



# THE FOOD COMMONS

Building a National Network of  
Localized Food Systems



March 2010



## **Acknowledgements**

**The ideas presented in this document build upon the work of a diverse group of experienced actors working at multiple scales in the arenas of food and agriculture, sustainability and equity, and economic development, as well as alternative financial and ownership structures.**

**Over the past thirty years, they have built successful enterprises that not only are staying afloat during difficult economic times, but also offer us hope that we might actually come out of our current economic tribulations in better shape than before.**

**We have ‘borrowed’ parts of successful business models from a wide range of businesses – many in the food world, but some from other industries – and re-assembled them into a new economic structure that offers hope and promise for the future..**

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# The Food Commons

## Building a National Network of Localized Food Systems

*In such times as these, it is no failure to fall short of realizing all that we might Dream. The failure is to fall short of dreaming all we might realize.*

– Dee Hock, founder of VISA

*The future is not a result of choices among alternative paths offered by the present, but a place that is created – created first in mind and will, created next in activity. The future is not some place we are going to, but one we are creating. The paths to it are not found but made, and the activity of making them changes both the maker and the destination.*

– John Schaar

### I. Summary

Food underlies every aspect of human activity and economy. It is, quite literally, the source of our health, sustenance and sustainability as a species. Yet by many well-documented measures our current global system of producing and distributing food is inequitable at best and fundamentally unsustainable at worst. It creates wealth for some and abundance for many, but it leaves many others – even in wealthy countries like ours – hungry or malnourished. It relies on cheap but dwindling and irreplaceable fossil fuels and fossil water, exploitation of vulnerable populations, and the ability to shift the cost of so-called “externalities” – including soil erosion, toxic chemical residues, and climate change – from more affluent to less affluent countries and communities, and from current to future generations.

It is our hypothesis that the antidote to the unsustainable path we are on is a 21st-century re-envisioning and re-creation of the local and regional food systems that pre-dated the current global industrial food system. In our vision, thriving, prosperous localized food systems around the country are linked together, both virtually and physically, in a dynamic national network that allocates resources efficiently, spreads best ideas and practices virally, and captures the benefits of scale while avoiding the real diseconomies of scale (including externalization of environmental and social costs) by preserving local control, culture, accountability, adaptability and resilience.

We further hypothesize that creating this new food system will require a new and different kind of local, regional and national infrastructure with a new and different set of governing and operating principles and economic structures. We call this new system the Food Commons.



The Food Commons does not seek to replace the current global industrial food system, but rather to provide another option - a more localized choice for producing, processing, distributing, marketing and accessing quality food. Thus by adding to its diversity, the overall food system becomes more sustainable.

In our conception, the Food Commons has three key components, each of which would be implemented and governed at the regional level but networked and integrated nationally:

- **Food Commons Trusts** to own farm land and food system infrastructure in perpetual trust for the benefit of all citizens.
- **Food Commons Banks** to provide financial services to food system enterprises, producers and consumers.
- **Food Commons Hubs** to aggregate and distribute local and regional food, create and coordinate regional markets, and provide services to communities and local food enterprises.

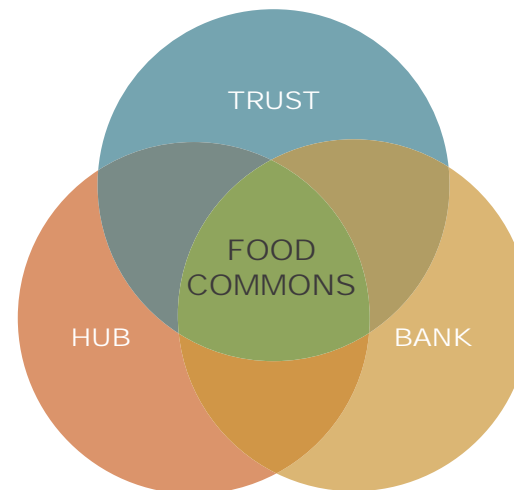
We believe that this new food system has the potential to be a major locomotive for economic growth and a magnet for a new generation of innovators who need access to capital and a place to put their energy and creativity to work. We also believe that this system can revitalize and ensure the continuity of small and mid-sized family farms that steward the land, nourish our communities and our health, and comprise the fundamental building blocks of local and national food security.

We recognize that creating this new system is a massive undertaking. It is an entrepreneurial effort of unprecedented scale and is based on an economic model that will be new to some people.

But the effort required is commensurate with the enormity and urgency of the challenges we face as a country and a planet. This

is not the time to shrink away or shrug our shoulders and hope that business as usual will somehow provide the solutions to our food problems. These challenges demand a response that is bold in scope, ask, and potential. This paper offers the beginnings of a framework and plan to make that response.

