TITLE: Dollars & Sense

OBJECTIVES: To understand how food dollars are distributed through the food system.

TIME REQUIRED: 45 minutes

PREPARATION: Fill baggies with 100 pennies each. Insert labels in jars. Put laminated dollar bill together.

MATERIALS:
Can of tomato sauce
A large amount of pennies – enough for every person, pair or group to have 100
Zip Loc baggies- one for each person, pair or group
9 Glass Jars
Jar Labels (Farmer, Assemblers, Packaging, Transportation, Advertisement, Fuels, Rent, etc.)
Dollars & Sense Worksheets (last page of curriculum)
Pens
The laminated dollar bill

DIRECTIONS:
1. Give each person, pair or group a Ziploc baggie with 100 pennies, a pen and a worksheet. Set labeled jars on a table in front of the group but with labels facing away from the participants.

2. Explain to the group that they have just bought a can of tomato sauce from the local supermarket. It costs $1.00, which is the amount they have in their bags. That $1.00 paid for the costs of growing and selling the tomatoes that went into the sauce. Ask the participants to name a few places or people who you think received a portion of the dollar spent. (There is the option to role-play the trip of the tomato, characterizing each step along the way.)

3. Explain that all of the people and things were just suggested are included in the categories represented by the jars on the table. Turn the jars around with the labels and explain what they mean.

- Farm value--this is what the farmer gets that must pay for all expenses on the farm – land, seeds, soil amendments, water, labor, insurance, equipment, fuel, repairs, and interest.
- Labor--this is what is paid to people who process produce and meat products once they leave the farm.
- Packaging--this is for plastic, cardboard, etc. that keep food fresh until we're ready to eat it.
- Transportation--this is to carry food by truck and railroad from the farm to food processing companies, and then to retail stores.
- Energy--this is what is paid for the gas and oil used to make food ready to eat (for cooking, power, light, etc.)
- Advertising--this is what companies spend to let people know about what food products are available.
- Taxes--this is what companies have to pay to the government in order to be able to conduct the business of producing food products

- Profits--this is what companies get to keep for themselves after they've paid for all their other expenses.
- Other--rent, repairs, interest, and depreciation (and anything else they think of).

4. Now explain that they must decide how the $1.00 that they spent on the tomato was distributed amongst all the part of the food system. Was it for the farmer, or the farm workers? How about the dyes used in the production of the label? They should discuss it with their partner or group and record their decision on the worksheet. The estimates should not exceed a total of $1.00.

5. Once the groups have written their estimates, have them place the estimated amount of pennies into the jars at the front of the meeting area. Each jar is labeled with one of the nine categories listed above. It is okay for all groups to do this at once because it allows the teams to hear and see other team's answers.

DISCUSSION:

1. After everyone has made their deposits, compare the amounts in the jars. Which had the highest and lowest amount of pennies? Ask the groups to shout out their estimate for how much of the dollar went to advertising, to packaging, to the packagers and distributors, to fuel, and then rent, etc. Once several groups have shouted their answer, bring out the large dollar bill (still velcroed together).
2. The facilitator then tells the group the actual percentage of the food dollar that each group in the food system received. As each one is mentioned, tear off the appropriate strip of the dollar bill. What was left over for the farmer, the seeds, the soil amendments, the farm help, the tractor maintenance, etc.? Then discuss the fact that the farmer was paid 19 cents of the total amount each pair spent and that the rest of the dollar actually paid for marketing the tomato. That is, the farmer made 1/5 of the total dollar spent and the other 81 cents paid for trucking, packaging, lighting, serving, etc.

Here is the actual breakdown:

What a Food Dollar Paid for in 2000

Component	Percent or cents
Farm value	19
Labor	38
Packaging	8
Transportation	4
Energy	3.5
Advertising	4
Profits	4.5
Business taxes	3.5
Other costs	15.5

2. The point of the exercise is to highlight the power of the dollar and the power each person has to make conscious consumer choices. Explain to the group that if they had bought the tomato at a local farmers' market, more of the money they spent would have gone to the person or people who grew the tomato, rather than for the gasoline etc. to transport it from across the country or from another nation.

3. Talk about other benefits of locally grown food (i.e. environmental benefits, freshness, etc.) and probe the participants to find out whether they can see the cost savings for the farmer, when they choose to spend that very same dollar to buy a locally grown tomato.

OPTIONAL:
Some background facts to help with the processing:

- In the conventional agriculture model the farmer gets 7.8 cents a pound for growing the potato; in the supermarket the consumer pays around 49 cents a pound for potatoes and $3.88 per pound for packaged mashed potatoes; at McDonalds the consumer pays $5.80 per pound for fries; and the farmer is still getting 7.8 cents per pound.

You just spent a dollar at the store.

Where did your money go?

1. Farmer _____
2. Labor (Assemblers/packagers/retailers) _____
3. Packaging (plastic, Styrofoam etc.) _____
4. Transportation _____
5. Advertising _____
6. Energy (Fuels and Electricity) _____
7. Taxes _____
8. Profits _____
9. Other (Rent, Vehicle Depreciation) _____