Industry Cluster Theory

Trading Sectors
(Producer-Supplier Relationships)

Related Sectors
(Shared technologies, labor pools, etc.)

Supporting Institutions
(Education, R&D, etc.)

Industry Cluster

Source: Dr. Ed Feser, University of Illinois
Producer/Supplier Relationships

Are we connecting segments of the Food Sector Value Chain?
- Food Production
- Food Processing
- Food Distribution
- Food Retail

Related Sectors

Are there spillovers from the Food Sector that can benefit other industries in our region?
- Tourism
- Related Production

Supporting Institutions

Are our educational and public institutions aligned to support the Food Sector?
- ACC Ag Entrepreneurship
- Food Hub
- Commercial Kitchens, etc.
Question: Is our Food Cluster Functioning Well?
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Can we do a better job of optimizing?

• Is the local Food Cluster worth optimizing?

• Can we identify where supply chain opportunities exist?

• What efforts are needed to create deeper linkages within the Food Cluster?

• Are there needs in the broader local Food Cluster ecosystem?
### Is the Local Food Cluster Worth Optimizing?

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Food Production</td>
<td>926</td>
<td>4.5%</td>
<td>$27,596</td>
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<tr>
<td>Food Processing</td>
<td>2,281</td>
<td>3.4%</td>
<td>$33,915</td>
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<tr>
<td>Food Distribution</td>
<td>2,379</td>
<td>1.3%</td>
<td>$51,365</td>
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<tr>
<td>Food Retail</td>
<td>104,548</td>
<td>5.8%</td>
<td>$20,769</td>
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<tr>
<td>All Sectors</td>
<td>991,541</td>
<td>3.7%</td>
<td>$54,678</td>
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</tbody>
</table>

*Source: Chmura Economics*
Is the Local Food Cluster Worth Optimizing?

<table>
<thead>
<tr>
<th>Sector</th>
<th>Employment Multiplier</th>
<th>Output Multiplier</th>
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</thead>
<tbody>
<tr>
<td>Food Production</td>
<td>1.34</td>
<td>1.48</td>
</tr>
<tr>
<td>Food Processing</td>
<td>2.07</td>
<td>1.63</td>
</tr>
<tr>
<td>Food Distribution</td>
<td>1.68</td>
<td>1.48</td>
</tr>
<tr>
<td>Food Retail</td>
<td>1.23</td>
<td>1.52</td>
</tr>
</tbody>
</table>

Source: Chmura Economics
Educational Attainment in the Austin MSA (2013)

Source: U.S. Census Bureau
Projected Educational Attainment for the Austin MSA Using Current Attainment Rates (Age 25+)

- Bachelor's Degree or Higher
- Some college or Associate's Degree
- HS Graduate
- Less than HS Diploma

Source: U.S. Census Bureau, Texas State Data Center
Can We Identify Where Supply Chain Opportunities Exist?

Gross Regional Product by Food Sector in the Austin MSA + Lee County (2013)

- Food Production: $507,596,355
- Food Processing: $227,115,030
- Food Aggregation and Distribution: $281,087,176
- Food Retail: $3,220,982,015

Source: EMSI
What Efforts Have Worked In Other Places?

• Entrepreneurship Support
• Help with Scaling
• Access to Equipment
• Marketing Support
What Efforts Have Worked In Other Places?

Greater Portland (ME) Sustainable Food Production Cluster

• Funding support from the U.S. Commerce Department’s Investing in Manufacturing Communities Partnership (IMCP)

• Consortium of the Council of Governments, Community College, University of Southern Maine, and other public and private stakeholders

• Strategy to:
  • Scale 50 home enterprises to food manufacturing operations
  • Find markets for 20% of wasted raw food
  • Add value to 10% of raw food that is currently shipped out of state
  • Increase food exports by 25%
  • Replace 10% of imported manufacturing inputs with Maine products
  • Replace $100 million in food imports with local food
What Efforts Have Worked In Other Places?

- The Food District (Columbus, OH) is a multipurpose facility targeted toward community food education, food processing, and community development.

- Born out of a Regional Food Strategy & leveraged a HUD Community Challenge Grant.

- Brownfield development on former factory site.
Capital Area Council of Governments

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