In the following sections, we describe the opportunity before us today to create a different and more sustainable food system, and we lay out our vision for that new system. Next we articulate the principles on which the Food Commons would be developed and discuss each of the three central elements of the system – the Trust, Bank, and Food Hub – in greater detail. Then we discuss the question of Food Commons governance – one of the most critical factors in determining the success of this effort. Finally, we suggest several major areas and budget for conducting the research, design, testing and implementation of the Food Commons system.





## II. The Opportunity

We are in a time of extraordinary opportunity. After a decade of seismic shocks to our country from global terrorism to deep recessions and major natural disasters, each of the three legs of sustainability – the environment, the economy, and the social equity of our communities – is in crisis.

Yet through this time a movement has grown which brings great hope for a more healthy, sustainable and prosperous future. It is the movement to produce, access, secure and consume good and healthy food. People are re-awakening to the fact that food is not only the basis of our health but it is also at the basis of traditions, customs and culture that bind us together as family and community.

This movement is now largely focused on “local” food and issues of food security, food access, and a healthy citizenry. People all over the country are considering how to source more food locally and regionally – in other words, how to create localized food systems within regional foodsheds.

Currently, less than 1% of the food Americans eat is grown within 100-200 miles of where they live. Today, a few regions have retained or re-established some of the pieces of a thriving local food system. But these scattered small enterprises collectively represent a tiny fraction of the total food economy, and they cater primarily to the affluent. Though exciting and inspirational, they are mostly isolated, undercapitalized, and sub-scale, and as such they cannot be expected to effect the food system changes that are necessary.

Meanwhile, in a worrisome parallel to the banking sector, the food

industry has come to be dominated by a small number of “too-big-to-fail” agribusinesses and mega-retail chains. As we are (literally) putting more and more of our eggs into fewer and fewer baskets, these giant corporations continue to operate on the “low-cost” model of global competition, transferring profits out of local communities for re-distribution by Wall Street, and outsourcing externalities even as they adopt and co-opt marketing buzzwords from the local and sustainable food movement.

Shifting some fraction – even just 5% or 10% – of the global food economy into localized food systems within a reasonable time frame (say, 5-10 years) will require development of a new, efficient and high performing infrastructure that enables small, independent food and farming enterprises to offer a competitive alternative to the current industrial food system. This then, is the challenge and the opportunity of the Food Commons.

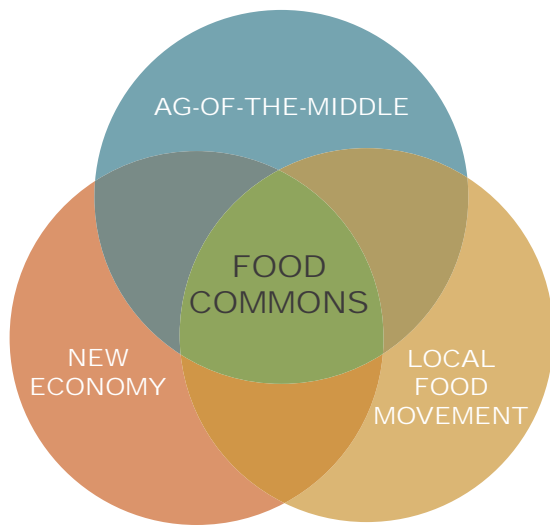
The Food Commons sits at the nexus of three growing trends:

- 1) **Agriculture-of-the-Middle (AOTM)** – A growing movement to save and expand the number of small and mid-sized family farms by creating new value chains and marketing mechanisms to bring their differentiated food products into the marketplace. Aggregating these scales of family farms reduces transaction costs.
- 2) **Local Food** – Interest in the development of localized food systems has emerged out of recognition that the current food system, largely dependent on cheap fossil fuel and the movement of food products globally, is not sustainable, and that localized food systems have the potential to increase food security, food access, and health, and to re-establish



land stewardship and food culture. Farmers markets and CSA's (community-supported agriculture) have been instrumental in raising local food awareness, but these two marketing mechanisms are not sufficient to establish a thriving, robust local food system.

- 3) **New Economy** – The current recession has revealed some of the deep flaws in our current global economic paradigm, and invigorated thinking about new, more sustainable economic models that take into account the world's finite resources, growing population, and need for more equitable distribution of wealth and power. Much of this new thinking centers on the rebuilding of local economies to foster economic resilience, job creation, entrepreneurship, stewardship and accountability. The food production, distribution and retail/food service sectors are particularly ripe for local experimentation and economic renaissance.



As described in the following pages, a national network of Food Commons components, replicated regionally throughout the country, has the potential to create many thousands of new small and mid-sized food enterprises and hundreds of thousands of new jobs for workers of varying skills, with greater ease of entry for food system entrepreneurs at all levels, from farmers and processors to distributors and retailers.

