

# ECONOMIC ANALYSIS OF DETROIT'S FOOD SYSTEM

A report commissioned by  
the Detroit Food & Fitness Collaborative,  
and produced by Econsult Solutions, Inc.  
and Urbane Development, LLC



# INTRODUCTION

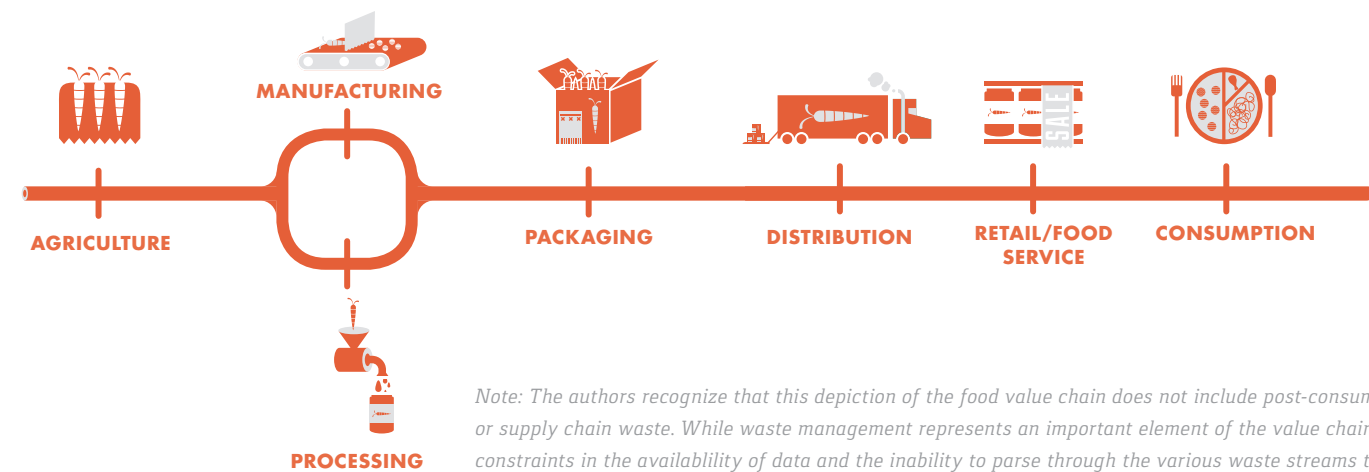
## DETROIT AND ITS FOOD SYSTEM

Detroit has an active, multifaceted food system comprised of bustling local and international food terminals, a vibrant and growing restaurant scene and a model urban agriculture movement with more than 1500 small farms and school, backyard, and community gardens. The Detroit food system also denies access to healthy, fresh, and sustainably grown food to many of the city's residents, which is especially evident in the prevalence of diet-related illness such as diabetes and hypertension, and a steadily increasing obesity epidemic that disproportionately affects people of color and youth. Many residents rely on government food subsidies such as SNAP and WIC, and there is an overabundance of marginal food outlets charging high prices for low quality food.

This report assesses the current state of Detroit's food system— the economic, social, and physical value it holds— and provides recommendations that address the challenges within the system. Through significant data analysis and qualitative interviews with residents, businesses, public leaders, advocates, and other stakeholders, we have outlined a comprehensive picture of Detroit's food system today.

## DETROIT FOOD SYSTEM

Economic Value Chain



*Note: The authors recognize that this depiction of the food value chain does not include post-consumer or supply chain waste. While waste management represents an important element of the value chain, constraints in the availability of data and the inability to parse through the various waste streams to distill food from other waste products precluded its inclusion in this report. Additional research and analysis should be undertaken in the near future to examine this critical part of the food system.*

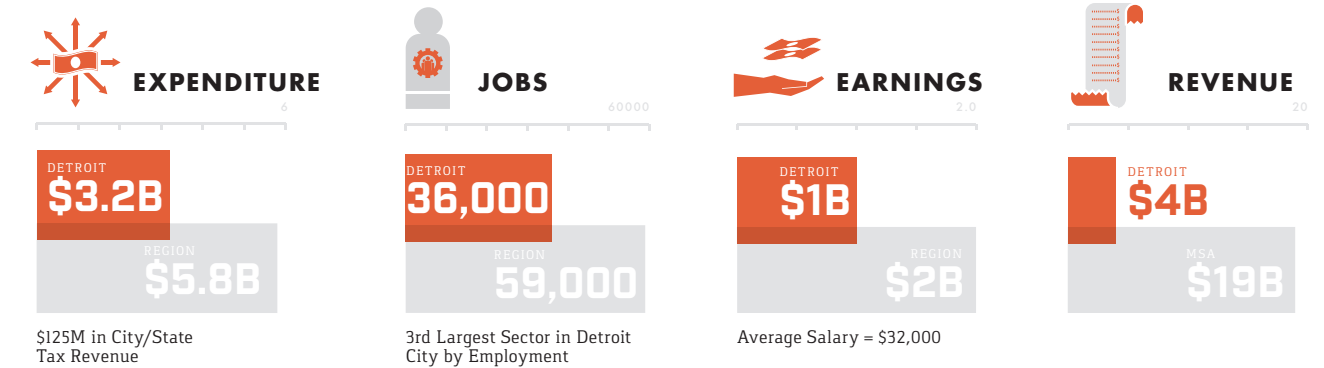
## LOCALIZING FOOD

Great effort has been taken to highlight the manner in which city residents and stakeholders currently interact with food on a daily basis by displaying to readers the lives of everyday Detroiters and their relationship to the local food economy. Our analysis resulted in a holistic understanding of the opportunities and challenges of Detroit's food system, allowing us to put forth recommendations that, cumulatively, form a strategic approach to cultivating a food system inclusive of the needs of all city residents.

