

Equity and Climate Marketplace

This project will improve quality of life in rural America by launching and developing an Equity and Climate Marketplace that will advance rural socio-economic development by connecting “underrepresented food producers...to large-scale food service and retail outlets nationwide” (The White House, 2022). The proposed Equity and Climate Marketplace project brings 5 Star Chef’s decades of food business and supply chain management experience together with The Wave Foundation’s social and environmental mission and expertise as a 501(c)(3) non-profit.

The Equity and Climate Marketplace is inspired by our successful food security collaboration, a Food Box program that sources nutritionally and culturally rich foods from small and mid-sized Black, Indigenous, and People of Color (BIPOC) producers and then packages and distributes them through our network of partners to Northwest Tribal communities and others impacted by the COVID-19 pandemic and other crises. As of October 2022, our Food Box program had distributed more than 40,000 food boxes to Tribal nation communities. Where our existing Food Box program has largely been funded by federal grants and COVID-19 funds, the Equity and Climate Marketplace will be a social enterprise, that is, a for-profit business that uses commercial strategies to advance non-monetary goals and promote social change. The Equity and Climate Marketplace will build on our food security program model but will expand into supporting and engaging more producers who historically have had inequitable access to markets and business development opportunities while providing a low-cost, turn-key solution that enables corporations to source food from historically disadvantaged food producers.

The Equity and Climate Marketplace aligns with strategic goals to combat climate change to support America’s working lands, natural resources, and communities; ensure our agricultural system is equitable, resilient, and prosperous; foster an equitable and competitive marketplace for all agricultural producers; provide all Americans safe, nutritious food; and expand opportunities for economic development and improve quality of life in rural and Tribal communities. The project aligns to improve the quality of life in rural America by creating and commercializing technologies that address important economic and social development issues or challenges in rural America. It advances the research priorities by 1) developing an application module and distribution network that will improve rural people’s access to food business development and market services; 2) enhancing the environment and addressing climate change

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while promoting economic development by facilitating producers' access to values-based supply chains and third-party certifications through which they will receive price premiums for regenerative and sustainable production practices and by diverting food from landfills to processor and food security markets; and 3) increasing employment opportunities by supporting food and agriculture entrepreneurship and large-scale, high-profit market opportunities.

The Equity and Climate Marketplace will empower a more just, resilient, and self-sustaining food system by facilitating access to business support, supply chains, and buyers for producers of color, women food producers, and other producers who have experienced systemic disadvantages accessing high-profit niche and value-added food markets. Our goal is to develop the Equity and Climate Marketplace to be a mixed-mode platform for creating fully integrated, values-based supply chains that link historically disadvantaged producers with direct-to-consumer and intermediated markets at local, regional, and national scales, including large-scale food service and retail outlets, business and industry campuses (e.g., Amazon and Microsoft), large event venues (e.g., sports and entertainment stadiums, convention centers, zoos, and aquariums), and universities and colleges. In addition, food producers and entrepreneurs will have access to sales, packaging, liability insurance, certifications, compliance requirements, value-added processing, working capital, warehousing, branding and marketing support, and supply chain support.

The Equity and Climate Marketplace recently gained national attention and will be a catalyst for investment in all participating communities. The Equity and Climate Marketplace was featured at the September 2022 White House Conference on Hunger, Nutrition, and Health as a project that will advance the goal of improving food access and affordability while combating systemic disparities in the United States (The White House, 2022). Our collaboration with the White House Conference amplified our vision and rallied over 80 organizations from across the country to sign on to partnering with us to advance the Five Pillars of the White House Conference and the Equity and Climate Marketplace.