The Food Commons approach is not just about changing diets, or encouraging mega-retail corporations to offer a better selection of local fruits and vegetables. It is about urban economic development and rural revitalization; community building and environmental stewardship, and improved health and reduced disease through better access to good food.

The time to act is now. We cannot afford to wait for economic, environmental or social conditions to worsen. Money invested now in planning this new system is an insurance policy against food-system breakdowns and a critical exercise in emergency preparedness, as well as an opportunity to explore new ways of doing business that will have multiple benefits, even in the absence of crisis.

Several million dollars invested in an innovative and well-organized effort to develop working plans for a new food economy is entirely reasonable relative to the scope and urgency of the challenges we face today. The return on investment will be enormous.



### III. The Vision of a Food Commons System

Our vision of the Food Commons is a networked system of physical, financial and organizational infrastructure that allows new local and regional markets to operate efficiently, and small to mid-sized food enterprises – from farms to processors, distributors, and retailers – to compete and thrive according to principles of sustainability, fairness, and public accountability.

These principles, described in greater detail in the following section, will shape and define the organizational structures that make up the new food system. They will be institutionalized in bylaws, supply chain agreements, and pricing that encourage and reward not only high-quality food products, but also products and business practices that result in community benefits, environmental protection, equitable treatment of all participants, and long-term economic value creation.

This values-based approach to system design is not without precedent. Successful examples of innovative economic models founded on similar democratic and cooperative principles include the Mondragon Co-operative network in Spain, the Organic Valley Co-op in the U.S., and the VISA International financial services organization.<sup>1</sup> Our vision combines the experience of paradigm-shifting systems such as these with the thousands of examples of successful small and mid-sized food entrepreneurs and enterprises around the United States.

The Food Commons infrastructure has three key components:

#### ***Food Commons Trust***

Independent, small, sustainable and social-justice oriented

entrepreneurs need access to land, facilities, and infrastructure. The Food Commons Trust would own and develop the physical assets necessary to produce, process, and market local food products. It would then lease this land and facilities to participating small farms and businesses at affordable rates, thereby creating dozens of small food enterprise ownership opportunities for those who might not otherwise be able to get access to land and buildings.

#### ***Food Commons Bank***

The nascent local food economy will require specialized financial institutions that understand the small-scale food businesses and the special needs of their communities. While some communities are fortunate to have local lending institutions that could provide these services, the communities most in need do not, and few communities have institutions that truly understand “triple bottom line” businesses. Not-for-profit, community oriented Food Commons Banks would serve that specialized need.

#### ***Regional Food Hub***

A coordinating entity is needed to facilitate the complex logistics of aggregation and distribution between all the moving parts of the system, and to create new small food businesses and help them achieve economies of scale in their administrative, marketing, and human resources and other business functions. Regional Food Hubs would be not-for-profit business models (i.e.co-operatives) that provided these services,

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<sup>1</sup> For more information about the work of these organizations see:

<http://www.mondragon-corporation.com/ENG.aspx>

<http://www.organicvalley.coop/>

[http://en.wikipedia.org/wiki/Dee\\_Hock](http://en.wikipedia.org/wiki/Dee_Hock)



as well as technical assistance, specialized vocational training, and other functions as needed in specific regions.

The Food Commons system would provide multiple economic, environmental and community benefits:

### Benefits of the Food Commons System

Economic Benefits	<ul style="list-style-type: none"><li>• Creation of thousands of new small and mid-sized farms and food enterprises</li><li>• Creation of tens of thousands of jobs constructing new infrastructure</li><li>• Increased economic viability and enhancement of existing small and mid-sized farms and food enterprises that elect to participate in the system</li><li>• Reduced transaction costs for small to medium scale producers</li><li>• Creation of new ‘living-wage’ jobs in local food production, processing, distribution, marketing and food service</li><li>• Urban and rural economic revitalization and increased retention and recirculation of wealth within local economies</li></ul>
Environmental Benefits	<ul style="list-style-type: none"><li>• Reduced food transportation distances and footprinting</li><li>• Greater natural resource conservation and farm land preservation</li><li>• Expansion of “green” food and farming businesses and practices</li><li>• Greater practice of re-cycling, re-use and renewal within whole systems</li></ul>



Community / Societal Benefits	<ul style="list-style-type: none"><li>• Increased access to healthier, higher quality, and affordable foods by consumers at lower and middle income levels through the creation of new local retail outlets linked by the system to achieve scale efficiencies</li><li>• Reduction of diet-related chronic disease as a result of increased consumption of nutritious, fresh and locally sourced foods</li><li>• Reduced health care costs and at the same time a healthier citizenry.</li><li>• Increased local and national food security and system resilience through decentralization of food production and distribution infrastructure</li><li>• Higher labor standards resulting in improved wages and working conditions for all participants in the system</li><li>• Transparent value chains that result in more equitable distribution of profits across the system</li><li>• Increased local control and public accountability for stewardship of food system resources</li><li>• Increased food safety and reduced vulnerability to natural disasters, industrial mishaps, and terrorist events.</li></ul>
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#### IV. Principles of Organization and Practice

The following set of principles guide our vision for how a decentralized and integrated food system would work. These principles address the key elements - such as governance, ownership, operations, and flows of capital, goods, and services.