As such, our approach to measuring localization takes into account all parts of a firm's operations and value chain, not just its product output. The report analyzes the total requirements or everything a firm needs to purchase in order to do business as well as what that same firm needs to sell in order to do business. Both purchasing and selling are very important to a thriving business and present a variety of opportunities for the localization of products and services.

## THE FOOD SYSTEM OF DETROIT

By The Numbers



Source: Econsult Solutions, Inc. (2013)

## TOP 3 FOOD SYSTEM SUB-INDUSTRIES BY REVENUE

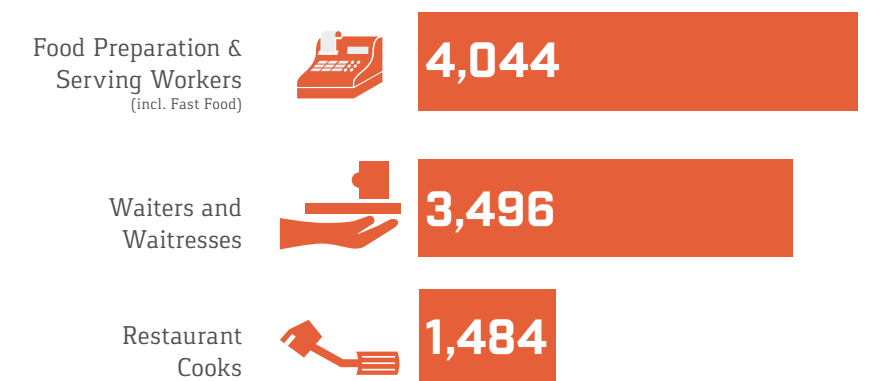
Detroit



Source: Econsult Solutions, Inc. (2013)

## TOP 3 FOOD SYSTEM JOBS BY EMPLOYMENT

Detroit



All data, unless otherwise specified, is derived from the Economic Analysis of Detroit's Food System, full report.

# RECOMMENDATIONS

The recommendations were developed in response to stakeholder interviews, research, and the need to highlight great work being done in the city currently, as well as opportunities to pilot new ideas. These recommendations are not put forth with the assumption that the Detroit Food and Fitness Collaborative

(DFFC) will take them on; the goal is to encourage organizations and agencies from across Metro Detroit to work collaboratively to move the needle toward a more robust and equitable food system. A few recommendations to consider:

## Access to Capital



Develop a food funding syndicate of commercial, public, and philanthropic capital sources to invest in the Detroit food economy.

A food funding syndicate of banks, CDFIs and other intermediaries, public sector, and philanthropic entities will target their investments at specific Detroit food system needs through a coordinated and collaborative strategy for greater overall impact.

## Political Will



Streamline city licensing and permitting processes for food firms.

To promote growth in the Detroit food economy, the City should establish transparent and clearly communicated criteria surrounding fees, paperwork, and regulatory requirements for businesses.

A key first step is analyzing the tax, fee, and fine structure of regional and other comparable municipalities to assure an attractive and competitive landscape for food sector businesses.

## Workforce Development



Partner with major employers to develop vocational training and job placement initiative for youth and adults.

The private sector represents the most viable opportunity for introducing initiatives that will train individuals for real-world jobs, while creating a career pathway.

## Local Demand



Proactively market existing food businesses and initiatives through a comprehensive "Buy Local" campaign.

A Detroit-centered Buy Local campaign will build a market reputation for Detroit as an inviting and innovative food environment. It should target corporate and consumer markets for locally-produced agricultural, value-added, and specialty food products, as well as food firms operating across the value chain.

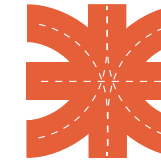
## Business Viability



Develop a small scale food ecosystem.

The ultimate mission of this initiative is to provide small businesses with practical tools such as business education, market data and intelligence, support services, and access to networks and capital. These tools are required to enhance business opportunities and prosperity.

## Public Infrastructure



Create a public infrastructure initiative.

The public sector, private sector, and funder community should unite in an annual effort to appraise the food industry and identify infrastructure weaknesses and gaps. This study would review national best practices and models, new equipment, and industry innovations to stay ahead of the curve in terms of the most meaningful infrastructure investments.

## Support Organization

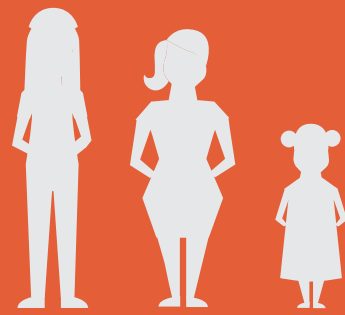


Create the definitive "go-to" support organization for the Detroit food system.

Equal parts think tank, intermediary funder, and trade association, this organization would have a deliberate focus on growing the Detroit food economy through research and analysis, policy advocacy, business development, and guiding investments.

# CURRENT DAY

See the current impact of the food system on a typical Detroit family, and how the impact might change for the better in 5 years with greater localization and collaboration.



