

Planning & Development District III

Regional Action Plan



A. Introduction

Planning and Development District III (District III) is a voluntary association of county, municipal and tribal governments. Its mission is to provide comprehensive development assistance to its membership and the private sector. The District III service area includes 15 counties in south central South Dakota. There are 6,833 farms in the region occupying over 7 million acres of land. The predominant crops include corn (1.7 million acres), soybeans (1.5 million acres), and alfalfa (750,000 acres), while grassland & pastureland comprises 3.8 million acres. According to the 2017 Census of Agriculture, an average of 30% of producers in the District III region reported sales of less than \$10,000. On average, 40% of producers reported sales between \$10,000 and \$250,000. 30% of producers reported sales of over \$250,000. The major organizations/businesses serving the food value chain within District III include:

- Production: Dairy products, livestock, and row crop farming
- Processing/manufacturing: Animal processing, lockers, and cheese production
- Transportation/storage/distribution: Trucking firms
- Wholesaling/retailing: Grocery & product wholesalers, sale/auction barns, retail bakeries, meat markets, fruit and vegetable markets, grocery stores, and full service restaurants
- Consumers: Schools, hospitals, and institutions such as corrections and nursing homes
- Other: Ag lenders/small farm loans (average small farm loan amount, \$107,905)

B. Assessment Engagement

The intent of the assessment engagement process is to discover economic opportunities across the region by understanding the needs of various groups involved in the food value chain. Results of the survey and other input can lead to opportunities for specialty producers to collaborate and increase awareness and integration of their products into large scale end users and markets such as institutions, grocery stores, and restaurants.

In order to better understand the region's food value chain, District III conducted a comprehensive survey of all potential partners within the food system. District III prepared survey questions for five "block groups" include:

- Institutions (healthcare, corrections, education, Human Services Center [HSC])
- Governments (county, municipal, tribal, and chambers/development corps)
- Food Distribution (groceries, lockers, farmers markets)
- Financial (banks)
- Social (food banks/pantries and backpack programs)

When asked what barriers or challenges groups encountered while accessing local foods, the following themes were noted:

- Local, state, or federal regulatory hurdles (food safety requirements, inspection capacity)
- Price competitiveness
- Shortage of infrastructure
- Lack of training
- Financing

When asked what could help groups overcome barriers and challenges of procuring local foods, themes included:

- Streamline local food delivery system (consistent delivery and/or properly equipped vehicles)
- Promote/market local foods
- Safety compliance and regulatory training
- Better storage/handling of local foods (more fridge/freezer space, kitchen equipment, trained staff, etc.)
- More capital/access to capital
- Organize a regional food aggregation or distributing organization such as a food hub

In addition to the web-based survey other engagements included the following in-person activities:

- Information about the program was presented to our governing body, the District III Committee, in August. The vast majority of our committee members are from rural areas or are involved in agriculture at varying levels. The committee is in support of our efforts.
- The RFBC initiative has been discussed at various meetings attended by District III staff. The intent of which was to increase awareness and foster participation
- A phone survey of food banks and backpack programs was conducted by District III staff.
- Numerous discussions were held as part of the Areawide Business Council's (ABC) revolving loan meetings. The majority of which were focused on the USDA Meat and Poultry Program administered by ABC on behalf of District III
- A meeting with groups representing communities in the southeast area was held in October. Several in attendance operate farmers markets. Discussion focused on the possibility of hiring one coordinator to manage activity at the markets. Due to each market's uniqueness, it was determined that it would be better to manage their markets separately.
- District III staff facilitated a strategic planning meeting with the Development Corporation in Geddes, SD in November. Geddes is located within 10 miles of the Missouri River/Lake Francis Case and has witnessed a growth in the outdoor hospitality industry. A locker business operates in Geddes as well as a honey processor outside of town. The group discussed the possibility of assisting both businesses in marketing and equipment.

- The District III team met with the Development Coordinator for Wagner Area Growth (WAG) in November. The meeting included a discussion about local foods and their farmers market. The Coordinator believed that the best thing that could help the farmers market in the short term is marketing.