##### **Principles of practice and food systems operations:**

- 1) **Fairness:** Across the entire value chain, all participants' needs are met in a balanced way, and all get a fair deal
- 2) **Sustainability:** A holistic vision of sustainability includes ecological, social, and economic components. Social sustainability includes both farmers and business owners throughout the value chain and workers throughout the food system. From on-farm labor to distribution and retail workers, the value of human labor is recognized in fueling a fair and sustainable food system.
- 3) **Access and Participation:** create ownership/entrepreneurial opportunities for those who may not otherwise have access due to high cost of infrastructure; provide private sector vocational/career opportunities and access to good jobs with benefits and security for those who may not otherwise have access to them, restoring hope to millions of unemployed, and restoring craft and pride to labor;
- 4) **Food Access/Security:** provide quality, healthy food to all participants in the food system, especially low income populations, and improve food security at regional and national levels.



- 5) **Decentralization:** Provide structures for overall coordination to allow decentralized management structures to operate efficiently; development of network linkages for formal and informal connections at the local and regional level.
- 6) **Integration:** Create a vertically integrated value chain, from farm to grocery store, in order to achieve economic efficiency and fairness.
- 7) **Transparency:** Openly and honestly share costs and pricing information essential to the equitable functioning of the value chain. Facilitate traceability of products and procedures throughout the value chain.
- 8) **Stewardship:** Accept responsibility for the stewardship of our land and marine ecosystems to ensure that succeeding generations will have an equal or better opportunity to flourish from its resources

#### **Principles of organization and governance:**

- 1) **Accountability:** Accountability to the general public, as opposed to shareholders; ‘Arm’s-Length Governance’ utilizing ‘Outside Directors’ models for Boards of Directors – assures fairness because these Board Members have a say in policies and activities but do not have any personal ownership in the participating businesses;
- 2) **Public Utility:** Seeing the Food Commons portion of the nation’s food system as a public utility, wherein private businesses can achieve the dual goals of public and private

good when they operate within a framework similar to public utility models.

- 3) **Subsidiarity:** Decisions should be made at the most local level possible. Regional and national decisions should involve only those matters that are relevant to that level of governance, coordination and representation.
- 4) **Reciprocity:** The whole is responsible to all of the parts as well as the parts being responsible to the whole.
- 5) **Representation:** Equitable participation of the Food Commons stakeholders shall be present at all levels and entities of governance throughout the Food Commons, from farmers, to workers, to consumers.
- 6) **Decision making:** Decisions and deliberations must fairly represent the diversity of affected views and interests and not be dominated by any single view or interest.
- 7) **Ethics:** Maintain the highest standards of credibility and ethical conduct, fair and accurate dissemination of information and full disclosure and accountability for its affairs.



## V. Component Structures

### Food Commons Trust

The purpose of the Food Commons Trust would be to purchase and hold farmland, in perpetuity, within and surrounding metropolitan areas, and to build and own the infrastructure necessary to make local/regional food systems viable and sustainable. The Trust could transition vacant land into farming and rehabilitate existing, underutilized infrastructure.

These public holdings would support local food enterprises by providing opportunities for individuals who are not from farmland- and infrastructure-owning families to lease these assets and to create businesses without first having the capital necessary to purchase them; this would significantly reduce their debt load and increase their potential for success. A large percentage of Trust land and infrastructure could be reserved for beginning farmers and entrepreneurs.

The Trust would create a physical ‘home’ for a national food-security network that would assure the delivery of high-quality food to communities throughout the nation, sourced as much as feasible from local producers. It would foster the development of a decentralized, integrated system of small enterprises, from farms to retail stores that, taken together, would complement existing small and mid-sized, independent, local, and sustainable food enterprises.

It is possible to think of the Food Commons Trust as a “National Park System”, a “Bureau of Land Management,” or a Public Utility dedicated to national food security and health – but, importantly, without the typical government bureaucracy, it would be estab-

lished as a public, not-for-profit Trust, chartered to operate for the perpetual benefit of the American public.

The challenge of capitalizing such an ambitious enterprise is enormous. A potential source of capitalization could be land and infrastructure currently owned by banks and other institutions that receive government support, either directly, or through government guarantee programs and FDIC insurance. Many more of these assets are collateral for non-performing loans that banks would like to remove from their books. Moving these assets out of banking ‘limbo’ (and ultimately government support) and into the Food Commons Trust would remove them from the already-depressed commercial real estate market, and allow them to be re-directed to productive use. This transfer would be the first step in jump-starting new economic activity, especially in economically depressed areas that would lag behind even in a normal economic recovery.