## RITA JENKINS

Corrections Officer, Age: 44

## TAMIKA BANKS

Unemployed, Age: 23

## JANELLE PRICE

Student, Age: 7

## RITA JENKINS, TAMIKA BANKS, AND JANELLE PRICE

are a three-generation family living in a neighborhood just west of Downtown. Rita has been a corrections officer at the Wayne County Sheriff's Department for 16 years, working out of Baird Detention Facility in downtown Detroit. Rita was a single mother who raised Tamika and her brother Tyrell (who is currently in prison for armed robbery) without support from anyone.

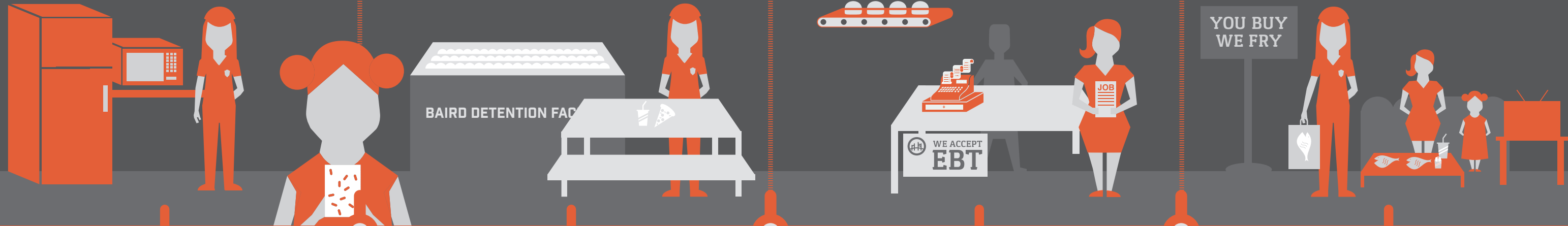
Tamika dropped out of high school when she gave birth to Janelle at 16. She received her GED last year and makes pastries and comfort food plates to supplement her public assistance. Janelle is a smart, popular kid who uses her charm to get access to things she likes. The family does not have access to a vehicle and uses public transit and other means to get around. Tamika and Janelle are overweight.

**UP AT DAWN**, Rita and Janelle rush to work and school, respectively, with only enough time for microwaved frozen pastries and party store candy.

**WHILE RITA IS GRABBING LUNCH AT THE JAIL CAFETERIA** and Tamika is just waking up to look for a job, Janelle is swapping her free lunch for pizza and soda.

**TAMIKA FILLS OUT A JOB APPLICATION** at a local fast food joint. Rita gets briefed on food and farm work release program and Janelle gets in a dirt fight in the school garden.

**RITA GRABS DINNER FROM THE LOCAL FRIED FISH RESTAURANT** and the family eats dinner in front of the TV. Tamika hops to University Foods to get ingredients for a batch of sweet potato pies she is making for the big Sunday church dinner.



7:00AM

**22%**  
PROCESSING AND MANUFACTURING SECTOR REQUIREMENTS ARE SATISFIED BY WAYNE COUNTY FIRMS



9:00AM

Detroit Wholesalers specializing in Packaged Frozen Foods earn **\$11.6M** in revenue and employ 55 people annually.

11:00AM

**42,904**

MICHIGAN STATE PRISON POPULATION IN 2011

Source: Michigan Dept. of Corrections, 2011 Statistical Report

1:00PM

Soft drink manufacturers, such as Faygo, comprise the #1 food industry in Detroit earning **\$539.6M** and employ 839 workers.

Source: Econsult Solutions, Inc.

3:00PM



Over one in five detroiters lack access to a vehicle

5:00PM

The unemployment rate in the Detroit Metro area is 8.0% as of December 2013, among the highest in the nation.

Source: US Dept. of Labor, Bureau of Labor Statistics

7:00PM



**\$2.1M**

REVENUE FROM FISH AND SEAFOOD MARKETS

Source: Econsult Solutions, Inc.



**\$8M**

REVENUE FROM DETROIT FISH FRY RESTAURANTS, EBT ALONE

 Detroiters spend \$233M annually in SNAP (Bridge Card) benefits.

Source: Initiative for a Competitive Inner City, Food Cluster Report, 2011

# 5 YEARS LATER

(...and with greater localization in the Detroit Food System)



## RITA JENKINS

Corrections Administrator, Age: 49

## TAMIKA BANKS

Food Entrepreneur, Age: 28

## JANELLE PRICE

Student, Age: 12

## TYRELL BANKS

Commercial Truck Driver, Age: 24

After spearheading the successful implementation of the food industry work release pilot at work, **RITA IS NOW IN CHARGE OF ALL PRISON WORK RELEASE PROGRAMMING.** She helped **TYRELL FIND A JOB** with at a local meat distributor as a truck driver. **TAMIKA JOINED THE DETROIT FOOD LAB**, which supported her catering and dessert baking ambitions. Over time, Tamika began

to sell her sweet potato-based desserts at venues throughout the city. **JANELLE HAS DEVELOPED A LOVE FOR GARDENING** thanks to the school gardening program. Janelle is now a vegetarian and is very opinionated about the shopping choices for her family and wants to get kids at the school as excited as she is about healthy eating.

**RITA HAS A LEISURELY HOME-COOKED BREAKFAST**, while Janelle has a Fresh Corner Cafe parfait from the local party store. Tamika left for work at 4:30am to supervise a production run of her desserts at a Detroit Kitchen Connect site.

