Investigating the feasibility of establishing food processing and distribution centers for western Iowa

Capacity to support a local food system needs to be viewed not only in terms of actual food production, but also consumer demand. Considering a viable processing center will require $1.2 million to get started, western Iowa farmers will need skills to work collaboratively to effectively connect the local food with the consumer. Currently, the farmer lacks these skills or is not willing to cooperate with programs which increase these skills.

What was done and why?

Western Iowa (27 counties) has a population of 524,443, with two significant metropolitan areas in Woodbury and Pottawattamie counties. However, 64 percent of the population is dispersed in the remaining 25 counties. The rural population density is a barrier to increasing local food consumption via direct sales models such as farmers markets, Community Supported Agriculture, and direct on-farm sales. A processing and distribution center could provide local food to interested consumers and consolidate distribution requirements to meet consumer expectations.

The project sought to answer questions about the capacity and skills of the area producers, the demand for local foods in area food stores, institutions and schools, and the infrastructure costs of a processing facility. Issues at hand included whether western Iowan producers can grow enough products to sustain a profitable processing facility and whether wholesale purchasers would change their buying processes to add local foods to the system. There also was a need to determine the critical economic thresholds to establish a profitable processing facility.

What did we learn?

The project yielded information on several factors regarding the local food system in western Iowa. Local food producers currently are marketing their products directly to the consumer utilizing farmers markets, community supported agriculture, and direct on-farm sales. Local food producers are cautious or cannot afford the high start-up costs of a processing facility, and are skeptical of a cooperative-type approach to establish a processing facility in this area. The demand for the products from local food system is sufficient to warrant establishing a cooperative processing facility, but price remains a major issue with institutional and large volume customers.