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Alternative and horticulture crop education and marketing pilot project

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Alternative and horticulture crop education and marketing pilot project

Abstract
How do farmers embark on a new type of production system, such as for vegetable and horticultural crops? This project helped a group of southern Iowa farmers organize infrastructure and find markets for these crops outside the usual farmers markets.

Keywords
Business management, distribution and marketing, Community-based food systems, Supply networks

Disciplines
Agribusiness | Agricultural Education

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Abstract: How do farmers embark on a new type of production system, such as for vegetable and horticultural crops? This project helped a group of southern Iowa farmers organize infrastructure and find markets for these crops outside the usual farmers markets.

Background

Adams County’s rural population has been in decline for the last century. A countywide rural development project identified the creation of alternative farm enterprises as a possible way to reverse this trend. The Adams County Ag Diversity Committee (ACAD) was charged with finding innovative ways to diversify local farm production. In June 1997, the Southern Iowa Ag Diversity Corporation (a non-profit corporation operating as “Country Foods”) was created to help establish regional markets for local crops and processed food items. The rationale was that growing vegetable and horticultural crops would enable farmers to remain on their land, supporting local communities and rural infrastructure.

Among the project objectives were to work with the members of the “Country Foods” group to:

- Develop a marketing plan for nontraditional farm produce such as vegetables in metropolitan areas such as Omaha and Des Moines;
- Build relationships and establish markets with a minimum of 10 new customers during each of the three years of the grant; and
- Explore the potential for marketing via the Internet and expose the membership to this technology.

Approach and methods

Market research was conducted to help identify and quantify sales potential in the Des Moines, Omaha/Council Bluffs, and Kansas City areas, as well as in local marketplaces. A survey form was used to gauge interest in buying locally grown produce in these areas. Members of the Country Foods group met with Farm Bureau and Loffredo Produce in Des Moines to establish markets in that city. Members also contacted other food purchasers, brokers, and distributors with survey questions about produce sales and delivery.

A farm demonstration site along Highway 34 east of Corning was used to educate members and prospective growers on different techniques for raising produce. A retail market and state-inspected kitchen were established in Corning to help add value to produce.

Results and discussion

Country Foods initially surveyed several restaurants and grocery stores within a 30-mile radius of Corning. The results showed that there were not enough growers to meet the demand for produce. Adding ten more customers per year would mean providing poorer quality service to existing customers, so it was decided that seeking a smaller number of new customers would be more appropriate. Initially Country Foods had two divisions for management, operations, and policy. In 1999 these two
divisions were combined under one executive director.

In the second year of the grant, Country Foods began to deliver produce to the Des Moines market. They also developed local marketing arrangements with grocery stores, hospitals, nursing homes, and customers at the local retail store. A former employee of Country Foods started his own company called Garden Charlie’s, which is working with Country Foods to serve markets in Kansas City and St. Joseph.

Due to a lack of funding from other sources, Country Foods lost its executive director. The project was then managed by board president Rod Fleharty on a volunteer basis. Country Foods continued to do research and search for new markets for members’ produce. Two new businesses, Hickory Ridge Farms and Coal Country Gardens, helped to supply produce to the local and regional markets.

Demonstration plots were hit by wind and hail storms in 2001. This diminished the opportunities to have tours to showcase gardening practices.

Conclusions

Results from Country Foods’ surveys showed that people would rather buy locally grown produce as long as it is of similar quality to that for sale at other markets. Purchasers also are willing to pay extra for locally grown produce if they know the person or farm that raised the products.

These surveys also determined that retail stores prefer to buy directly from the farmer raising the produce rather than using the services of Country Foods. This become obvious when stores began to order from members rather than Country Foods. This helped producers, but hurt Country Foods’ chances of survival.

Country Foods also found that the demand for locally grown food exceeded the supply available from local growers.

Impact of results

It was determined a business just starting out on a small scale in the food industry will not be able to generate enough income to survive. Without the help of grants and volunteers, Country Foods could not have supported itself for as long as it did. Commissions, dues, and the amount of production were not yet adequate to support this sort of horticultural produce growers group in southern Iowa. The Leopold Center sponsored an independent evaluation of the Country Foods organization structure and activities and the results of the evaluation were shared with project organizers.

Education and outreach

In 1999, Country Foods hosted two bus tours at the horticultural demonstration site and at the retail store and kitchen. Produce was supplied for an all-Iowa meal at the end of the tour. In 1999, some FFA and 4-H members used the demonstration site to learn about growing produce and earn income.

In 2000, several 4-H members again used the demonstration plots. Country Foods hosted several groups of school children in the SOLD (school-to-work) program at the retail store.