Significance of the Problem/Opportunity

Small- and mid-scale food producers in the United States—particularly producers of color, women, and those in remote rural areas—have experienced systemic disadvantages in developing successful businesses and participating in conventional supply chains (Carlisle et al.,

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2019). Due to growing societal awareness of the role of food systems in perpetuating or addressing an array of social, economic, and environmental problems, many large-scale buyers want to be a force for good by sourcing food from historically disadvantaged producers, presenting a substantial market opportunity. Furthermore, a growing number of food service and other large-scale buyers are willing to pay more to source food from these producers as part of their environmental, social, and governance (ESG) programs. At the same time, the number of producers of color, women producers, and small-scale producers is rapidly increasing (USDA Census of Agriculture 2017; Sachs et al., 2016), along with the formation of aggregation and distribution hubs that bring smaller-scale producers together to access larger markets (Bielaczyc et al., 2020). Some of these producers, such as Tribal nation agricultural enterprises, are quickly scaling up their production capacity on their own. For example, the Confederated Tribes and Bands of the Yakama Nation recently assumed ownership and operation of the 1,500-acre Yakama Nation Farms, which produces large volumes of vegetables and fruits. Other tribes in the region are buying farms and setting up operations to participate in an emerging intertribal food economy. Native seafood producers, particularly in Alaska, are already in cooperatives and at the scale necessary to supply large buyers and other venues targeted by this project.

While large-scale market and production opportunities now exist, the technological, logistical, and social network mechanisms are not yet in place to connect these producers and buyers and to facilitate the distribution of products. The Equity and Climate Marketplace provides a solution to existing technical and social networking barriers and seizes the opportunity to leverage large-scale food service and retail outlets along with their established distribution networks to benefit disadvantaged food producers and the families, communities, and ecosystems that depend on them. The Equity and Climate Marketplace is a social enterprise that will utilize 5 Star Chef's and The Wave Foundation's extensive supply chain connections in the United States. Those involved with 5 Star Chef bring decades of experience in all sectors of food service, including supply chain management, operational optimization, training, recipe and menu development, and deployment of emergency food and food security programs in urban and rural communities across the nation. The Wave Foundation is a 501(c)(3) non-profit that works with BIPOC, women, and community-based food producers and food sovereignty leaders as well as a national coalition of partners to accelerate programs in the areas of food, energy, transportation, zero waste, and clean air and water. In addition, the Equity and Climate Marketplace will leverage the

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mobile network, logistical capabilities, and experience of 5 Star Chef's parent company, Food Fleet, which is a mobile food and beverage provider and management company.

Background and Rationale

The industrialization and consolidation of the US food system over the last century has led to a decline in the number of US food producers and the rise of large-scale production, processing, and distribution systems and markets within which beginning, small, and mid-scale food producers are disadvantaged or simply cannot gain access (Feenstra, 2019; Howard et al., 2016; Lyson et al., 2008; Dimitri et al., 2005). Small and mid-scale growers in rural and remote areas face additional constraints related to sparse population densities (i.e., constrained local markets) and long travel distances to and between markets, processing and distribution infrastructure, and technical support (Martinez et al., 2010; Saul et al., 2016). The dominant agribusiness food system presents obstacles for most new and small-scale producers; however, women and people of color have systemically experienced additional barriers due to the legacy of public and private sector discrimination (Carlisle et al., 2019).

Food producers of color have been historically disadvantaged due to racism, land dispossession, and exploitative agricultural systems with roots in colonialism and slavery, presenting enduring barriers to accessing markets along with capital, credit, land, equipment, labor, water, training, and technical assistance (Carr et al., 2020; Carlisle et al., 2019). For example, from 1900-1997, the number of Black farmers decreased 98% compared to a 62% decline in the number of White farmers (Congressional Research Service, 2021). Women producers have also experienced discrimination and systemic barriers to business development and success (Sachs et al., 2016), including being unjustifiably denied USDA loans (Bennett, 2011). As a group, women business owners, especially minority women, continue to be affected by negative gender stereotypes (Wang, 2019) and are more likely to be seen by lenders "as risky investments with low potential for production, growth, and earning power" (Cameron & Cabaniss, 2018:4). Compared to men-owned farms, women-owned farms still tend to be smaller and less profitable (Ball 2020). Tables 1 and 2 show the percent of US farms and farmland in acres by principal operators' race, ethnicity, and sex (USDA Census of Agriculture 2017, 2012, 2007, 2002).

