Abstract: Farmers interested in direct market distribution of their products were able to use information from the experiences in other states to help start a cooperative that sells products in a Des Moines shopping mall.

Iowa farmers have a new option available to secure customers for their products. By joining the Iowa Food Cooperative, they can offer their products to other cooperative members using the internet. Products purchased are then delivered to a distribution site in Des Moines. In its first year of operations, nearly $60,000 worth of a wide variety of products was sold using this system.

What was done and why?

Farmers who use direct marketing to sell their products face a number of difficult issues with distribution. Relying on previous efforts by Practical Farmers of Iowa (PFI) and resources from other state food cooperatives, the project goal was to develop a self-supporting distribution system that would generate sufficient numbers of customers so farmers can sell their products profitably.

The project’s original objectives were to:

• Develop a business plan for an alternative distribution system,
• Develop and launch a new distribution business that incorporates farmer and consumer ownership and control,
• Increase sales for at least 20 Iowa farmers who raise sustainably-produced products by at least $100,000 total, and
• Increase purchases by at least 150 consumers of products directly from farmers, with total purchases increasing at least $100,000.

What did we learn?

A direct-to-consumer distribution system utilizing the Oklahoma Food Cooperative model can be successfully developed and launched in Iowa. The keys to success are securing enough producers and consumers who are interested in what the system can offer, finding a good site or sites for the distribution of the products that are ordered, finding a skilled person to manage the software needed for commerce to occur, and having a committed group of people willing to work through the process to form, launch and operate a business. Grant funding for this work is exceedingly helpful.

Things that can be shared with others interested in the project are the processes and tools used in the planning phase, plus results of the planning efforts. Other project findings worthwhile for sharing are the open-source software, the Articles of Incorporation and Bylaws, budgets and other information on operations. Aspects of the project that need more work to increase their value are converting presentations about the project into guidance materials, so the project could be more easily replicated in other locations.

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