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# A food distribution network for the Northern Iowa Food and Farm Partnership

## **Abstract**

Matching the supply of local food to the demand requires local food producers to make adjustments in their food distribution systems. This project looked at collaborative models to help these producers make their post-farm operations more efficient.

## **Keywords**

Community-based food systems, Supply networks

## **Disciplines**

International and Community Nutrition | Operations and Supply Chain Management



## A food distribution network for the Northern Iowa Food and Farm Partnership

**Abstract:** Matching the supply of local food to the demand requires local food producers to make adjustments in their food distribution systems. This project looked at collaborative models to help these producers make their post-farm operations more efficient.

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**Budget:**  
\$21,765 for year one

**Q** Can a collaborative marketing and distribution model that utilizes existing farmer-owned resources be structured to benefit farmers?

**A** Through careful planning, including consultation with Red Tomato, a collaborative marketing and distribution model was developed and implemented. Farmers integrated many aspects of their operations into this collaborative model, which included cooperative crop planning, seed and soil amendment purchases, sharing of market demand from specific buyers, cooperative use of cold storage and transportation, etc.



**MARKETING**

### Background

The increased interest in locally grown food has been documented and felt by growers and buyers alike. Despite the relatively healthy number of local food producers, in recent years the demand for locally grown food has outpaced its supply.

While local producers were busy increasing food production to respond to demand, it was apparent that there were inefficiencies and gaps in the traditional and local food infrastructure. Local and regional food producers were aware of the need for greater collaboration and efficiencies in packing, trucking and marketing efforts, yet struggled to find a place in the traditional food distribution system. Due to scale and the nature of their business, using the traditional food distribution infrastructure was not a viable solution.

Through careful examination of other models of creatively designed and more scalable models of local food distribution, this project aimed to provide support, consultation and solutions to an organized group of growers seeking to achieve collaborative efficiencies that would span the infrastructure gaps within the traditional food distribution model.

Objectives for the project were to:

1. Work with growers already selling to institutional food buyers by providing them with technical assistance needed to launch the pilot network,
2. Work with growers to establish a pilot regional food distribution network, and
3. Partner with food champions in other parts of the state to engage in information exchange and promote collaborative opportunities.

### Approach and methods

The Northern Iowa Food and Farm Partnership (NIFFP) worked with growers to assist them in developing a pilot distribution network. The process included:



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fresh!

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- A full analysis of business development options, including organizational structure, capital needs and logistical concerns;
- Assisting current growers to develop distribution logistics through contract work with Red Tomato, a food enterprise consultant; and
- Assisting producers to develop a business plan, including marketing and branding, and market analysis through contract work with Red Tomato.

NIFFP staff and partners worked to develop:

- An inventory of current food system assets (e.g., number of distributing producers, number of producer-owned trucks, maps of current producer distribution routes, database of local food buyers, available freezer space for rental at meat processors, available storage space for rental at grocers, etc.).
- A compilation of studies on similar ventures, such as Red Tomato of Massachusetts and Crown of Maine.
- Collaborative partnerships with food champions across the state, beginning with RFSWG and Buy Fresh Buy Local leaders.

A group of 12 producers calling themselves the Collaborative Producer Network (CPN) served as the pilot model. Prior to the project, the growers had spent six months organizing their growing efforts and distribution methods and held many planning meetings to craft a unified vision to participate in this pilot distribution network. The CPN members were accomplished growers, with experience selling to and meeting the distribution demands of institutional food buyers. Crops being sold included everything from asparagus to zucchini, and were produced around the seven-county area that NIFFP serves (Benton, Black Hawk, Bremer, Buchanan, Butler, Grundy and Tama counties). In addition to fruit and vegetable distribution, the growers engaged local meat and dairy producers/processors to explore opportunities for including meat and dairy in the model. The owner of a grocery store that consistently buys significant amounts of local food also worked closely with the group. The CPN was well organized and energetic, but needed assistance from industry professionals (in marketing, transportation, finance, etc.).