**JANELLE RUSHES TO THE NEW SALAD BAR**, installed by Detroit Public Schools in each school cafeteria; Rita meets with Detroit's new food system support organization and several large Detroit food firms to discuss institutional spending for local food products; and Tamika is delivering desserts across Detroit to various clients.

**TAMIKA LEAVES KEEP GROWING DETROIT WITH CASES** of locally-grown sweet potatoes and she heads to the D-Town Food Coop Market to drop off her desserts from the morning. Janelle's knee deep in dirt afterschool at Earthworks. Rita meets Tyrell at Grand Price Supermarket to buy some barbeque for dinner.

**THE FAMILY REUNITES AT THE TABLE FOR DINNER.** Tamika and Janelle make an assortment of vegetarian dishes, while Rita and Tyrell bring meat to the feast. Tamika shares some local dark chocolate produced by a fellow Detroit Food Lab member for sampling.



7:00AM



**DETROITERS CURRENTLY SPEND \$79.8M ON DAIRY PRODUCTS ANNUALLY. WITH 30% LOCALIZATION, DAIRY PRODUCT MANUFACTURERS CAN PICK UP AN ADDITIONAL \$8M**

Source: Econsult Solutions, Inc.

9:00AM

The potential for small independent grower and producer cooperatives **ALREADY EXISTS IN DETROIT.** Our recommendation for business viability highlights the need for an initiative focused on building a small-scale ecosystem.

11:00AM



**81% OF DETROIT PUBLIC SCHOOL STUDENTS WERE ELIGIBLE FOR FREE-REDUCED MEALS**

Source: Michigan.gov, Center for Educational Performance and Information

1:00PM

Detroit Public Schools spends approximately **\$22M ON FOOD PROCUREMENT ANNUALLY**, including school breakfast, lunch, and after-school programs.

Source: Detroit Public Schools, Office of School Nutrition

3:00PM

The agricultural production sector of the Detroit Food System is poised for explosive growth.

**\$3.8M → \$258.7M**

CURRENT REVENUES REVENUES WITH 30% LOCALIZATION

**109 → 4,323**

CURRENT JOBS JOBS WITH 30% LOCALIZATION

If Keep Growing Detroit retained their current marketshare, they would earn over \$5.4M in annual revenues.

There was **\$178.2M** in grocery leakage in city of Detroit in 2013. Detroit grocers are well positioned to leverage the flight of local grocery spending and bring it back to Detroit

Source: Econsult Solutions, Inc

5:00PM

7:00PM



**\$38.7M**

**ANNUAL REVENUE OF THE MEAT PROCESSING INDUSTRY (FROM CARCASSES, RENDERING, AND BY-PRODUCTS) IN DETROIT WITH 30% LOCALIZATION OF THE DETROIT FOOD SYSTEM.**

Source: Econsult Solutions, Inc

9:00PM

Chocolate is the next boom commodity in Detroit. With 30% localization, Detroit firms can capture an additional **\$22.4M** in chocolate manufacturing (from cacao and purchased chocolate).



Tax incentives for local food firms who employ formerly incarcerated Detroiters would remove a major impediment to job placement. See the recommendation section for more detail.



## SECTOR SPOTLIGHT

# AGRICULTURE

### FEEDING DETROIT

A Michigan State University study from 2010 posits the potential for urban agricultural yield to feed Detroit citizens. The repurposing of less than 300 acres of vacant land could supply 31% of the seasonal vegetables and 17% of the seasonal fruit needed by Detroiters.

In 2012, Hantz Farms acquired approximately 150 acres of vacant parcels throughout Detroit to create what they deem the largest urban agricultural enterprise in the country. The reported purchase price was approximately \$400,000 or about \$2,667 per acre.

While commercial and residential sales prices have increased over the past 2-3 years in Detroit, there is no other comparable sales transaction for an agricultural use of this magnitude. So to push this thought exercise to its logical end, we will use the Hantz Farm transaction as a baseline, adjusting for inflation. In 2015, the cost to acquire city land for an agricultural use would be \$2,727 per acre.

At 300 acres, the total acquisition cost to provide a plurality of seasonal fruits and vegetables to Detroiters would be \$817,971. Three hundred acres of land, while significant, is 0.34% of the total acreage for the city of Detroit (88,880 total acres).

### REAPING WHAT IS SOWN

The single largest economic activity in the agricultural production sector in the city of Detroit is not growing crops or raising animals for food; it is all the activities that happen after the crops are harvested. At \$2.5M in revenue, Postharvest Crop Activities (NAICS Code 115114) are made up of establishments primarily engaged in performing services on crops, subsequent to their harvest, with the intent of preparing them for market or further processing. These establishments provide postharvest activities, such as crop cleaning, sun drying, shelling, fumigating, curing, sorting, grading, packing, and cooling.

This industry comprises 66% of all agricultural production revenues and 65% of the jobs in Detroit. Over a 10-year period between 2002-12, Postharvest Crop Activities have seen 122% employment growth. These jobs offer an average annual wage of \$30,986 within the city of Detroit, slightly less in the Detroit MSA.

### DETROIT GRIT

The challenges in the agricultural production sector run the gamut for all the actors in the Detroit food system, from price to workforce to infrastructure to policy:

**Buyers:** Price of local produce seen as prohibitively expensive for many buyers.

**Workers:** No dedicated pipeline to connect city labor force to farm jobs.

**Producers:** Capacity to grow product is limited due to access to capital, land, and a trained workforce

**Infrastructure:** Aggregation and acquisition of city land is expensive; process to acquire land is not consistent, transparent, or conducive to long-term business planning.