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Table 1. Percent of US principal agricultural operators and land in acres by race and ethnicity, 2002 to 2017

	White	Black or African American	American Indian or Alaska Native	Native Hawaiian or Other Pacific Islander	Asian	More than one race	Spanish, Hispanic, or Latino
Percent of farms by principal operator's race (total farms)							
2002	97.1%	1.4%	0.7%	0.0%	0.4%	0.4%	2.4%
2007	95.9%	1.4%	1.6%	0.1%	0.5%	0.6%	2.5%
2012	95.4%	1.6%	1.8%	0.1%	0.6%	0.5%	3.2%
2017	94.8%	1.6%	1.9%	0.1%	0.7%	1.0%	2.8%
Percent of land in farms by principal operator's race (acres)							
2002	93.9%	0.4%	5.4%	0.0%	0.1%	0.2%	2.2%
2007	93.7%	0.3%	5.4%	0.0%	0.2%	0.4%	1.8%
2012	93.5%	0.4%	5.6%	0.0%	0.2%	0.4%	2.3%
2017	93.0%	0.4%	5.6%	0.0%	0.2%	0.7%	2.9%

Despite adversity and structural disadvantages, small-scale, women, and producers of color are on the front lines of socially and environmentally sustainable agriculture in the United States (Carlisle et al., 2019; Sachs et al., 2016; Finan, 2011). Furthermore, their numbers are steadily increasing (Sachs et al., 2016).

Women producers and producers of color are

more likely to be motivated into business ownership not only by monetary but also non-monetary social and environmental values (Ball, 2020; Coté, 2022; Finan, 2011; Wells & Gradwell, 2001). In other words, these food businesses are disproportionately more likely to be operated in ways that advance the greater ecological and social good, returning important non-monetary value to their families and communities along with economic gain. Many of these operations and their supply chain partners can be considered social enterprises (Saul et al., 2021; 2022).

In recent decades, small-scale and historically disadvantaged producers and their supply chain partners have created alternative short food supply chains (SFSCs) and values-based supply chains (VBSCs), which are interrelated and typically associated with local and regional food systems (Martinez et al., 2010). In SFSCs, returns to producers are maximized by conveying product origin and story information to the end consumer and by minimizing the number of

Table 2. Percent of total US farms and land with women principal operators, 2002 to 2017

	Percent of total farms	Percent of total land
2002	11.2%	6.3%
2007	13.9%	7.0%
2012	13.7%	6.9%
2017	*29.1%	*26.5%

*Definitions in 2017 Census changed for sex from “principal operators” to “primary producers” – did not change for race.

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intermediaries (Martinez et al., 2010). In VBSCs, a price premium is achieved when producers “distinguish their products...based on values such as environmental stewardship, food quality, fair trade, and regionality” (Feenstra 2019:63; Hardesty et al., 2014). Many women-owned and racial/ethnic minority-owned operations are either already part of VBSCs or candidates to benefit from participating in them due to their existing emphasis on non-monetary values along with monetary ones.

The success of and need for these emerging supply chains is evidenced by the increase in the number of women, people of color, and small-scale food producers across the United States, steadily growing consumer interest and demand for local, farm-identified, organic, and other special product attributes and third-party certifications that command a price premium, not to mention the growing number farmers markets, farm-to-table restaurants, food hubs, and other non-traditional channels (Low et al., 2015; Martinez & Park, 2021). While non-traditional food systems are evolving to serve historically disadvantaged producers and meet consumer demand for healthful, environmentally sustainable, and socially just foods, much work remains as does a need to scale up these systems to increase their impact and benefits. The tremendous momentum of the US Indigenous foods and food sovereignty movements as Tribal Nations and individuals assert their right “to healthy and culturally appropriate food produced through ecologically sound and sustainable methods, and...to define their own food and agriculture systems” also speaks to the opportunities and need to overcome barriers and increase the capacity of VBSCs, SFSCs, and other non-traditional channels (Miheuah & Hoover, 2019; Nyéléni Newsletter No. 13, 2013: para. 4).

