Food Hubs
An Overview

Presented by Kristy SeBlonka and Sue Anderson
Central Wisconsin Food Hub Work Group
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Project Start

- Farmshed volunteers conducted a telephone survey in winter 2011 with eleven Farm Fresh Atlas growers (primarily Portage County).
  - All of the participating growers indicated they were somewhat or very interested in pooling products with other local farms to sell to institutional buyers such as hospitals and schools.

- The work group began meeting in early 2012 to learn about ways this could be done.
  - Original participants: Sue Anderson, Kristy SeBlonka, Barb Brewster, Layne Cozzolino, Krista Englehardt
  - New participants: Torri Bradley, Allison Lundquist, Nathan Sandwick, Maria Davis
Work Group Activities

“To explore the infrastructure and relationships necessary in Central Wisconsin to build our local food economy by connecting regional buyers and growers.”

- Learn about food hubs
- Determine local interest among growers, processors, buyers, etc.
- Provide assistance (as invited) to developing food hubs in our area

Markets for Local Food

- **Direct to consumer** sales such as farmers markets, roadside stands, farm stores and CSAs
- **Intermediated or institutional** sales, in which growers sell directly to grocers, restaurants, institutions, or regional distributors
- Local food sales through **intermediated channels** account for 50-66% of the value of all local food sales

Local Food Landscape

Growers
- Small, medium, large
- Variety of growing practices

Buyers
- Institutions
- Restaurants
- Grocers
- Distributors

Product Aggregation
Certification - GAP - Sustainability
Liability Insurance
Coordinated Distribution
Local Processors - meat - fruit/vegetable

Marketing - Local/Regional - Growing Practices
Product Development
Cooler/Freezer Storage

Build on existing infrastructure, businesses, and relationships.

Buyer Needs

In many cases...
- Single point of purchase
- Consistent and reliable supply
- Large quantities
- Quality assurance / food safety
- Liability insurance (up to $10 million)
- Products that fit their price point
- Processing, in some cases
- New: Growing interest in source-identified products (local, regional)
Definition of a Food Hub
(proposed by National Food Hub Collaboration)

A business or organization that actively manages the aggregation, distribution, and marketing of source-identified food products primarily from local and regional producers to strengthen their ability to satisfy wholesale, retail, and institutional demand.

Source identified: Identified by state, region, farm, growing practices, and/or other means

USDA Key Components of Food Hubs

- **Aggregation/Distribution**
  - Drop off point for multiple farmers
  - Pick up point for distributors and customers

- **Active Coordination**
  - Staff (paid or volunteer) coordinates supply chain logistics and connects processors, distributors, and buyers

- **Permanent Facilities (as needed)**
  - Loading dock, cooler, freezer, storage, processing, etc.
Examples of Food Hubs

- Oklahoma Food Cooperative
- The Fifth Season Cooperative
- Parrfection Produce
- Other Models

Food Hub Considerations

1. Why do we want a food hub?
2. What are our values?
3. What kind of ownership, management, and decision-making do we want?
4. What kind of products will we sell?
5. Who are our target customers?
6. What activities will we undertake?
Oklahoma Food Cooperative

- Cooperative that aggregates product for retail sale using an online ordering site
- Started in 2003
- $864,000 products sold in 2010
- Based in Oklahoma City, OK
- For first 5 years, had no formal employees
  - Unpaid general manager
  - 50-70 volunteers ($7/hr work credits for coop items)
  - Route drivers received 36 cents/mile
- Now: ~7 staff, ~65 volunteers, ~4000 members (200 producers and 3800 customers)

Mission: The purpose of this cooperative is to provide retail marketplaces that sell Oklahoma grown and/or Oklahoma processed foods and non-food items, for the mutual benefit of its producer and customer members.

Values:
- social justice
- environmental stewardship
- economic sustainability

Ownership: For-profit cooperative (producers and customers)

Products:
- Thousands of food and non-food products produced in Oklahoma
- Certified Organic, Certified Natural, and Not Certified Organic/Natural
- no GMOs, no CAFO, no BGH or antibiotics in any products

Target customers: Direct (retail) sales to customer members

Activities: Full-service
Oklahoma Food Cooperative

Producers update website by first of the month
Customers order online during first half of month
OFC sends producers a list of their orders
Producers fill orders and deliver product to the OK City Operations Center (in person, by mail, or via route driver)
OFC volunteers check in, sort, and delivery product to pick up sites on delivery day, the third Thursday of month (note: coop does not take ownership)
Volunteers set up 40+ pick up sites
Customers pick up orders (home delivery available)
**Oklahoma Food Coop shares their website software for free and at least 10 other coops use it.**
Cooperative that aggregates product for sale primarily to institutions
Started operations in 2011 with assistance from Vernon Economic Development Association
Based in Westby, WI
~3 staff and ~20 members
~$130,000 in sales for 2012 and growing rapidly
Mission: To produce, process and market healthy, local foods in our region by supporting the values of environmental, social and economic fairness for all.