The network aimed to expand on current food distribution trends already occurring in the foodshed that had been initiated by producers seeking local markets for their food. The network would operate by managing the logistics of existing (and expanded) distribution, and focusing on efficiency and optimization of existing resources. It would operate as a ‘virtual wholesaling’ model, much like Red Tomato. This type of distribution model exists without the use of company-owned trucks or warehouses. Instead, it capitalizes on the assets already in operation in this foodshed—producer-owned delivery vehicles, as well as under-utilized storage space found in sheds, family-owned grocery stores, and meat lockers.

## Results and discussion

- Due to the frequently cited regional need for improved infrastructure efficiencies, an ample number of producers was interested in participating in this effort.
- After working with a facilitator, producers were able to achieve consensus on shared values, vision and mission. A communal mapping of producer assets was produced.
- A detailed document outlining collective knowledge of market demand was created and shared. This is significant because in many industries such competitive knowledge regarding potential profit opportunities is dealt with confidentially to avoid competition.
- Based on the earlier mapping of market demand, producers were able to plan production details cooperatively. For example, tomato producers tried to plant similar varieties and used staggered production schedules to increase aggregated market supply.
- Producers worked with a facilitator and graphic designer to create a shared name and logo – Cedar Valley Fresh.
- Despite the inherently difficult nature of collaborative, yet competitive, relationships, the producers were able to agree upon some basic rules of conduct
- Through careful in-person and phone consultation with Red Tomato, marketing and distribution strategies were established.
- Many of the growers participated in developing food safety plans for their farms, including discussing and implementing shared safe food production and post-harvest practices.
- Many of the growers attended Good Agricultural Practices (GAPs) training sessions.
- The producers developed a general business partnership structure for their group.
- The group opened a checking account, and successful accounting practices were identified, agreed upon and implemented.
- Members agreed on their rights, responsibilities and associated dues.
- Reasonable marketing and distribution fees were developed through consultation with Red Tomato.
- The grower group successfully and collaboratively marketed their fruits and vegetables to restaurants, grocers and institutions for two growing seasons.

Due to a variety of influences and occurrences, both within and outside of the group, the farmers chose to discontinue the collaborative marketing project after two years. While this model did allow farmers to realize some efficiencies through marketing and distributing their products, several other developments in the industry introduced models that were less demanding of producer's energy and resources, such as Local Harvest Supply and the Iowa Valley Food Coop. Original members of this producer collaborative continue to grow and market, though are now achieving more efficiencies via these other marketing/distribution channels.

## Conclusions

Smaller and newer operations perceived improved efficiencies in marketing access and distribution, which provided incentives for their continued participation. Larger growers experienced fewer benefits from cooperative marketing as many already had well-established markets, which served as a disincentive to continued participation. However, these growers experienced improved efficiencies with distribution, which inspired them to continue to experiment with new strategies in removing existing bottlenecks from the supply chain through focusing on transportation logistics and associated efficiencies.

## Impact of results

The results of this project offer a compelling case for improved efficiencies for two classes of food producers. Smaller and new food producers would benefit from adopting collaborative marketing strategies while improved efficiencies in collaborative distribution strategies would help larger or better established food producers.

Recent developments in enhanced distribution strategies and options for larger or more established growers include efforts by Local Harvest Supply (LHS). The LHS truck fleet served customers with whom the growers already had established relationships. Many of the larger growers participating in this project have since developed more efficient distribution strategies through cementing their own relationships with LHS.

## Education and outreach

The results of this project were presented to audiences at the quarterly Regional Food Systems Working Group meeting and Leopold Center Value Chain Partnership annual meeting and the Community Food Security Coalition annual meeting in 2009. Information was shared with developing food system groups as requested.

## Leveraged funds

No additional funds were leveraged by this project.

***For more information,  
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