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Evaluating Economic Impacts of Local Food Purchasing in Several Market Channels in Black Hawk/Surrounding Counties

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Evaluating Economic Impacts of Local Food Purchasing in Several Market Channels in Black Hawk/Surrounding Counties

Abstract

This is a final report of work done by the UNI Local Foods Project and its impact in the northeast Iowa region. The work was supported by a mini-grant from the Regional Food Systems Working Group. The project has evolved to become the Northern Iowa Food & Farm Partnership.

Keywords

Community-based food systems, Supply networks, Environmental and economic impacts

Disciplines

International and Community Nutrition | Operations and Supply Chain Management

Regional Food Systems Working Group Final Report

Evaluating economic impacts of local food purchasing in several market channels in Black Hawk and surrounding counties RWG04-04

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Executive Summary

The UNI Local Food Project worked with a number of grocery stores in our area to help them feature more locally grown products, provide in-store visibility, and community-wide publicity. We will also document the local food purchases in several market channels with participating hospitals, retirement homes, retailers, restaurants, and University of Northern Iowa Dining Services.

As a result, we were able to highlight local foods at small town grocery stores better, reached many more people through farm tours, and increased local food purchases by many more institutions. In 2003, we worked with 14 institutions, and in 2004 that grew to 23. Most importantly, these institutions purchased more than \$465,000 in local food, twice as the year before. We have been able to document in more detail and set up the books for long term monitoring of such purchases.

Introduction

The UNI Local Food Project has worked with many institutional food buyers in NE Iowa to increase local food purchasing since 1997. All along we documented the local food purchases by each institution.

In 2003, in collaboration with PFI, we launched Buy Fresh, Buy Local consumer awareness campaign. The market channels included restaurants & institutions, farmers markets, and grocery retail. Our consumer survey has shown that our intensive marketing work with farmers markets drew more people there. Only 4 retailers joined the campaign and three of them did not fully participate. We significantly increased our retailer participants in 2004. We worked with 14 institutions in 2003 and 23 in 2004.

In 2004, there were several new developments: Hansen's Dairy is now marketing their own bottled milk to various stores and individuals in our area; several grocery stores have pledged to feature more locally raised products; Buchanan County Hospital has committed to buy locally raised meats.

Methods

During the 2004 growing season we worked with 23 institutional food buyers accomplished the following:

Objective 1:

- Documented local food purchases of participating grocery stores, institutions and restaurants: product categories (meats, dairy, vegetables), number of local vendors, dollars spent on local food, total food expenditures, percent local. See the Findings section.
- Developed baseline data for the new participants

Objective 2:

- Approached more grocery stores and invited them to participate in the Buy Local campaign
- Provided in-store publicity assistance, highlighting local farmers the stores buy from (price cards, "We Sell Locally Grown Products Posters"...)
- Arranged two public events: A set of two farm tours and a public event to highlight a small town grocery store and the farmers who supply it.

Findings

This grant allowed us to take the time to follow up and document local food purchases for 23 institutional food buyers. We have shown as a result that in 2004 local food purchases by metro area institutions more than doubled. The next three tables show three key results.

UNI Local Food Project

Table 1. Local Food Purchases by Institutional Food Buyers in Black Hawk and Surrounding Counties, Iowa 2004

Year	Number of Institutions	Type of Institutions	Local Food Expenditures
1998	3	1 Restaurant 1 College 1 Hospital	\$110,773
1999	3	1 Restaurant 1 College 1 Hospital	\$134,573
2000	5	1 Restaurant 1 College 2 Hospitals 1 Retirement Home	\$173,406
2001	8	1 Restaurant 2 Colleges 4 Hospitals 1 Retirement Home	\$165,588
2002	7	2 Restaurants 1 College 1 Hospital 2 Retirement Homes 1 Grocery & Retail	\$200,730
2003	15	4 Restaurants 1 College 2 Hospitals 3 Retirement Homes 3 Grocery & Retail	\$226,954
2004	23	8 Restaurants 1 College 2 Hospitals 3 Retirement Homes 8 Grocery & Retail	\$465,361

We are excited about the above trends. We suspect that the doubling in 2004 has been due to more buyers, buying larger quantities, and the establishment of a new dairy processing business.

In Table 2 you will find the detailed local food purchases of two key institutions: Rudy's and Bartels Lutheran Retirement Community.

Table 2.

