort resulted in a more than 2 to 1 outside match. In the newly passed 2018 Farm Bill, RCPP saw an increased commitment of federal resources.

IV. CONCLUSION—A STRATEGY FOR RURAL REVITALIZATION

Neil Hamilton's work helped me to create a strategy for revitalizing rural areas I continue to advocate for across this country. In addition to production ag-

35. *Homegrown*, HY-VEE, <https://perma.cc/9WGT-R9NN> (archived June 25, 2019).

36. Zacka, *supra* note 12.

riculture, exports, and bio-based manufacturing economy, Neil's work added significant contributions to the local and regional food systems, and conservation investments. Neil Hamilton's lifetime devotion to farmers, small towns, rural areas, good food, and well cared for landscapes impacted the work of a Governor's office and the USDA. To me, Neil's greatest lesson was the difference one person, a teacher, can make with their passion and dedication.