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TRANSCRIPT—COMPLEX RECIPROCITY IN A LOCAL
FOOD SYSTEM

*Sarah Waring**

Our speakers today have been amazing, and I don't know about the rest of you, but I would love to live in René's world, using Rohan's money, under Laurie's rural resilience bill. The focus of my talk today is the idea of complex reciprocity in a local, place-based food system. To begin, I want you to think of your favorite meal, with your favorite people. I want you to imagine what you're serving, or what's being served, and I want you to think about who's around the table. Imagine what it looks like on the table. Maybe there's some good cheese or some wine or beer, maybe fresh berries, fresh vegetables, roasted chicken or steak, or maybe salmon, if you're a fish person. Now imagine you are sitting in a restaurant with that meal, with some of your favorite people. You're there, and there are nine other people with you. Now imagine that outside that restaurant there are nice, big, plate-glass windows, and you see dozens of people standing there. These are folks who are experiencing food insecurity, who are hungry, and who don't know where their next meal is going to come from.

If we extrapolate from global statistics, it's most likely that the folks who aren't with you at the table come from some place of political, civil, or social unrest. It's likely that at least half of them are children, and most

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of them are women, and that they are experiencing poverty. And it's likely their country has had drought or flooding, some systemic example of ecological disruption.¹ And sadly, these challenges disproportionately affect vulnerable populations—our children in particular.²

Worldwide, there are eight hundred and twenty-some million people who experience food insecurity, and nine million of those experiencing food insecurity die every year.³ It's not a fun exercise but it's something to remember every time we're lucky enough to sit down and eat.

Food insecurity and the global distribution of food are some of the major concerns of governments and economists and, ultimately, of our food system.⁴ If you have hunger, you have unrest; if you have unrest, trade and exchange become unstable; and if these are unstable, then a society might be non-functioning. We know that companies and nations and businesses use productivity as a measure of their success, and we're familiar with the idea of productivity—the ratio of our outputs to our inputs.⁵ The Food and Agriculture Organization of the United Nations articulates the relationship of specific phenomena: poverty, food insecurity, hunger, and malnutrition lead to poor physical and cognitive development.⁶ To me, it seems self-evident—poverty will lead to low productivity, but it's nice that someone at the United Nations made it very simple to understand.⁷

In our lifetime, humans are probing the ultimate capacity of our global food supply chain. Since we don't seem to be interested in setting

1. See generally THE STATE OF FOOD SECURITY AND NUTRITION IN THE WORLD, FOOD & AGRIC. ORG. UNITED NATIONS (2018), <http://www.fao.org/3/I9553EN/i9553en.pdf> [<https://perma.cc/C4YL-6EDS>] [hereinafter FOOD SECURITY AND NUTRITION].

2. *Id.* at 13, 30 fig.14.

3. *Id.* at 3 fig.1.

4. Multiple governments and governmental entities indicate that food security—both domestically and internationally—is a concern, up to and including food assistance programs, emergency aid to other nations, and incentives of many types. See U.S. AGENCY FOR INT'L DEV., U.S. GOVERNMENT GLOBAL FOOD SECURITY STRATEGY: FY 2017-2021, at iii–iv (2016), <https://www.usaid.gov/sites/default/files/documents/1867/USG-Global-Food-Security-Strategy-2016.pdf> [<https://perma.cc/ZLY3-PAYT>]; *Food Security*, U.S. DEP'T AGRIC., <https://www.usda.gov/topics/food-and-nutrition/food-security> [<https://perma.cc/2J9Y-VCPD>]; see also *Deliver Humanitarian Aid*, UNITED NATIONS, <https://www.un.org/en/sections/what-we-do/deliver-humanitarian-aid/index.html> [<https://perma.cc/LDD2-AKZG>] (describing the necessity of food support in times of need). See generally FOOD SEC. INFO. NETWORK, GLOBAL REPORT ON FOOD CRISES 2017 (2017), https://ec.europa.eu/europeaid/sites/devco/files/20170328_full_report_global_report_on_food_crisis.pdf [<https://perma.cc/P8RT-CZCP>].

5. W. Bruce Chew, *No-Nonsense Guide to Measuring Productivity*, HARV. BUS. REV., Jan.-Feb. 1988, <https://hbr.org/1988/01/no-nonsense-guide-to-measuring-productivity> [<https://perma.cc/T64Q-G3ML>].