**Government:** Current regulation does not support agriculture business development or growth

**Society:** Cultural stigma around agriculture work due to racial and historic inequities, and land ownership has historically been denied or difficult to obtain for people of color

### DETROIT GROWN

Although current revenues and jobs cited are in post-harvest activities, the largest opportunity to greater localize economic activity is in Crop Production (NAICS Code 111000).

Currently, only \$23.9M of the \$436M crop production industry is satisfied locally. If Wayne County firms were able to capture 30% of the activities occurring outside of Wayne County, it would constitute an additional \$123.6M for those firms annually. Similarly, Animal Production (NAICS Code 112000) accounts for \$5.6M of local economic activity; with 30% localization, Wayne County-based animal producers could gain an additional \$119M. Eastern Market district offers robust infrastructure in animal processing already in place in the city to leverage this opportunity.

While Crop and Animal Production, respectively, do offer local business robust revenue generation potential; Detroit area workers may not reap the same level of benefits as their suburban peers:

### AVERAGE SALARIES

Detroit MSA

#### CROP PRODUCTION



\$27,244

#### POSTHARVEST CROP ACTIVITIES (except Cotton Ginning)



\$26,697

#### ANIMAL PRODUCTION



\$24,122

#### SOIL PREP, PLANTING, AND CULTIVATING



\$23,113

#### AVERAGE SALARY FOR DETROIT MSA



\$22,516

*Yet Detroit's agricultural ecosystem is resilient and increasingly robust.*

Organizations such as the Detroit Black Community Food Security Network and Earthworks Urban Farm offer agricultural skills training as a workforce development tool for local residents to create community wealth through food sovereignty. They, along with organizations such as Keep Growing Detroit, Greening of Detroit, and others, have built a network of farms and community gardens that combine commercial and personal-scale agricultural production training with community organizing, policy advocacy, and business education to ensure the viability of these enterprises while offering a more equitable vision of the agricultural production narrative.



### RECOMMENDATION:

**Build higher education programs and departments around the food industry, and expand city-to farm and train-the-trainer programs.**

Detroit's community colleges and universities could partner with food system actors to develop curricula, departments, and professional centers focused on the food system in fields such as marketing, agricultural science, hospitality, etc.

Stakeholders in the workforce development ecosystem need more education, training and resources to understand the breadth and complexity of the food system and its sectors. Existing programs such as Earthworks Agricultural Training (EAT) program and Detroit Black Community Food Security Network's Urban Agriculture Internship program could also be expanded to provide training that also addresses racism and social equity in the food system.

# RESOURCE SPOTLIGHT

## CAREER PATHWAYS

All first, bold black numbers below represent MSA data.



**'A' JOBS** do not require any significant prerequisites in order to attain and require either no, short-, or moderate-term on the job training

### Farmworkers and Laborers: Crop, Nursery, and Greenhouse

**\$22,058**  
Salary  
\$20,512 (City Salary)

**1,623**  
Jobs  
39 (City Jobs)

### A DIVERSITY OF EMPLOYMENT OPPORTUNITIES

Detroit's food system represents a wide range of jobs. People tend to think of the employment opportunities associated with functions at both "ends" of the food system— on a farm or in a restaurant, or supermarket— rather than the functions in the middle— manufacturing, processing, wholesaling, and distribution.

In fact, Detroit's food system includes a diversity of jobs representing a wide range of income levels, skills, and educational and training requirements. For the report, educational attainment and skill levels were placed in three categories, seen below.

### Meat, Poultry, and Fish Cutters and Trimmers

**\$22,772**  
Salary  
\$22,058 (City Salary)

**1,010**  
Jobs  
68 (City Jobs)

### Food Batchmakers

**\$24,105**  
Salary  
\$27,976 (City Salary)

**838**  
Jobs  
168 (City Jobs)

### Slaughters and Meatpackers

**\$25,773**  
Salary  
\$26,923 (City Salary)

**97**  
Jobs  
23 (City Jobs)



**'B' JOBS** are those considered to require some higher education, long term on the job training, experience in a related field, or a postsecondary non-degree award

### Farmers, Ranchers, and Agricultural Managers

**\$22,933**  
Salary  
\$26,667 (City Salary)

**3,798**  
Jobs  
15 (City Jobs)

### Butchers and Meat Cutters

**\$28,803**  
Salary  
\$25,434 (City Salary)

**1,295**  
Jobs  
173 (City Jobs)

### Dietetic Technician

**\$27,405**  
Salary  
\$27,232 (City Salary)

**686**  
Jobs  
224 (City Jobs)

### Farm Equipment Mechanics and Service Technicians

**\$31,466**  
Salary  
N/A (City Salary)

**159**  
Jobs  
5 (City Jobs)



**'C' JOBS** require a Bachelor's degree or higher in order to qualify for the position

### Soil and Plant Scientists

**\$50,000**  
Salary  
N/A (City Salary)

**100**  
Jobs  
5 (City Jobs)

### Agricultural Inspector

**\$37,254**  
Salary  
\$31,250 (City Salary)

**51**  
Jobs  
16 (City Jobs)

### Dietitian and Nutritionist

**\$53,783**  
Salary  
\$49,133 (City Salary)

**1,229**  
Jobs  
173 (City Jobs)

### Food Scientist / Technologist

**\$60,000**  
Salary  
\$50,000 (City Salary)

**120**  
Jobs  
16 (City Jobs)

\*All jobs represented are self-reported, full time equivalent (FTE) numbers and do not account for part-time or seasonal work. The research team recognizes the natural limitations of primary and