C. Value Chain Mapping

Strengths within the District III service area food value chain

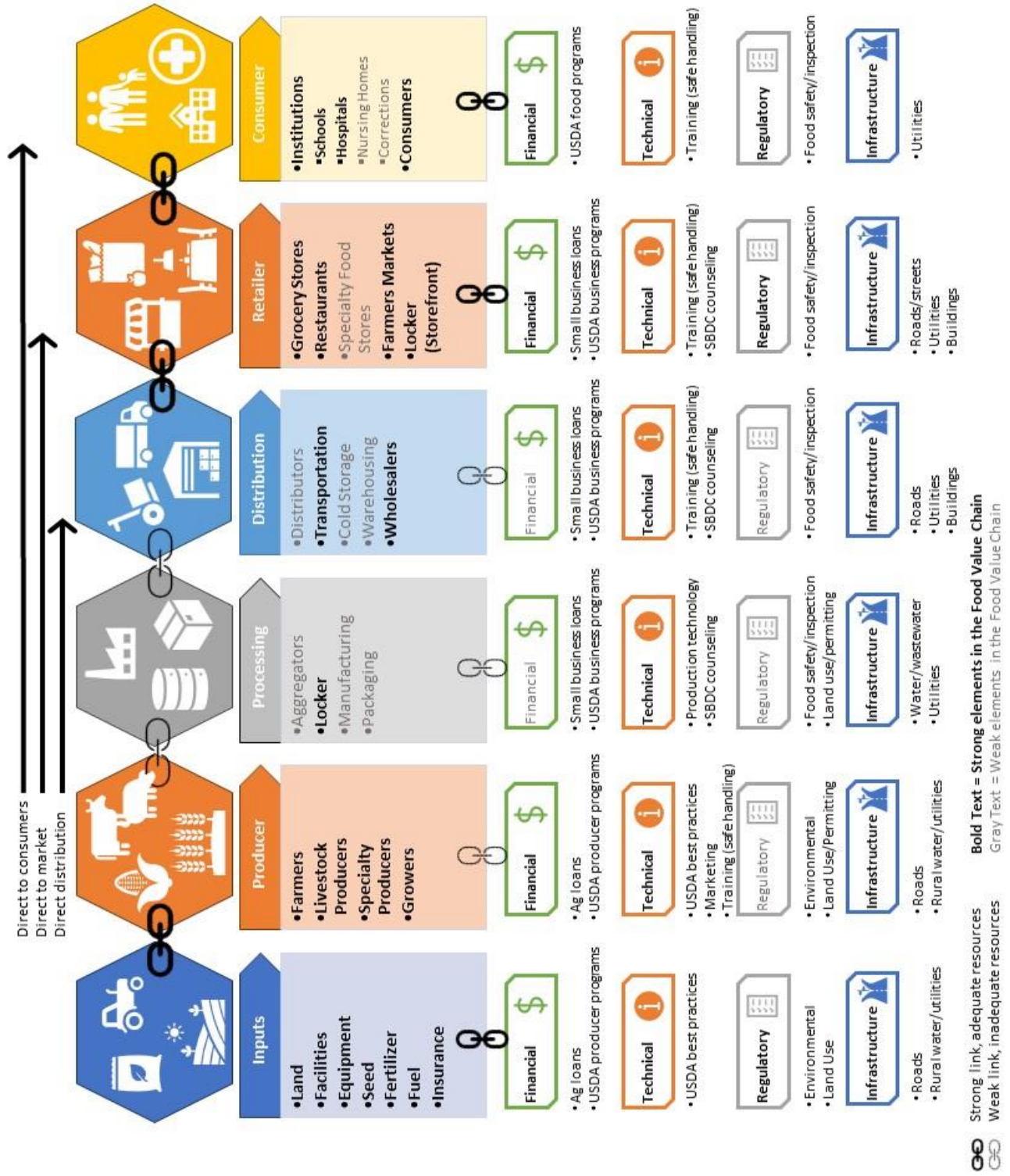
- Production: Dairy farming & product processing, animal husbandry, and row crop production. Adequate financial and technical resources
- Processing/manufacturing: Expansive selection of lockers
- Transportation/storage/distribution: Availability of trucking firms and wholesale businesses
- Wholesaling/retailing: Several retail bakeries, meat markets, and full service restaurants.

Weaknesses within the District III service area food value chain

- Production: Limited regulatory and inspection oversight
- Processing/manufacturing: Lack of aggregators, manufacturers, and packagers. Limited financial, technical, and regulatory resources.
- Transportation/storage/distribution: Shortage of cold storage, absence of properly equipped vehicles (i.e. panel trucks, cube vans).
- Wholesaling/retailing: Grocery product wholesalers, decreasing availability of sale/auction barns, retail bakeries, meat markets, fruit and vegetable markets, number of grocery stores, full service restaurants

The illustration on the following page shows the general local food value chain map for the District III region.