These *real* productive capital assets spread throughout the nation, held in perpetual trust, would be used to facilitate the creation of new value, based on an essential sector of the economy - food and agriculture.

Trust assets could include:

- Farmland and improvements
- Aggregating/processing facilities and Public Markets.
- Wholesale markets.
- Distribution systems including transport infrastructure
- Retail markets

The Trust would receive income from lease payments made by businesses utilizing these assets. The income would be used for the



following purposes:

- Trust administrative costs
- Regional Food Hub administration costs
- Local and State property taxes and fees
- Investment in additional land and assets as necessary
- Ongoing capital improvements

Since the Trust's land and facilities would be held in perpetuity, occupancy would change as time went by. As older owners and operators of food system businesses retired, or as individual businesses failed or were sold, they would make way for a new generation of entrepreneurs and workers. They could use entry-exit systems found in Employee Stock Ownership Plans and other innovative employee- and management- stock participation methods for transferring business ownership in an orderly and fair manner.

### **Food Commons Banks**

Seed capital from the government and public membership fees could establish regional, not-for-profit Food Commons Banks that would serve businesses and customers in the Food Commons Regional networks, by:

- Making loans to individual enterprises of various types that would operate different parts of the system (farms, fishers, processors, retail stores, etc.)
- Accepting deposits from retail customers and providing traditional banking services. The Banks would accept individual and institutional deposits and pay interest.

The Banks might desire to issue their own 'notes' backed by crops, livestock, and fish stocks that could be redeemed within the Food Commons system, much as subscribers to CSA's pay in advance

for food they will receive at a later date.

Customers could redeem their cash deposits for discounted food if they chose. They could use a debit card transactions system that could include food stamp enhancements.

The Banks would need a corps of "old-fashioned" bankers who know the people in whom they are investing and understand their local community. They would operate on very low leverage, so as to minimize risk to depositors.

The Banks would have standard cooperative ownership and governance structures. They could operate in concert with other local financial entities such as local stock exchanges, local governments, local banks, in order to provide a full range of financial services for businesses operating within the local marketplaces.

The Banks might even handle the sale of special local bonds issued to help capitalize the numerous new businesses spawned by the regional Hubs. In fact, creating a new category of conservative bond investments---Food Commons Bonds---might be especially appealing to individuals, pension funds, and institutions looking for a modest but reliable return on an investment in an essential industry with a broadly diversified income stream. Further, they could enjoy the visible improvement in their communities that their investment had helped to enable.



## **Food Commons Regional Food Hubs**

The Regional Food Hubs would act as service organizations to all the participants within the region, with the primary goals of aggregation of local/regional products, distribution into the local food system, and facilitating coordination among businesses. Governance could be modeled on public utility commissions, with trustees representing businesses, labor, customers, and government.

Hub employees would facilitate supply and demand, coordinate and oversee product flow, transaction flow, certification and tracking, and monitor worker interests, such as compensation and working conditions, across all nodes in the value chain. The regional Hubs would be organized as co-ops or similar business models, giving them the ability to serve as a ‘safe-harbor’ price-negotiating exchange that would serve all constituencies, from farm workers to consumers.

The Hub would serve the full range of small businesses that actually produced, processed, and marketed the food. A typical Hub would serve dozens of individual businesses---both new and existing.

A diversity of local and widely distributed ownership of these businesses would be the norm. Some would be sole proprietorships, some partnerships, some employee-owned businesses, some consumer co-ops, some municipally owned, some small corporations with local stockholders.

The independent businesses that are created could have some resemblance to a franchise structure, with a localized twist. They could thus serve as an entry point for entrepreneurs who have the

drive but lack the resources or skills to operate a stand-alone business. Each region, and even neighborhood, could tailor the ‘personality’ of its business units to local tastes, while benefitting from the professional business experience that the Hub could provide.

Existing small and mid-sized enterprises could join the Regional Food Hub system, as long as they agreed to adhere to its principles and ‘rules of the game’ – for example, an existing farm could rent land from the Trust, but would have to agree to pay its employees agreed-upon wage scales and benefit packages, adopt quality standards and timeliness expectations, and participate in a cooperative-type marketplace. They would benefit by having a guaranteed market for their products at a price that would support higher labor costs.

All levels of the food value chain would be integrated so that they could coordinate supply and demand and ensure that there was a balance of cooperation and competition between enterprises. One of the functions of the Hub would be to referee this marketplace as an ‘honest broker.’ For example, a grocery store might need to support ten local tomato growers, not ten.

The Food Hub could provide business development, planning, and coordination services for new business entrants to help them avoid the all-too-common effects of over- and under-production.