6. See FOOD SECURITY AND NUTRITION, *supra* note 1, at 3 fig.1.

7. See generally *id.*

a cap on global population, food security becomes a critical block in the foundation that makes up a well-functioning society. Evaluations by the United Nations and the World Food Programme indicate that some of the primary causes of hunger are war and displacement, civil unrest, lack of investment in agriculture, poverty, and climate disruptions.⁸ If you have food security, and if it is equitable, you may also avoid many of these other conditions, as a society. For a moment, I'm going to focus on some of the data related to climate disruptions. It might not be as easy to see the connectivity between food security and hurricanes, for example, as it is to see connectivity between food security and displacement.

Since the early 1990s, the number of extreme climate-related disasters, including heat and drought and floods, has doubled, with an average of 213 of these happening every year for the last thirty years.⁹ These disasters harm agricultural productivity and they contribute to shortfalls in food availability. The ancillary effects cause food price hikes and income losses that reduce people's access to food. And, like war and civil unrest, climate disruptions are also directly related to the impact of our own human activity.¹⁰

In fact, agricultural productivity—which can be threatened by these climate disruptions—is also one of the greatest contributors to greenhouse gas emissions.¹¹ There are many reasons why agricultural productivity is a major greenhouse gas contributor, although, methane from enteric fermentation is one of the leading causes of greenhouse gas emissions. Methane is created by the digestive systems of animals; literally, methane is

8. *See generally id.*; HENK-JAN BRINKMAN & CULLEN S. HENDRIX, WORLD FOOD PROGRAMME, FOOD INSECURITY AND VIOLENT CONFLICT: CAUSES, CONSEQUENCES, AND ADDRESSING THE CHALLENGES (2011), <https://documents.wfp.org/stellent/groups/public/documents/newsroom/wfp238358.pdf> [<https://perma.cc/63BU-F9KY>].

9. *See* FOOD SECURITY AND NUTRITION, *supra* note 1, at 39 fig.15.

10. *See id.* at 40, 55 fig.25 (discussing specifically the performance of corporations in relation to climate resilience and climate policies related to their operational global warming emissions); UNION OF CONCERNED SCIENTISTS, THE 2018 CLIMATE ACCOUNTABILITY SCORECARD: INSUFFICIENT PROGRESS FROM MAJOR FOSSIL FUEL COMPANIES 4–5 tbl.1 (2018), <https://www.ucsusa.org/sites/default/files/attach/2018/10/gw-accountability-scorecard18-report.pdf> [<https://perma.cc/MY9K-597R>]. *See generally* Myles Allen et al., INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE, *Summary for Policy Makers*, in GLOBAL WARMING OF 1.5°C C2.5 (2018), <https://www.ipcc.ch/sr15/chapter/summary-for-policy-makers/> [<https://perma.cc/VR5Z-E8T4>].

11. *See Agriculture and Climate Change*, EUR. ENV'T AGENCY (June 30, 2015), <https://www.eea.europa.eu/signals/signals-2015/articles/agriculture-and-climate-change> [<https://perma.cc/K3YQ-4QLF>] (last modified Dec. 16, 2016); *see also Climate Change Science: Causes of Climate Change*, U.S. ENVTL. PROTECTION AGENCY (2017), https://19january2017snapshot.epa.gov/climate-change-science/causes-climate-change_.html [<https://perma.cc/MK9C-DFBL>].

emitted when cows and animals fart, belch, and burp.¹² But other agricultural practices, like application of synthetic fertilizers, soil salination, erosion, deforestation for more farmland, and so on, all of these are a part of what our large-scale, industrial agricultural system does for us.¹³

In this context, I want to turn to thinking about locally-based agriculture, locally-based community, and economic development as strategies to alleviate some of these impacts.

First, it is important to begin to think and act at a place-based scale. This can be as small as a community, as diverse as a watershed, or as large as a geopolitical boundary. When we think and act in a place-based way, we are setting ourselves up to understand and respect scale.

Second, we need to explore how complex reciprocity can work within a system. I want to delve a bit deeper into this concept, because it's important to know how it differs from a transactional economy. Often, we make an exchange for mutual benefit with an agreed set of rules around the transaction itself, like in business or economy. We are familiar with exchanging goods and services for an agreed upon price—a cup of coffee for two dollars, or a new lawnmower for three hundred dollars, and so on. There are always a few very basic, common elements about our transactions in an economy: they have an agreed upon value, they have a direct benefit, and they involve an exchange of some sort.