Planning & Development District III Local Food Value Chain Map



D. Goals/Strategies and Action Steps

The District III region is rich in natural, intellectual, and individual capitals of wealth. However, the region's levels of cultural, political, financial, and social capitals of wealth fall short of the others. The District's goals, strategies, and action steps are geared toward narrowing the gap between all capitals of wealth.

We believe regional ownership is the best way to enhance the forms of wealth capital with respect to local foods in our region since our office now serves as the "owners" of the local foods issue. The wealth building opportunities we can present to the local foods network may assist to increase the livelihoods of producers, manufacturers, retailers, and consumers.

Regional ownership allows us to create a viable, network of local foods businesses and organizations in south central South Dakota. Coordinating networks facilitate time and resource commitments from participating organizations. These networks involve low to moderate risk and have a greater chance to achieve systemic change.

Our action plan responds to the concerns we heard from the regional survey and local meetings. Each of the goals in our plan focuses on gaps identified in the survey and the food value chain. The following outline and tables highlight our action plan.

Goal 1 Create Food Hubs in the District III Region

1. Satellite food hub(s)
2. Regional commercial kitchens
3. Regional Local Foods Network (info sharing, networking, etc.)

Goal 2 Increase the Region's Local Foods Capacity

1. Training for safe food handling
2. Capital for local food producers (structures, equipment, working capital)
3. Funding for programs in schools

Goal 3 Create a Fair and Equitable Regulatory Environment for Local Foods

1. Local regulations
2. Regulatory and compliance training
3. Business planning

Goal 4 Raise Awareness of Local Foods Through Increased Marketing Efforts

1. Farmers markets
2. Branding
3. Cooperate with local businesses and statewide associations to share resources

Goal 5 Increase the Capacity of the Region's Local Foods Infrastructure

1. Trucking firms and properly equipped vehicles
2. Cold storage units
3. Warehousing facilities

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CENTER NAME: Planning & Development District III

Prepared by: Planning & Development District III Staff

Goal 1 Create Food Hubs in the District III Region					
Strategy/Action	Anticipated Start Date	Projected Completion Date	Responsible Party(ies)	Resources / Products / Deliverables	Outcomes / Notes
1) Central Food Hub					
a) Discuss establishment of satellite hub(s) in the region	03/2024	06/2024	District III Dakota Foods	Agreement(s)	Determine interest before moving forward
b) Satellite hub(s) feasibility study(ies)	06/2024	12/2024	District III Dakota Foods	Completed study/business plan	Study should identify feasibility of a location/operation in our region
c) Funding for satellite hub(s)	01/2025	04/2025	District III Dakota Foods	BBSA USDA ABC RLF	Other sources of funding may be needed depending on cost
2) Regional Commercial Kitchens					
a) Plan commercial kitchen(s)	01/2024	10/2024	District III Local development groups	Feasibility study	A feasibility study or business plan will reveal the potential success of a commercial kitchen
b) Funding for commercial kitchen(s)	01/2025	04/2025	District III Local development groups	BBSA RFSI USDA ABC RLF	Other sources of funding may be needed depending on cost
3) Regional Local Foods Network					
a) Create a local foods web page	03/2024	06/2024	District III	Interactive page	A potential place for all levels of food value chain to communicate
b) Convene network	07/2024	09/2024	District III RFBC partners and members	Regional meeting	Could be held in conjunction with Local Foods Conference
c) Share updates, success stories, press, and other communication items with USDA	03/2024	07/2028	District III	Shared social media (posts, blogs, newsletter, etc.)	Post updates at least quarterly on District III local foods page

