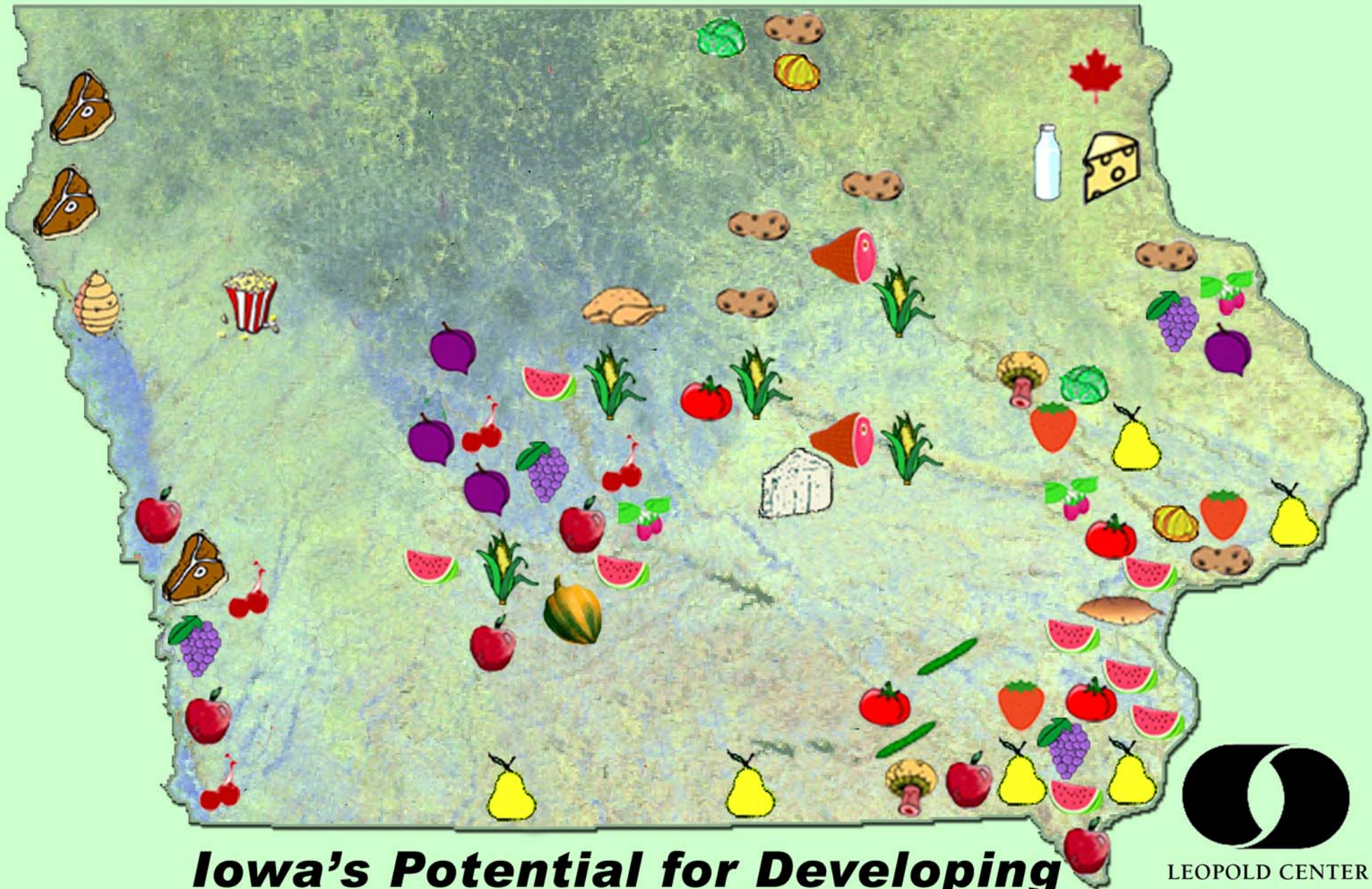


# A Geography of Taste



## ***Iowa's Potential for Developing Place-based and Traditional Foods***

***A project of the Leopold Center's Marketing and Food Systems Initiative***



LEOPOLD CENTER  
209 Curtiss Hall  
Ames, IA 50011  
515.294.1854  
rspirog@iastate.edu

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## Authors

Rich Pirog -- Marketing and Food Systems Initiative Program Leader, Leopold Center for Sustainable Agriculture

Zach Paskiet -- ISU College of Business undergraduate and Leopold Center student intern

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## Contact

Rich Pirog

Leopold Center for Sustainable Agriculture

Iowa State University

rspirog@iastate.edu

515.294.1854

Fax 515.294.9696

Full report available on the Web at: [www.leopold.iastate.edu/pubs/staff/files/taste.pdf](http://www.leopold.iastate.edu/pubs/staff/files/taste.pdf)



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# Executive Summary

In the past 15 years there has been significant movement in most of the world's industrialized nations towards offering more highly differentiated foods in the marketplace. These highly differentiated products—often referred to as niche market products—consist of food and fiber channeled from farmers directly to consumers or provided to consumers from farmers who participate in a value chain where some other entity does the marketing.