To compare, in a community—or in a place-based system—we have a different set of interactions. You pick up my kids after school, but I don't have to pay you for gas money. We volunteer, we go to potlucks, we give up our time, we go take care of picking up someone at the airport. We're happy *not* to be paid back in a community because we understand the value of paying it forward. So, these interactions have no agreed upon value, or it's often an amorphous one. These interactions have a more diffuse benefit than monetary transactions, and they don't necessarily involve an exchange of any kind. It's a social capital bank that you're paying forward into; it makes interactions more complex, and it can build a set of shared values in a place over time. Innovation can happen where there's a buildup of this complex, reciprocal change.

12. See generally *Agriculture and Climate Change*, ECON. RES. SERV., U.S. DEP'T AGRIC., <https://www.ers.usda.gov/topics/natural-resources-environment/climate-change/agriculture-and-climate-change.aspx> [<https://perma.cc/7MMQ-XAGW>].

13. See generally *Industrial Agriculture: The Outdated, Unsustainable System That Dominates U.S. Food Production*, UNION CONCERNED SCIENTISTS, <https://www.ucsusa.org/our-work/food-agriculture/our-failing-food-system/industrial-agriculture> [<https://perma.cc/M5QL-JAV8>].

In Vermont, we have a self-identified local food system framework, which has enabled the growth of some complex, system-based solutions.¹⁴ The examples I will draw from Vermont demonstrate how these localized responses can work.

My first story is an interesting example of complex reciprocity and economic agency. In 2011, in a small town in northern rural Vermont, a large farm barn caught on fire and burned to the ground.¹⁵ The barn was a part of a four-season, year-round organic farm; they utilize greenhouses and direct sales to customers to keep their model sustainable.¹⁶ They lost equipment and crops and vegetables, but they didn't lose their community-supported agricultural (CSA) members—they had almost 400 members who had purchased shares of food in advance of delivery.¹⁷ When this disaster happened, those CSA members, plus friends and neighbors and other people, donated money directly to the farmer, knowing that there was no return—no food, no investment, nothing.¹⁸ These were pure gifts, from people who cared, resulting in nearly \$75,000 in cash for the farmer to rebuild.¹⁹

As a rural entrepreneur, this level of community commitment was something entirely new to the farmer. It's fair to say that the farmer was overwhelmed by the support and wanted to figure out a way to pay back these gifts. He settled on starting a revolving loan fund, designed for farm and food businesses dealing with emergency situations. And he committed to repaying all the gifts he received to help start the fund itself.²⁰ The

14. See generally *Farm to Plate Strategic Plan*, FARM TO PLATE, <https://www.vtfarmtoplate.com/plan/> [<https://perma.cc/Y3GY-S6HD>]; *Home*, ST. VT.: WORKING LANDS ENTERPRISE INITIATIVE, <https://workinglands.vermont.gov/> [<https://perma.cc/3E3P-82D9>]; *The Farm to Plate Network*, FARM TO PLATE, <https://www.vtfarmtoplate.com/network> [<https://perma.cc/3PNK-ETCV>]; *What If?*, VT. FARM TO SCH. NETWORK, <https://strategy.vermontfarmtoschool.org/index>.

15. See *Our Story*, VT. FARM FUND, <https://www.vermontfarmfund.org/story-of-our-loan-fund/> [<https://perma.cc/6LA2-53CB>] [hereinafter *Our Story*].

16. Will Lindner, *Well Grounded*, BUS. PEOPLE VT. (Aug. 2015), http://www.vermont-guides.com/2015/petes_greens0815.html [<https://perma.cc/H9MU-9L2K>].

17. This information is not publicly available but is known to the author due to her participation on the Board of Advisors of the Vermont Farm Fund.

18. Lindner, *supra* note 16.

19. This information is not publicly available but is known to the author due to her participation on the Board of Advisors of the Vermont Farm Fund.

20. See *Our Story*, *supra* note 15 (“Inspired, Pete imagined the day that he could ‘pay it forward’ by seeding a loan fund for Vermont farmers with ‘repayments’ of the generous contributions he received in his time of need.”).

fund is structured with two types of loans: emergency loans with zero percent interest²¹ and “business builder” loans with three percent interest.²² And all of the inputs to the revolving fund are either loan repayments or philanthropic gifts. There’s no return on investment, but every dollar that gets paid out comes back in, and a community of borrowers has been building slowly.²³ Since 2011 (when the fund was started), over \$1.2 million dollars have been loaned to nearly eighty producers, with no defaults.²⁴ While the method is similar to microlending, I like to consider it “community-sourced” lending rather than crowdsourced lending. The goal, and the value, is that the loan fund was designed to pay it forward, and was structured to meet the needs of farmers, not the needs of investors.²⁵

This story is meant as an illustration of the importance of *the relational strength* within a system when there are shared values. The people who give to the fund are supporting farmers, but they also know that trust and social capital is built as a result of the loans. While the revolving loan fund is making a real difference in Vermont’s farm and food economy, with real capital, it also illustrates this concept of complex reciprocity as a vital part of resilience.