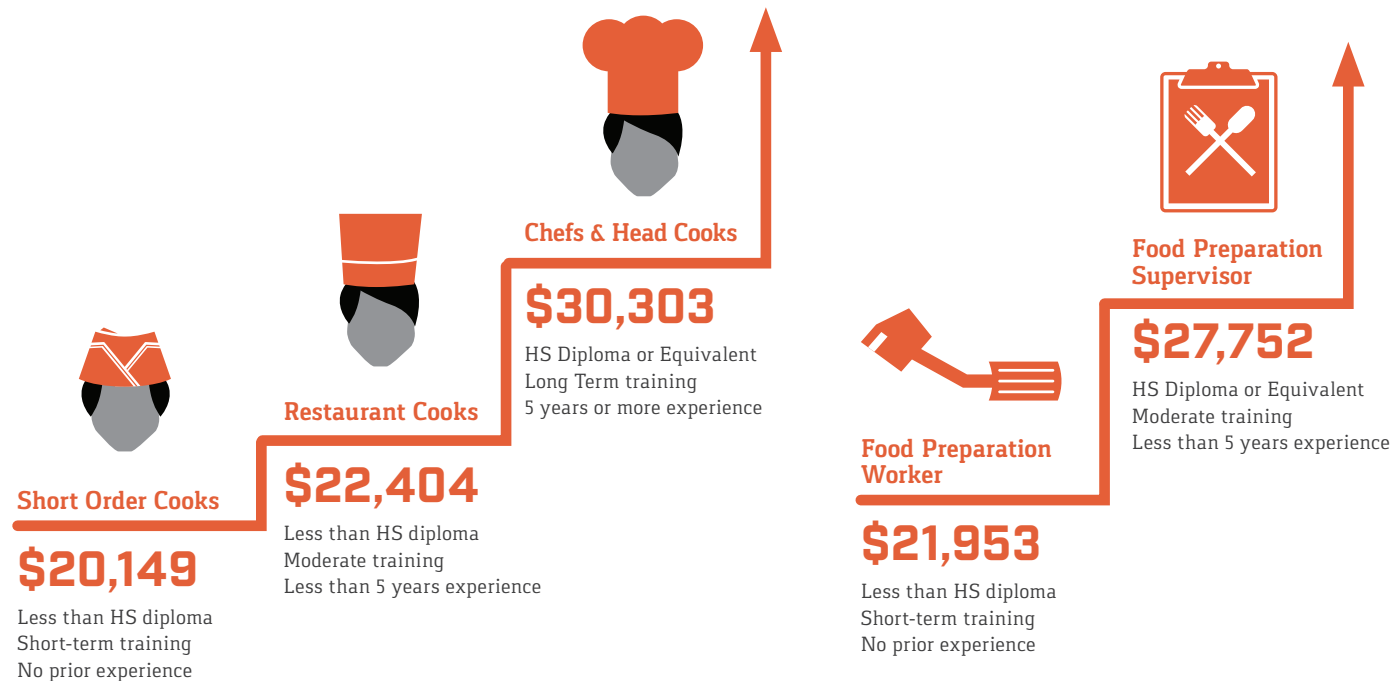
secondary data collection in the food system, particularly in the agricultural sector where jobs/workforce is often underreported or operating within an undocumented shadow economy.

SECTOR SPOTLIGHT

# RESTAURANTS AND FOOD SERVICE

Both lauded and criticized, the food service sector—combining restaurants, drinking places, institutional/corporate cafeterias and kitchens, and mobile food vending— represents 51.1% of the jobs and 33% of the wages earned in the Detroit food system. For many Detroiters, it is their most salient example of the food system and their primary point of entry— whether through employment, consumption, or spatial proximity.

While the average salaries in this sector are low, just \$17,427, there are myriad jobs along the continuum of wage levels and educational/skills requirements that allow for upward mobility within the food service sector:



All data, unless otherwise specified, is derived from the Economic Analysis of Detroit's Food System, full report.

## RESTAURANT SWOT

The Restaurant and Food Service sector of the Detroit food system is robust, driving job creation in the system and outperforming local income rates per capita and median household for the city of Detroit. Yet, that relative victory may illuminate large, systemic issues around the local Detroit economy. There are many real and perceived challenges to the growth and localization of this sector:

**Buyers:** Local food is considered a niche market with high prices and products that target middle to high income demographics

**Workers:** Few job training programs available which result in long term individual job growth

**Producers:** Current supply chains favor conventional rather than local products due to ease of distribution, existing relationships, and current infrastructure

**Infrastructure:** Lack of reliable and robust public transit that connects potential customers to restaurants and food service establishments

**Government:** Public priorities do not emphasize the growth of the local food sector

**Society:** Prevalence of fast food and lack of high quality, healthy, and affordable options for everyday Detroiters

However, there are stakeholders throughout Detroit's food system addressing these challenges, and investing in the growth and resiliency of the system:

FoodLab Detroit's Operation Above Ground program provides small-scale food producers facing onerous, ambiguous licensing policies in the city of Detroit with education and advocacy throughout the licensing process.

