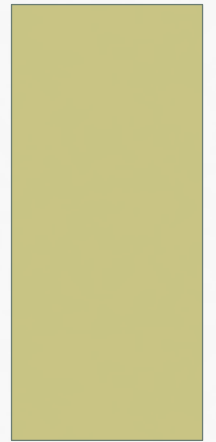


ESTIMATING ECONOMIC  
IMPACT OF A FOODHUB  
IN CHARLESTON, SC



# GROWFOOD CAROLINA

- Coastal Conservation League – Environmental Advocacy
- Food and Agriculture Program Started – 2007
- Food Hub – Growfood Carolina Began – 2011
- Five Producers, 120 Mile Radius – 2011
- Seventy-Five Producers, Statewide – 2015
- Sales, Marketing, Warehousing, Distribution Functions
- Consignment Model – 20% commission on sales

# CONTEXT FOR ECONOMIC IMPACT OF GROWFOOD

- USDA-AMS LFFP grant called for economic impact study [Perhaps ought to consider adding this to your grant proposals!]
- Study due late summer 2016. So, just starting to conduct study
- Following pattern set by Jablonski and Schmit
- Interesting challenge – plenty of IMPLAN resources on campus; not in field. Asked to work with technician on campus who has access to IMPLAN.
- Initial results with time to adjust and refine
- Interested in backing up and contextualizing with broader food system planning process.

- Donated Warehouse Space
- Grant Funding
  - SSARE Community Innovation Grant
  - USDA-AMS Local Food Promotion Program Grant
- Expect to Reach \$1M in Sales “Soon”
  - 50% Restaurant
  - 45% Retail (Grocery)
  - 5% Institutional
- Expect to Break Even Within 7-10 Years of Inception

# BUILDING THE MODEL

- GrowFood supplied total outlays for both food and non-food expenditures, consisting of a specific breakdown of commodities purchased as well as detailed non-food expenditures such as vehicle expenses, employee compensation, utility expenses, etc.
- These expenses were then scrubbed to determine what was needed in order to conduct our analysis

# ANALYSIS BY PARTS METHOD

- Because food hubs operate differently than traditional farms in the market, our analysis was conducted as an 'analysis by parts' rather than using a stock IMPLAN sector
- GrowFood's largest commodity expenditure was in fruit, so this was the IMPLAN sector the analysis was based upon
- A new industry spending pattern was created for 'fruit farming' as well as a labor income change for GrowFood's employee compensation
- The model was then run for two regions: the state of South Carolina and the greater Charleston area (Charleston, Berkeley, and Dorchester counties)

# SOUTH CAROLINA STATE RESULTS

## 2014 Impact of GrowFood

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	0.0	\$317,163	\$448,660	\$830,854
Indirect Effect	3.6	\$119,950	\$133,988	\$253,326
Induced Effect	2.7	\$103,647	\$179,563	\$292,434
Total Effect	6.3	\$540,760	\$762,211	\$1,376,614

## 2015 Impact of GrowFood

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	0	\$362,305	\$566,720	\$1,049,482
Indirect Effect	4.4	\$151,555	\$169,294	\$319,967
Induced Effect	3.1	\$121,812	\$211,026	\$344,281
Total Effect	7.5	\$635,672	\$947,040	\$1,713,730

\*All results in 2016 dollars

# CHARLESTON AREA RESULTS

## 2014 Numbers

<b>Impact Type</b>	<b>Employment</b>	<b>Labor Income</b>	<b>Value Added</b>	<b>Output</b>
Direct Effect	0.0	\$317,163	\$448,660	\$830,854
Indirect Effect	3.6	\$119,950	\$133,988	\$253,326
Induced Effect	2.7	\$103,647	\$179,563	\$292,434
<b>Total Effect</b>	<b>6.3</b>	<b>\$540,760</b>	<b>\$762,211</b>	<b>\$1,376,614</b>

## 2015 Numbers

<b>Impact Type</b>	<b>Employment</b>	<b>Labor Income</b>	<b>Value Added</b>	<b>Output</b>
Direct Effect	0	\$362,305	\$566,720	\$1,049,482
Indirect Effect	4.4	\$151,555	\$169,294	\$319,967
Induced Effect	3.1	\$121,812	\$211,026	\$344,281
<b>Total Effect</b>	<b>7.5</b>	<b>\$635,672</b>	<b>\$947,040</b>	<b>\$1,713,730</b>

\*All results in 2016 dollars



# WHAT NEXT?

- Get my hands (again) on IMPLAN.
- Consider survey of producers to gain insights on expanded market opportunities attributable to GrowFood.
- Consider survey of customers of Growfood to gain insights on potentially attributable new product offerings, new customers, expanded (not just displaced) sales.
- Consider interviews with existing entities (all private) who compete for provision of similar services???

WHAT ELSE SHOULD WE BE  
CONSIDERING?