Here’s another example: our nonprofit runs a farm and food business incubator. We have a 15,000-square-foot building, with three rental kitchens, storage space, business advising, and technical assistance. The space is designed for small-scale and start-up businesses to learn what they need to grow.²⁶ But this building also has an anchor tenant who pays rent year-round and helps support the operational costs of the facility. This is critical, particularly in a rural area, so that our small entrepreneurs can show up once a month if they need to.

The story is a bit more complicated. The anchor tenant is an artisan cheesemaker, primarily sourcing milk from within fifteen miles of their home farm. But here’s the critical part: they also partner with our region’s

21. See *Our Loan Programs*, VT. FARM FUND, <https://www.vermontfarmfund.org/loan-programs/> [https://perma.cc/4BJL-HX68]. Particularly useful information can be found under the *Emergency Loans* tab.

22. *Id.* Particularly useful information can be found under the *Business Builder Loans* tab.

23. See *Our Story*, *supra* note 15.

24. See *Home*, VT. FARM FUND, <https://www.vermontfarmfund.org/> [https://perma.cc/5GZV-6DPJ].

25. See *id.*

26. See *VT Food Venture Center*, CTR. FOR AN AGRIC. ECON., <https://hardwickagriculture.org/farmers-food-businesses/shared-use-commercial-kitchen> [https://perma.cc/E3RN-6C4M].

largest and oldest dairy cooperative, Cabot Creamery, on a single cheese, which is their bestseller. So, if you think about this in terms of a supply chain, the commodity-fluid market supports Cabot Creamery. Cabot Creamery then partners with Jasper Hill who's our in-building anchor tenant, supporting all of the small businesses that are coming and going in those rental kitchens.²⁷

In this story, the success that has built here is not a success that is purely transactional. Each of these agents understand that somebody else in the system is paying forward to allow them to do what they want to do. Again, economic support lending resources allows for further proliferation of a place-based model.

And when you have this level of partnership, you can also be innovative. In the industrial park where our farm business incubator is situated, the municipal waste-water treatment plant has been challenged by all the food and farm businesses. The byproduct of cheesemaking is whey—which is not helpful for waste-water treatment. But it also makes a very nutrient-rich food source.²⁸ So the cheesemakers in our building have put a reverse-osmosis machine on the end of their water outflow, so that they can extract the whey and turn it into something of value.²⁹ They've chosen to invest in a herd of pigs with a local vegetable farmer, and they're making some very delicious, Vermont grass-fed and whey-fed sausages and charcuterie.³⁰ This is a great example of how local collaboration and localized thinking can create solutions that are beyond triple-bottom line.

But this work doesn't just have to be about economic development. A few years ago, our nonprofit organization was approached by the food pantry, and they wanted to try to address not just emergency relief and emergency food, which is what food pantries do, but also the root causes of hunger. In response, we created this program where we would provide some programming, some curriculum on nutrition, some cooking classes, practices on gardening, and preservation techniques. Essentially, we were trying to think about the concept of food independence and how people who don't have access to local food could grow their own, which is the name of the program.³¹

27. This information is not publicly available but is known to the author due to her tenure as Executive Director at the Center for an Agricultural Economy.

28. *Whey Protein*, MAYO CLINIC (Oct. 19, 2017), <https://www.mayoclinic.org/drugs-supplements-whey-protein/art-20363344> [<https://perma.cc/2HAY-HUQ8>].

29. This information is known to the author due to her tenure at the Center for an Agricultural Economy.

30. *See Meat*, JASPER HILL FARM, <https://www.jasperhillfarm.com/meat>.

31. *See Food Access & Equity*, CTR. FOR AN AGRIC. ECON.: COMMUNITY PROGRAMS, <https://hardwickagriculture.org/community-programs/food-access-equity> [<https://perma.cc/E8VZ-PDUQ>].