Niche markets eventually may evolve in a manner that is counterproductive for the participating farmers and farmer groups. As more producers enter the niche, more product becomes available in the market, which tends to lower price premiums. In order to compensate for the reduction in premiums, farmers and farmer groups may resort to increasing the number of acres or animals in production to raise sales volume. This leads to even more product in the market which further lowers the price. If this trend continues, the niche can become commodified (turned into or treated as a commodity) and the most innovative and entrepreneurial farmers in the niche will either focus on adding more value to the niche product or move on to another niche.

Clearly, there is a need for models that avoid commodifying niche markets for highly differentiated food products. One way to reduce this risk is to limit production to certain geographic areas that are best suited (ecologically and/or traditionally) for production and build brand identity and reputation based on quality for those products. Theoretically, if farmers control the amount and the quality of the product that enters the market, they can better maintain premiums and lower the risk of commodifying the product.

## Objectives

This paper will:

- ◆ Provide a brief overview of how several place-based and traditional food products function in the European and U.S. marketplaces, and how those products provide premiums to farmers;
- ◆ Explore Iowa's historical, ecological, cultural, and economic potential for developing place-based and traditional food products; and
- ◆ Make recommendations for action to research and further explore this opportunity.

Today, many European Union (EU) countries market highly differentiated, quality assured foods based on historical, cultural, social, climactic, and ecological factors that make the products unique. The EU documents and protects these food products through the use of geographic indications (GIs). GIs are signs that identify a product or good as originating in a region or locality where its quality, reputation, or other characteristics are clearly attributable to its geographic origin. The development of GIs in the European Union highlights a move away from a commodity-based agriculture toward a quality-based system with highly differentiated products that take advantage of the ecology and tradition of the specific region. GIs offer European consumers high-quality products with a unique story, and offer farmers an alternative to expansion as the only avenue to remain profitable through farming.

In the United States, GIs are protected as certification marks. Certification marks are a type of trademark that can certify geographical origin, type of materials used, quality, manufacturing/processing method, and products made by members of a specific organization (such as a labor union). The American Viticultural Area (AVA) is another type of place-based certification mark in use



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in the United States. An American Viticultural Area is a grape-growing region distinguishable by geographic features whose boundaries are defined by the Alcohol and Tobacco Tax and Trade Bureau of the U.S. Government. At least 85 percent of the grapes used to make the wine must be grown within the established AVA geographic boundaries in order for the AVA to be referenced on the label.

Iowa has a unique food history that has been heavily influenced by the state's ecology and the culture and traditions of its inhabitants. The U.S. urban and suburban perception of Iowa as a farm state offers a competitive advantage in the development of place-based food brands, agritourism, and heritage tourism. The Delicious apple, Muscatine melon, Maytag Blue Cheese, and region-characteristic wines are all examples of place-based foods that, with appropriate market-based incentives and state investment, may provide increased economic benefit for Iowa farmers, processors, and rural communities.

Although American and Iowa consumers value local foods, it is unclear which traits of place-based foods they value most highly, and how they would perceive such foods among the confusing array of other differentiated foods already available in the market. In addition to the uncertainty of consumer interest and acceptance of place-based foods, there are policy and market challenges that may hinder the development of place-based foods in the U.S. food system.

This paper *is not* a call for Iowa to return to its earlier agricultural heritage by competing with other states in producing an array of commodity-type foodstuffs when some other states clearly have the competitive advantage for such products. Rather, the study of the integration of Iowa's food history, ecology, and culture can teach

valuable lessons about what is unique and different in Iowa, and perhaps shed some light on how to capitalize on those differences in the marketplace through a focus on highly differentiated place-based foods linked to agritourism and economic development.

Iowa's diverse food history and cultural traditions need further investigation in order to determine the state's potential to market place-based foods. Other states such as New York and Missouri see the combination of place-based foods and agritourism as an important ingredient in the recipe for economic development in rural communities. Given its national perception as a rural agricultural state and a leader in alternative/sustainable agriculture, Iowa needs to explore this opportunity further as an option to increase economic development for its rural communities.

## Recommendations

The following recommendations are made to further explore the potential of place-based foods in Iowa:

- ◆ Research and document Iowa's food production history of unique and highly differentiated food products, including food folklore and traditions.
- ◆ Use maps of Iowa's soils, geology, land cover, and food history to develop a detailed map that would integrate Iowa's distinct ecological regions with its geographic food history.
- ◆ Conduct (or gather existing) case studies on the economic costs and benefits of U.S. food products that have certification marks.
- ◆ Conduct consumer-based market research on which geographic-based traits are most likely to appeal to Iowa and Midwestern consumers.

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- ◆ Research the link between place-based foods and agritourism and how the two can function symbiotically to increase economic development of Iowa's rural communities.
- ◆ Invite personnel from several regional and heritage food projects in the United States to visit Iowa and share information about how they developed and implemented their work.
- ◆ Encourage the Iowa grape and wine industry to discuss how best to develop AVAs within the state and in collaboration with neighboring states.
- ◆ Research and develop strategies to overcome the policy-related challenges to encourage production of place-based foods in Iowa, the Upper Midwest, and the United States.
- ◆ Based on research described above, the state of Iowa should allocate funds to develop an appropriate place-based foods program linked to agritourism and economic development that will support Iowa's farmers and rural communities.



Full report available on the Web at: [www.leopold.iastate.edu/pubs/staff/files/taste.pdf](http://www.leopold.iastate.edu/pubs/staff/files/taste.pdf)