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Goal 2 Increase the Region's Local Foods Capacity					
Strategy/Action	Anticipated Start Date	Projected Completion Date	Responsible Party(ies)	Resources / Products / Deliverables	Outcomes / Notes
1) Training for Safe Food Handling					
a) Conduct regional workshop	09/2024	11/2024	District III SDSU Extension	Regional event	Invite school districts, institutions, processors, producers
2) Capital for Local Food Producers (Plant, Equipment, Working Capital)					
a) Promote District III Meat and Poultry Revolving Loan Fund	01/2024	07/2028	District III ABC	ABC RLF USDA	Promote program regionally, particularly in tribal areas
b) Promote USDA programs	07/2024	07/2028	District III USDA	Projects requesting USDA funding	USDA programs could be used to match funding for project(s) identified in other goals
c) Promote SD DANR Program(s)	07/2024	07/2028	District III SD DANR	Projects requesting SD DANR funding (RFSI Infrastructure or Equipment)	SD DANR programs could be used to match funding for project(s) identified in other goals
3) Funding for Programs in Schools					
a) Technical assistance (TA) provided to schools and institutions	01/2024	07/2028	District III SDSU Extension	List of projects, programs for schools and institutions	Number of applications for schools, hospitals, and other institutions accessing TA; diversity of TA services provided
b) Farm to School funding	07/2024	07/2028	District III School Districts SD DOE USDA	Funding for school nutrition programs	Assist schools in preparing proposals
c) School garden/education programs	07/2024	07/2028	District III School Districts SD DOE USDA	Funding/TA for school garden and education programs	Assist schools in preparing proposals

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Goal 3 Create a Fair and Equitable Regulatory Environment for Local Foods					
Strategy/Action	Anticipated Start Date	Projected Completion Date	Responsible Party(ies)	Resources / Products / Deliverables	Outcomes / Notes
1) Local Ordinances					
a) TA provided to communities who may/may not regulate food chain businesses	01/2024	06/2028	District III	Communities who regulate food chain businesses will have zoning ordinances updated to include land uses in the food value chain	Number of ordinances updated; diversity of TA services provided
b) Amend local and county zoning ordinances	1/2024	07/2028	District III	Revised ordinances	Chapters/supplemental regs focused on local foods
2) Regulatory and Compliance Training					
a) Conduct regional workshop	09/2024	11/2024	District III SD DANR USDA	Well attended event	Invite producers, financial institutions, processors, transporters/logistics
3) Business Planning					
a) TA provided to value chain small-mid sized businesses	01/2024	06/ 2028	District III SBDC	Business plans BBSA	Number of food and farm business accessing TA; diversity of TA services provided

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Goal/Strategy 4 Raise Awareness of Local Foods Through Increased Marketing Efforts					
Strategy/Action	Anticipated Start Date	Projected Completion Date	Responsible Party(ies)	Resources / Products / Deliverables	Outcomes / Notes
1) Farmers Markets					
a) TA provided to local development corporations	01/2024	06/2028	District III	Business plans, studies for farmers markets	District III assists a community if they are interested
b) Funding for farmers markets	01/2024	04/2024	District III Dev Corps	BBSA USDA	Other sources of funding may be needed depending on cost
2) Branding					
a) Survey value chain businesses	06/2024	10/2024	District III USDA	Targeted survey USDA AMS	District III to provide TA services to prospective businesses and refer to USDA Ag Marketing Service
b) Funding for marketing	02/2025	07/2025	District III USDA	Number of businesses assisted USDA AMS	District III would assist businesses in completing USDA applications
3) Training for Marketing of Local Foods					
a) Conduct regional workshop	09/2024	11/2024	District III SDSU Extension USDA	Well attended event	Invite farmers, producers, processors, markets

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Goal 5 Increase the Capacity of the Region's Local Foods Infrastructure					
Strategy/Action	Anticipated Start Date	Projected Completion Date	Responsible Party(ies)	Resources / Products / Deliverables	Outcomes / Notes
1) Trucking firms and properly equipped vehicles					
a) Survey trucking firms and producers	06/2025	08/2025	District III	List of needed equipment and/or vehicles	Invite trucking firms and producers to complete the survey
b) Funding for vehicles	02/2026	04/2026	District III	BBSA RFSI USDA ABC RLF	Other sources of funding may be needed depending on cost
2) Cold storage units					
a) Survey producers, processors, and aggregators	06/2026	08/2026	District III	List of needed equipment	Invite producers, processors, and aggregators to complete the survey
b) Funding for facilities	02/2027	04/2027	District III	BBSA RFSI USDA ABC RLF	Other sources of funding may be needed depending on cost
3) Warehousing facilities					
a) Survey producers, processors, and aggregators	06/2027	08/2027	District III	List of needed equipment and/or structures	Invite producers, processors, and aggregators to complete the survey
b) Funding for structures	02/2028	04/2028	District III	BBSA RFSI USDA ABC RLF	Other sources of funding may be needed depending on cost