In the very first class that we had, one of the grandmothers who uses our local food pantry joined the workshop. We were teaching about how to bake bread and how to use whole beans and a couple other things. This grandmother was very kind, but she said, “Oh, your bread recipe is very nice but next time, let me bring my bread recipe and teach you how to make bread.” We discovered that she didn’t go to the food pantry because she doesn’t know how to cook or she doesn’t have access to food, she goes to the food pantry because she has two children who are adults, each of whom are working three jobs and she takes care of six grandkids under the age of five. So, she’s running an in-home daycare, for her extended family, with no compensation.³² We learned, and it was humbling, that we didn’t really understand the issues around food insecurity even in our own community in a way where we could leverage our resources to alleviate these experiences of poverty that our neighbors were having. It was an important lesson about our assumptions, and it changed our approach—we made sure to include our food pantry clients on our steering committees and in our decision-making. They even helped us in raising money and getting donations to ensure we could continue the program in a more productive way. We knew that they needed to be the ones who were leading the direction of the program.

Sometimes this work of community vitality or social revitalization and the work of economic development can be combined. This is where that sort of triple-bottom line approach comes in. We started a program about five years ago, a social enterprise, which is a minimal processing program for local vegetables. This program is based out of our food and farm business incubator facility, in one of the shared kitchens. We were looking broadly at the challenges for farmers in our state, and we knew that Vermont’s per capita farmer’s market and CSA rate was through the roof. You could probably go to a farmer’s market every day of the week in Vermont, and many of our Vermonters are growing their own anyway, so the direct-to-consumer market pathways are crowded.³³

Our farmers were needing a more diverse set of markets and a more diverse set of revenue streams to be viable and to even stay on the land. At the same time, we were seeing that our institutions had a hunger for engaging in the local food system—colleges, hospitals, or schools that

32. This information is not publicly available but is known to the author due to her tenure as Executive Director at the Center for an Agricultural Economy.

33. See generally *Farm Stands, CSAs & Farmers Markets*, ST. VT.: AGENCY AGRIC., FOOD, & MARKETS, <https://agriculture.vermont.gov/farm-stands-csas-farmers-markets> [https://perma.cc/8B25-EJ89]; *Strolling of the Heifers 2017 Locavore Index Ranks States on Local Food Commitment*, STROLLING HEIFERS (May 15, 2017), <https://www.strollingoftheheifers.com/locavore-index-2017/> [https://perma.cc/S3YV-SJA3].

were growing their own herb gardens, or buying directly from local farmers.

We had a unique asset in this supply chain, which was the processing facility, so we developed a program that seeks to meet a few of these needs. The program aims to diversify revenue streams for farmers, to provide local food products to consumers at institutional settings, and to create jobs in our local economy, all without competing directly with our farmers. The mechanics of the enterprise are this: we contract forward with farmers for large batches of root and storage crop vegetables. We then process them minimally—peeling, chopping, or shredding, and packaging them for institutional meal-service volumes. The products aren't designed for family shopping, or for direct sales, where a farmer could get a better price point if they sold directly, but instead are designed for a market where volume is important, price point is important, and where insurance liability, third party food safety audits, and negotiations with contract management service company are all critical.

Sales, one measure of success, have doubled in the last few years. We went from bringing in about 10,000 pounds of local produce to about 150,000 pounds. We have four jobs in the facility and another three or four that we're supporting at the farms we partner with. And then our products are in four hospitals and two colleges and about a dozen local schools.³⁴ We donate any product not used, and compost food scraps—doing our best to add value back to soil fertility and local food access.³⁵ We are excited about the model.

From our examples, we have learned that where natural and fiscal capital are scarce, one of the only other ways to ensure that we have a future is to reinvest in our social capital. This is how complex reciprocal thinking and systems thinking has shown that it's possible to have shared solutions that lead to more resilience in the face of global challenges. We know that socially responsible businesses are more likely to be long-term wealth generators, because they are more interested in investing in social and community capital. We need to look for places where complex reciprocity is intentionally being built, rather than the constant buildup of transactional interactions. We need to look for actors within systems who are thinking about scale and locally based solutions. And we need to understand the importance of *paying it forward* as a concept if we intend to grow resilience and innovation.

34. This information is not publicly available but is known to the author due to her tenure as Executive Director at the Center for an Agricultural Economy.

35. See generally *Farm-to-Institution Supply Chain Facilitation*, CTR. FOR AN AGRIC. ECON., <https://hardwickagriculture.org/farmers-food-businesses/farm-institution-supply-chain> [https://perma.cc/7JL2-HN2R].