2004 Local Food Expenditures
Bartels Lutheran Retirement Community
 Waverly, Iowa

	Meat	Dairy	Vegetables	Baked Goods	Monthly Total
January	\$3,341.92		\$ 110.00	\$ 60.00	\$ 3,511.92
February	\$484.66		\$ 150.00		\$ 634.66
March	\$3,758.59	\$ 570.00			\$ 4,328.59
April	\$2,264.18	\$ 460.00	\$ 142.50		\$ 2,866.68
May	\$1,135.91	\$ 709.20	\$ 760.83		\$ 2,605.94
June	\$2,979.77	\$1,075.00	\$ 288.00		\$4,343.37
July	\$917.68	\$ 753.30	\$ 366.00		\$ 2,036.98
August	\$3,433.49	\$1,327.40	\$ 521.00		\$ 5,281.89
September	\$567.10	\$ 977.40	\$ 525.50	\$ 78.00	\$ 2,148.00
October	\$5,309.55	\$ 982.80	\$ 402.00	\$ 37.50	\$ 6,731.85
November	\$739.65	\$1,035.80	\$ 321.70	\$ 354.50	\$ 2,451.65
December	\$3,428.44	\$1,863.60	\$ 93.90		\$ 5,385.94
Yearly Total	\$28,360.96	\$9,755.10	\$ 3,681.43	\$ 530.00	\$42,327.47

Bartels purchases whole animals from a local farm, processed at Janesville Locker.

Rudy's purchases are listed on the next page.

Table 3.

Rudy's Tacos 2004 Local Food Expenditures

Waterloo, IA

<u>Product</u>	<u>Local</u>	<u>Total</u>	<u>% Local</u>
Beef	\$ 62,845	\$ 62,845	100%
Pork	\$ 1,600	\$ 1,600	100%
Chicken	\$ 27,023	\$ 27,023	100%
Cheese	\$ 46,308	\$ 46,308	100%
Tomatoes	\$ 19,037	\$ 19,037	100%
Onions	\$ 218	\$ 1,040	21%
Flowers	\$ 2,889	\$ 2,889	100%
Sour Cream	\$ 4,669	\$ 4,669	100%
Ice Cream	\$ 1,665	\$ 3,365	49%
Misc.	\$ -	\$ 65,641	0%
Total	\$ 166,253	\$ 234,417	71%

Roots Market, a natural foods grocery store in Cedar Falls, in 2004, purchased more than \$50,000 worth of meat, produce, dairy, eggs, and wine from 37 local vendors.

Our farm tour was attended by more than 85 people. The tour featured a dairy farm with on-farm processing and a vegetable farm with an on-farm bakery.

We held a half- day “peak of the season fair” in Trear, IA to highlight Traer Grocery store and the farmers who supply it. More than 100 people attended.

Our in store publicity for the small town grocers has been popular with the store owners.

Conclusions:

We were successful at meeting our objectives. We involved more grocers and documented their local food purchases and helped them highlight local food in their stores.

Outreach

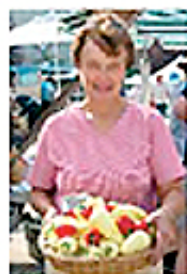
I have presented our results at the following events:

Jan 14-15 2005	AR/OK Horticulture Industry Show, Keynote and workshop
Jan 18	Clearlake, Iowa, Winn-Worth & Mason City area economic development
Jan 20	Northland Regional Council of Governments, Economic Development Committee, Waterloo, IA
Jan 27	Iowa Wesleyan College, 4-county economic development agencies
Jan 28, 05	Midwest Value-Added Conference, Eau Claire, WI, Keynote and workshop
Feb 18, 05	Marshalltown Alt. Ag. Conference
Feb 21	Quad Cities Chef Meeting
Feb 25	Wartburg College
March 23, 05	Middlebury College, VT

Appendix

1. Farm tour ad
2. Sunday March 20, 2005 Waterloo Courier report on our work
3. The door sign for grocers

A peck of apples, A basket of produce, A carton of milk



Celebrate the
PEAK OF THE SEASON
in Traer!

FEATURING:

Hansen Family Farm Fresh Dairy
Grilled Sandwiches and Brats
Locally grown food near you

Saturday, September 4th
10:00 a.m. – 2:00 p.m.

Traer Super Valu parking lot
(Traer, IA)

MORE INFORMATION:

Traer Super Valu
319-478-2580

UNI
Local Food Project
319-273-7575

Locally grown food &
hometown grocery stores go
together!



FARM TOURS

SATURDAY, JUNE 12

FARM 1: Hudson, 2 PM

Hansen's Farm Fresh Dairy

319-988-4284, freshmilk@forbin.net

Directions: From Hwy 58 on the west side of Hudson,
take D-35 west 1-2 miles until you come to Lincoln Rd.
Turn left on Lincoln Rd. The farm is on the left.

FARM 2: Buckingham, 4 PM

Don & Ruth Beck's Porkland Farm

319-988-3729, beckwebake@aol.com

Directions: From Hansen's, go back to 58, go south
(58 joins US 63 south), go south for 6 miles to D-52.
Turn left and go 2-3/4 miles, the farm is on the left.

For more information
call 273-7575.