Recently, there has been growing recognition that these smaller-scale food systems and supply chains are not only already hybrids intersecting with larger-scale, conventional food systems, but that the integration of alternative and conventional supply chains at all scales can lead to mutual benefit. For example, hybridization with larger-scale processors, distributors, and buyers can increase the influence and amplify the transformative potential of VBSCs while increasing business viability and opportunity for traditionally disadvantaged producers (Saul et al., 2022). Large-scale conventional food system actors can be leveraged to support and remove barriers for historically disadvantaged producers, although at-scale and effective mechanisms to leverage these supply chain partnerships have challenges and are largely non-existent.

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Producers need access to high-value niche and larger wholesale markets yet are commonly constrained by factors such as the inability to supply adequate, year-round volume, acquire insurance and food safety certifications, and by limited or no access to processing and distribution channels. Buyers lack the capacity to coordinate and communicate with the many small producers required to reach their minimum thresholds and food safety standards.

Furthermore, existing online platforms are generally not user friendly and lack the sophistication and connections to make it feasible for large-scale buyers and distribution networks to engage as well as to coordinate the logistics that would maximize many producers' profits, for example, by channeling lower-quality and cull products that cannot be sold in high-value direct-to-consumer markets to food service companies and other intermediated markets at wholesale prices, thereby also reducing food waste.

In addition, many rural food hubs have developed over the last two decades, which have flourished through the COVID pandemic (Saul et al., 2021). These food hubs have the potential to provide additional aggregation, value-added processing, and distribution services to producers as part of the Equity and Climate Marketplace. This project provides an opportunity to connect these food hubs to each other and new producers and buyers in new VBSCs as part of the Equity and Climate Marketplace. In doing so, the Equity and Climate Marketplace will help address systemic barriers for women producers and producers of color, facilitating business development and success while supporting the national need for rural economic development, expansion of our agricultural workforce, increased food security and access to nutritious foods, and sustainable agricultural practices (Carlisle et al., 2019).

The Equity and Climate Marketplace will provide a low-cost, turn-key solution to enable corporations to work with historically disadvantaged food producers and vice versa. It will help combat long-established systemic disparities in the US food system, facilitating market access and business support that will strengthen rural and underrepresented agricultural and food enterprises from individual operators to cooperative and Tribal enterprise scales. Supporting the success of these minority- and women-owned businesses will have local and regional economic development, health, and social benefits. The Equity and Climate Marketplace will support existing businesses, the development of new businesses, create jobs, and generate tax revenue. It will have environmental benefits, including reducing food waste and helping producers gain a

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market premium for their ecologically sustainable production practices as conveyed through third-party certifications, such as Salmon Safe. By connecting producers to wholesale buyers, such as food service companies, who can process cull produce and other products of insufficient quality to be sold at fresh market prices into sauces and other value-added products, the Equity and Climate Marketplace will provide producers with a revenue stream for their “seconds” and “thirds,” thereby increasing their profits and reducing food waste. The Equity and Climate Marketplace will also improve access to nutritious, affordable, and culturally desirable food to rural and communities of color, thereby contributing to greater food security and public health.

The Equity and Climate Marketplace involvement in the September 2022 White House Conference on Hunger, Nutrition, and Health clearly demonstrates how The Wave Foundation and 5 Star Chef are engaged in national policy discussions at the intersection of social equity and food systems, and how this project will continue to inform national policy issues and decision making in this space.

By developing a novel, mixed-mode platform that links historically disadvantaged producers with new markets, we will leverage the transformative potential of place-based regional and local food systems and values-based producers to build social capital – and social value – for markets at local, regional, and national scales. The Equity and Climate Marketplace platform will facilitate both direct and intermediated markets, farm-identified and cooperative brands, and will enable producers to sell their own products, or be part of a cooperative that aggregates products across farms to reach the critical threshold necessary to supply larger buyers with the volume and consistency needed for year-round sales.