Detroit Kitchen Connect, a network of full-service shared commercial kitchen spaces that were formerly underutilized, leverages demand for licensed production spaces and provides learning opportunities for Detroit food producers and food service professionals.

Locally-owned food establishments are proliferating throughout the city, engaging the food system at every level. Detroit Vegan Soul and Supino's Pizzeria source many of their core ingredients locally; social enterprises such as COLORS restaurant and On The Rise Bakery offer workforce development platforms for Detroit residents; Russell Street Deli, Corridor Sausage, and Slow's BBQ have all partnered with the Detroit Lions to expand their businesses to Ford Field and its 65,000 patrons.

## RECOMMENDATION:

**Build a small-scale food ecosystem.**

The ultimate mission of this initiative is to provide small businesses with practical tools such as business education, market data and intelligence, support services, and access to networks and capital. These tools are required to enhance business opportunities and prosperity.



# LOCALIZATION

In the context of food, localization involves strategies, programs, policies, and activities that bring pieces of the food system in closer geographic proximity to a given end destination than they were previously.

## HOW WE MEASURED LOCAL: THE FOOD REQUIREMENT

What follows is a calculation of the proportion of requirements within Wayne County of all food system establishments that are actually satisfied by food system establishments that are located in Wayne County.

Requirements for an industry represent what it needs to purchase from other industries in order to do business. Requirements from an industry represent what needs to be purchased from it by other industries in order for them to do business.

There is about \$10 billion in goods and services that are required within Wayne County of all food system establishments, of which about 43 percent are satisfied by food system establishments that are located in Wayne County. The other 57 percent is satisfied by food system establishments that are located outside of Wayne County.

For example, a Detroit pie maker seeks out a local apple supplier from the state of Michigan for her next batch of apple pies, as opposed to apples from Washington state that are traditionally available in a supermarket.

With a 30% localization shift, the food system would become the 2nd largest industry in the Detroit economy and largest private sector industry, surpassing healthcare. With that as the bar, the expanded food system would represent about \$5.4 billion in annual revenues, directly employ over 52,000 people, and represent about \$1.3 billion in annual wages and salaries. The system's regional economic impact would also expand, with \$8.4 billion in direct, indirect, and induced annual expenditures, about 95,000 jobs, and \$2.7 billion in wages and salaries for the three-county region.

**In aggregate, 55% of the Detroit food system's requirements would be met by local firms.**

**\$112.4M** **\$33.4M**

\$112.4M of the demand for general line grocery is satisfied locally. With a 30% increase in localization, an additional \$33.4M could be satisfied locally.

## ANCHOR PROCUREMENT ACTIVITY

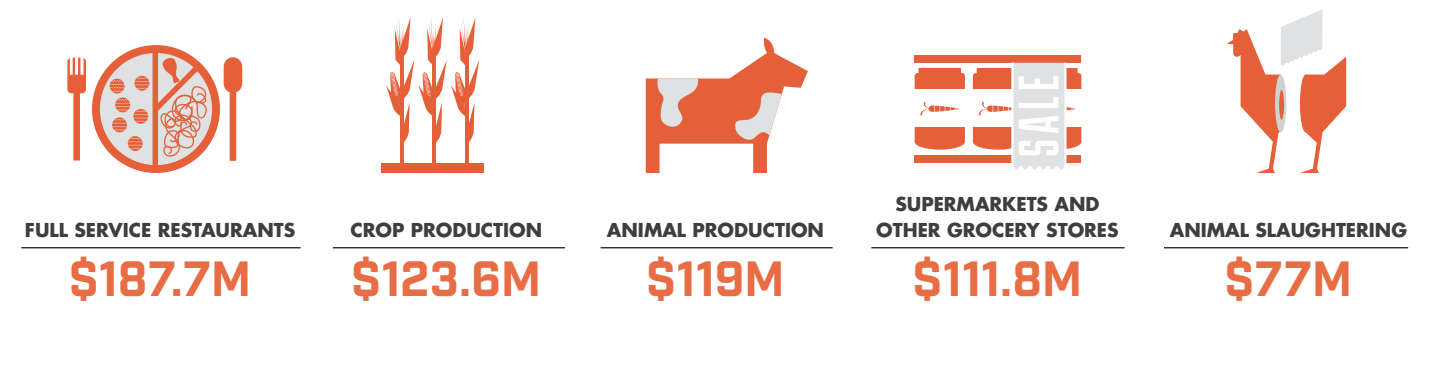
**4.5%** of the total procurement activity for Wayne State University, Henry Ford Health System, and Detroit Medical Center is fulfilled by Detroit-based vendors.

*Source: U3 Ventures, The Midtown Project Phase II Report (2010)*

The wholesale and distribution sector has 2,569 jobs, with the potential for 840 more with 30% additional localization. It also has some of the highest wages earned of any food sector at \$177.8M.