The Food Hub could also provide technical and support services to new entrants and existing businesses, in marketing, administration and human resources, and other functional areas. This technical assistance arm could provide a menu of business plans for different types of enterprises necessary to populate the system. There could be templates for egg/chicken operations, vegetable farms,



greenhouse operations, terminal markets, neighborhood markets, school lunch facilities, dairy farms, farmers' markets, community kitchens, neighborhood restaurants, etc. And, importantly, it would provide experienced 'mentors' for each type of enterprise.

Workforce development/vocational training programs could also be operated through the Hubs, creating opportunities (either as employees or as entrepreneurs) for young people seeking careers in the businesses operating on land and in facilities owned by the Food Commons Trust. This aspect of the Food Commons plan would be almost immediately stimulative to the economy if financing and training stipends were included.

In addition, the Food Hub could help facilitate community services such as school lunch and other institutional food service programs, community kitchens, public markets, and health promotion components. They would connect different enterprises and actors across the value chain, including producer/consumer linkages. Food Hub functions would only be limited by the needs and vision of the community.

Achieving all these goals will require assembling a specialized talent-pool that is highly skilled and experienced in managing complicated logistics in decentralized systems.

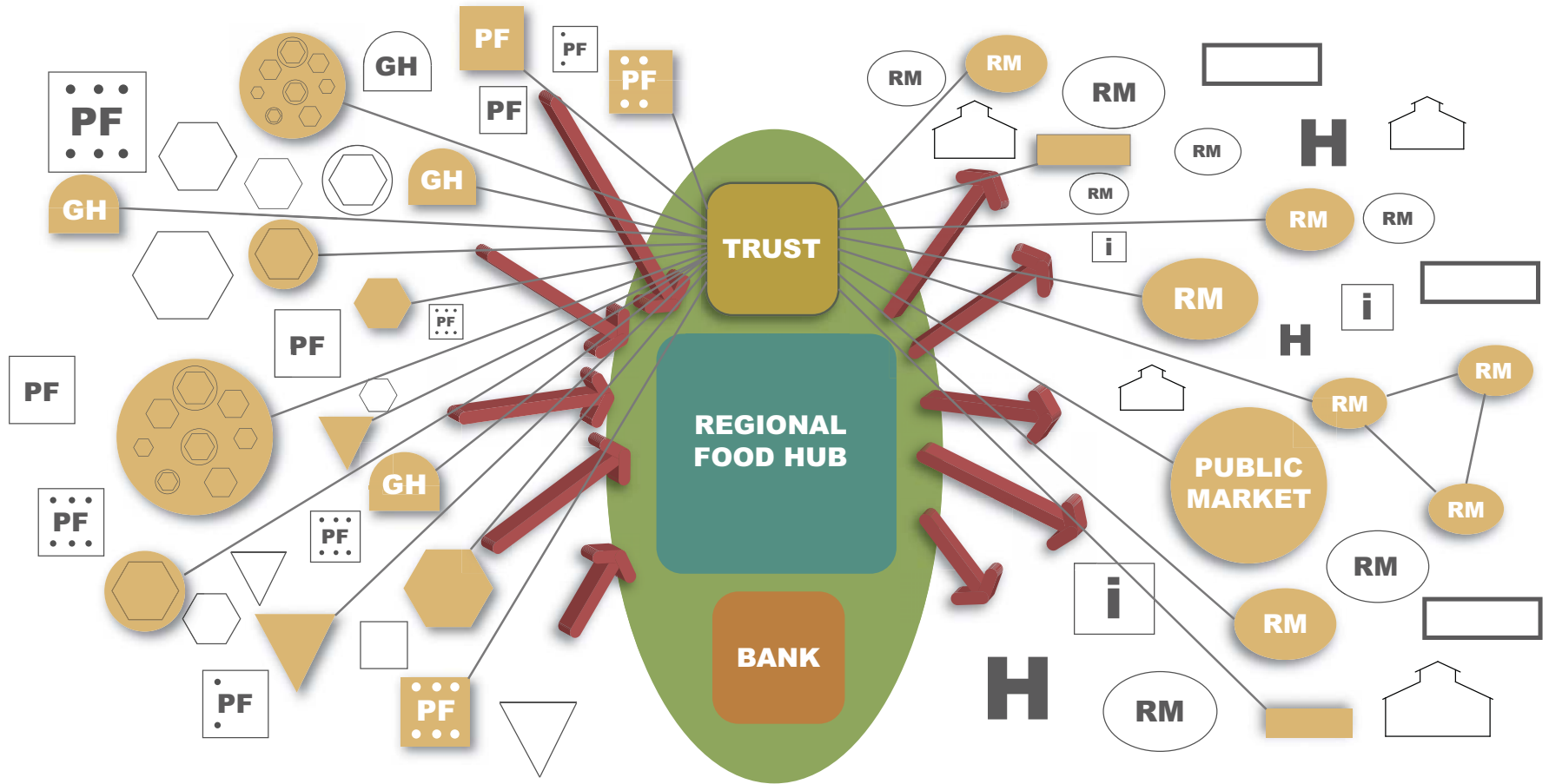
Most of these people do not work in the small-scale enterprises we all know, nor do they work for government agencies, or the philanthropic sector – they work in the existing food system enterprises. Given an alternative, some might prefer to help build a decentralized system that operates under a new paradigm that does a better job of aligning profitability with larger societal goals. Hopefully, the opportunities presented by developing the Food Commons will