Values:
- Joint decision-making and mutual responsibility
- Fair pricing / treatment
- Sustainability / ecological stewardship
- Nutritious, high-quality food

Ownership: For-profit multi-stakeholder cooperative

Products:
- Meat, dairy, milled products, honey, syrup, coffee, frozen and dry products, fresh produce (organic and non-organic)
- Produced with 150-mile region
- Reviewed for sustainability practices and GAP criteria

Target customers: Primary market: institutions within 150-mile region; secondary market: Reinhardt’s full customer base

Activities: Full-service

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Fifth Season

Producers
- Individual
- Groups

Processors (e.g. Premier Meats)

Institutions (e.g. Gunderson Lutheran)

Distributors (Reinhart Food Service)

Funding: one-time equity contribution by members, stock sales, % of sales (10%-22%)

Fifth Season
- Marketing
- Education
- Product development
- Aggregation
- Logistics
- Receive & process payments
- $10 million liability insurance
- Quality assurance
- Certification of growing practices
Process

- 4+ local hubs (40-mile radius)
  - Walk-in cooler, loading space and/or dock
- Growers drop off product (in most cases)
- Volunteer/staff check in product and FSC takes ownership
- Reinhardt picks up product from hubs, backhauls to La Crosse, and delivers to buyers

Note: Coop sets prices and markets as FSC.

Seasonal Products List

Greetings!
As the season shifts to winter the co-op is focusing on value-added, or pantry assist foods. But don't forget the autumn root crops and cold weather crops! Autumn squash abounds, each with it's own distinct flavor. Cold weather crops are in full production as well. Look for winter squash and lettuces to arrive now throughout the month of November.

Coming in mid to late November: Romaine Variety Pack, 54 ct heads:
Speciies, Parris Island and Rouge d'Hiver from Creek Farms Belmont, WI.

"Rouge d'Hiver" 1886 French Heirloom,
Scarlet, 1815 Mennonite Heirloom,
Parris Island, South Carolina 1949 Heirloom

In stock at Reinhardt Now:
Acorn Squash 35c 79254 GROWN Locally Decorah, Iowa
Butternut Squash 50c V1682 GROWN Locally Decorah, Iowa
Spaghetti Squash 30c 78066 GROWN Locally Decorah, Iowa
Red Beets 25c # 8150 Hill Valley Produce Hillsboro, WI
Dalton Radish 10c D3772 Creek Farms Belmont, WI
Brussel Sprouts 10c bulk #0932 Creek Farms Bern 11.5
Red Radish 10c bulk D4222 Garden Sand Iron Farm Castleton, WI
Honey 5c 89526 Kickapoo Honey Blue River, WI
Apple Dogs 10c 8-1 FRN 58718 Premier Meats Viroqua, WI
Pureed Pumpkin 15c FRN B3224 Organic Valley CROPP La Farge, WI
Common Tomato 1.5c
Parrfection Produce

- Business owned by a Wisconsin resident to aggregate and minimally process products for sale to regional markets
- Started in 2010
- Based in Monroe, WI
- 1 owner, 5 part-time staff
- Own 4 refrigerated delivery vans
- $100,000 in sales and growing rapidly
Parrfection Produce

Mission: To provide outstanding customer service and satisfaction by offering the freshest locally grown produce at competitive prices. Parrfection Produce LLC is building a proud and exciting future that will make customers strategic allies, provide a positive work environment for our employees and strengthen our community.

Values:
- Sustainable growing practices
- Help smaller farms find a market

Ownership: For-profit LLC

Products:
- Fruits, vegetables, herbs, minimally processed items
- Produced by Amish, Mennonite, and other growers from within 100 miles of Madison

Target customers: Institutions, restaurants, etc. within ~200 miles of Madison (e.g. Chicago markets, roadside stands near his home)

Activities: Aggregation, processing, delivery

Process
- Owner purchases product from growers and picks it up from their farms
- Owner markets product as PP and sells to buyers
- Owner drops off product to Amish processors and provides equipment for their use
- Owner coordinates delivery to customers

Funding: Profit on sales
Other Models

- Auburndale Food Cooperative
  - Producer coop formed in 2012
- Produce auctions
  - Tri-County Produce Auction in Dalton
  - Central WI Produce Auction in Withee
- Existing vendors (Sysco, Reinhardt) work with individual farmers that meet their criteria
- Individual farmers sell directly to institutions

Central Wisconsin

Do we want/need a food hub?

Why?

If so, what type of food hub would work best here?

[Brief survey.]