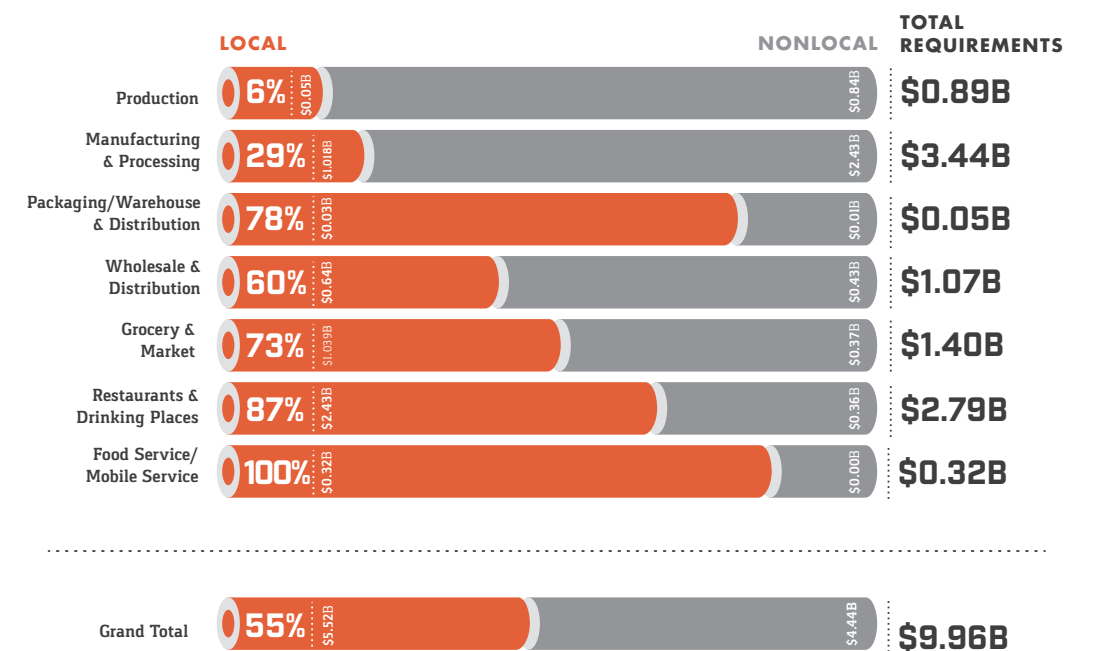


## TOP 5 INDUSTRY OPPORTUNITIES FOR LOCALIZATION



## PROPORTION OF FOOD REQUIREMENTS WITH 30% LOCALIZATION INCREASE

of Wayne County Establishments Satisfied by Wayne County Food System Firms



The fruit smoothie and juicing movement hits Detroit. With 30% additional localization,

**\$17.5M**

in Frozen Fruit, Juice, and Vegetable Manufacturing revenues are available for Detroit firms.



Catering is a big industry in Detroit and houses a large number of entrepreneurs and food firms in the Detroit Food System. **At 30% localization an additional \$4.7M is available to Detroit firms**

That said, the 545 jobs in the catering industry comprise only 8% of the total number of catering jobs for the Detroit MSA.



Breweries, Wineries, and Distilleries offer a massive set of opportunities for Detroit firms to increase market share. With 30% additional localization, Detroit firms would absorb an additional \$99.8M.

# FISCAL IMPACT

## CURRENT FISCAL IMPACT

In addition to generating considerable economic impacts for a wide range of industries throughout the three-county region, the food system in Detroit produces significant tax revenues for the City of Detroit and the State of Michigan. It is estimated that the food system in Detroit, and the spillover impacts that result from its existence throughout the three-county region, grow various local and state tax bases such that the City of Detroit and the State of Michigan generate a combined \$125 million per year in tax revenues.

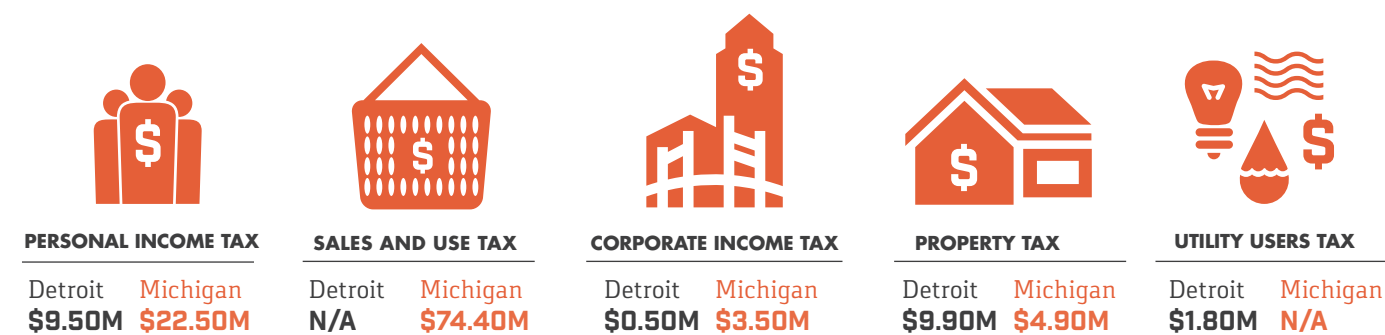
## OVERALL FISCAL IMPACT OF DETROIT FOOD SYSTEM



Source: Econsult Solutions, Inc. (2013)

## ESTIMATED ANNUAL FISCAL IMPACT OF THE FOOD SYSTEM IN DETROIT

In 2012 To The City Of Detroit and State of Michigan Governments



# ACKNOWLEDGEMENTS

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## SPECIAL THANKS TO THE FOLLOWING

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**Detroit Food & Fitness Collaborative is a group of 40 organizations developing ways to ensure that everyone in Detroit— especially the most vulnerable children— has access to affordable, healthy locally grown food and opportunities to be physically active.**