be very attractive for these highly skilled and experienced people.

Businesses operating within the Hubs could employ graduates of the vocational programs, who become career-oriented, skilled farm workers, butchers, grocers, farmers, fishers, chefs, canners, and so forth, who see their work as a craft, and produced and presented a superior food product. These businesses will also provide new jobs for lower skilled workers and new entrants into the workforce, offering them a chance to move up into skilled positions.

The operational costs of the Regional Food Hubs could be financed to a large degree by a portion of the lease payments made by lessees of the Food Commons Trust, as well as by transaction fees.

Thus, these Regional Food Hubs are absolutely vital and essential to a well-functioning and integrated regional food system.



**PRODUCTION OPERATIONS**

**AGGREGATION / DISTRIBUTION**

**MARKETING / CONSUMER**

- FISH
- MEAT RANCH
- GREENHOUSE

- PRODUCE FARM
- POULTRY RANCH
- FARM CO-OP

- HUB**
- WAREHOUSING
  - AGGREGATION
  - DISTRIBUTION
  - PROCESSING
  - TRAINING / EDUCATION
  - ACCOUNTING
  - MARKETING
  - VALUE CHAIN MANAGEMENT
  - SMART TECHNOLOGY

- INSTITUTIONS
- HOSPITALS
- SCHOOLS

- RETAIL MARKETS
- RESTAURANTS

# THE FOOD COMMONS

## VI. Food Commons Governance

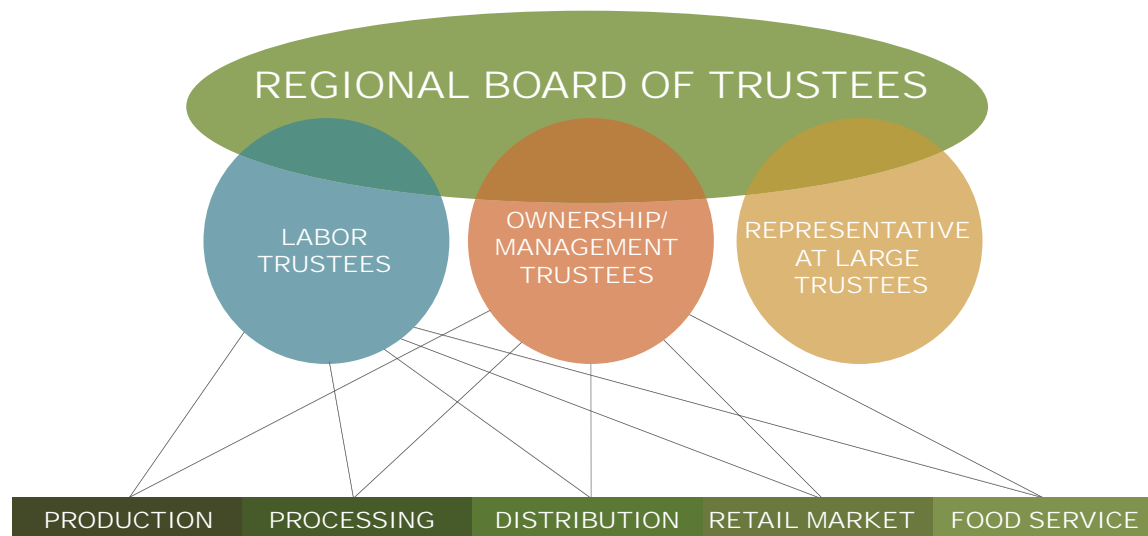
To fully manifest the purpose and vision of the Food Commons, new organizational structures will have to be created. These new structures will be based upon the principles of the Food Commons and will be institutionalized through the bylaws. We hope to achieve a more democratic and cooperative food system with greater equity and fairness for all the participants. The Food Commons would have elements of a public utility and a 21st century co-operative.

The integrating, governing body at the regional level would be a Regional Board of Trustees comprised of representatives from each of the three Food Commons components (Trust, Bank, and Hub) plus representatives from each of the key sectors in the food system. Also, several seats would be allocated to representatives-at-large who might be retired industry people, or disinterested experts

who have no economic interest in the decisions made by the Board. Labor representation would be fully integrated at all governance levels.

Each Regional Board would have subcommittees for each of the three Food Commons components---allowing for focused decision-making, but at the same time assuring that the governance of the region would be integrated.

The Regional Board of Trustees would have fiduciary responsibility and oversight of the regional Food Commons in its entirety. In addition to hiring key staff/leadership that would manage assets owned by the Trust and leasing out land and facilities, the Regional Board would set the direction and vision for the local Food Commons and develop policy in concert with the national Food Commons Council. It would oversee negotiations between different levels of the value chain, and serve as arbiter when necessary.



Regional Boards would be linked together through a central federated governance system, but would operate fairly autonomously within their respective regions. At the national level, a Food Commons Council would be comprised of representatives from each of the Regional Boards as well as representatives from the different food system sectors. The Food Commons Council would be responsible for national level decisions regarding direction, coordination, support, and advocacy.

The goal of the governance structure would be to ensure accountability, economic viability and social equity. Principles of democratic governance and public accountability would be included in organizational documents, articles of incorporation, and by-laws. All Board members would be held accountable to these principles, including legal requirements to balance interests among different constituencies across the value chain.

A critical difference between this proposal and others currently existing is the principle of preservation of common benefit along the value chain. To our knowledge, none of the current business models in the food system have as their purpose to balance the needs of the whole system, from the environment, to workers, to farmers and fishers, to aggregators/processors, to retailers, and to consumers.

Further, this Food Commons model will incorporate checks and balances to prevent the present market imperative of unlimited growth in order to maximize profits. Instead, it will purposely move toward a more sustainable and steady-state economy that would seek an improved quality of life for people and their communities.





## VII. Development of the Food Commons Meta-Plan and Launch and Costs Projections:

The planning, development and launch of the Food Commons is a huge undertaking. It is necessarily complex, but it is commensurate with the enormity and urgency of the challenges we face as a country and as a planet. We believe the investment in people and resources in order to achieve a more sustainable and healthier food system is well worth the effort. We see the Food Commons as a critical national priority that cuts across multiple sectors, interests and needs.

Apart from finding a productive use for tens of billions of dollars worth of orphaned commercial real estate, the Food Commons would further the goals of many Federal departments, including Treasury, Health, Homeland Security, Defense, Agriculture, and Labor.

In order to recognize the cross-cutting nature of the effort, we propose that it be largely and jointly funded by the above departments, and that a specially designated appointee from each be assigned to help move it forward. The funds necessary to get the process rolling could be seen as each department’s modest contribution to a new stimulus program.

Budget-neutral sources could include:

- small taxes on soda, tobacco, alcohol, and gasoline
- re-direction of a small portion of Department of Defense and Homeland Security funds already allocated to securing our food supply

- additional taxes on profits of major banks that have benefited from government support, and would benefit further by finding a home for problem loans
- fees paid by individual banks based on the value of the loans transferred to the Trust

We have set out below a pathway to implementation of the Food Commons concept. The dollar amounts are our best early estimates at what it would take to accomplish these tasks.

### 1) Planning

- Create Meta Plan including business plans for Trust, Banks, and a generic Food Hub. Identify 3 regions that commit to participate – set up legal entities and organizational structures (Regional Boards).

\$1,500,000

- Create customized business plans for 3 Regional Hubs including identifying land and necessary infrastructure.

\$1,200,000

- Create sets of business plans for various enterprises within a Food Commons.

- Farms/production operations - \$400,000

- Processors - \$400,000



- Retail Markets - \$800,000
- Food Service Operations - \$400,000
- Identify proposed specific land/infrastructure purchases/asset transfers in 3 regions. Legal work to prepare for transfer of property  
  
\$1,200,000
- Curriculum planning for jobs creation and training program  
  
\$300,000

## 2) Development and Launching (3 regions)

- Local leadership and support, initial management and staff hires  
  
\$500,000/region = \$1,500,000
- Execute property transfers into Trust  
  
\$200,000/region = \$600,000
- Develop and begin vocational/business training program for each region  
  
1000 trainees total x \$25K/year = \$25,000,000
- Construct temporary quarters for hub and retail outlets  
  
\$2,000,000/region = \$6,000,000

- Grants to local entities doing work that supports the Food Commons, specifically including health education  
  
\$5,000,000/region = \$15,000,000
- Accounting for, evaluating and tracking success/progress  
  
\$500,000/region = \$1,500,000
- Administration and Overhead including travel for development and launch phases for 3 regional partners  
  
\$200,000/region = \$600,000
- Communications, Education, Public Relations and Marketing for 3 regional partners.  
  
\$300,000 = \$900,000

## 3) Nationwide build-out of network

Build-out beyond the initial three regions once business plans and templates are completed would cost between \$15-20 million per region.