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Planning grant for the establishment of a food enterprise center

Abstract

An assessment of community resources to support the development of a food enterprise center (FEC) or food hub was completed through planning meetings with community stakeholders. Local farmers and food businesses were surveyed and interviewed to determine their interest in the services of a food hub and FEC.

Keywords

Community-based food systems, Food pathways food system assessments, Fruit and vegetables, Market research and feasibility studies, Supply networks

Disciplines

Horticulture | International and Community Nutrition | Operations and Supply Chain Management



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Abstract: An assessment of community resources to support the development of a food enterprise center (FEC) or food hub was completed through planning meetings with community stakeholders. Local farmers and food businesses were surveyed and interviewed to determine their interest in the services of a food hub and FEC.

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Budget:

\$10,000 for year one

Q What was the level of community interest in creating a food enterprise and/or food hub to serve Johnson and Linn County food entrepreneurs and local farmers?

A Surveys and interviews of farms and businesses helped take the pulse of the local food community regarding such an opportunity. Almost 100 percent of the farmers surveyed said that they would use at least one of the services listed of a food hub, while roughly one-third said it was likely that they would make use of a shared-use food processing facility in the future.



MARKETING

Background

The project sought to determine the level of community interest in creating a food enterprise center (FEC) and/or food hub to serve Johnson and Linn County food entrepreneurs and local farmers. The project investigators studied selected FECs and food hubs around the country shown to have had a demonstrated impact on the expansion of local food use in their communities. Project investigators used these organizations as models in networking and education sessions with area farmers, food entrepreneurs and businesses, and government and economic development leaders.

The project leaders wanted to examine the partnership potential and specific roles that local organizations and institutions might take in the development of a full feasibility study for a FEC or food hub in the area.

Approach and methods

A needs assessment survey was undertaken with area farmers, food processors and potential buyers such as retailers and restaurants in March 2014. Mailing lists were received from the Iowa City Farmers Market, Cedar Rapids Farmers Market, Buy Fresh Buy Local campaign, Iowa Valley RC&D, Iowa Valley Food Co-op, the 2014 Local Food Summit, New Pioneer Cooperative and ICAD. There was a great deal of overlap in the lists and when combined there were 243 separate contacts yielding 228 working email addresses. Seventy-five people responded to the survey for a response rate of 33 percent. The survey asked respondents about their needs for the specific services of a Food Hub or a Food Enterprise Center (FEC), as well as their needs for business support and technical assistance.

The results of the survey, along with information on the selected FECs and food hubs, were presented at a facilitated stakeholder meeting on May 16, 2014. The stakeholder meeting included representatives from area businesses, government, and economic development organizations. Individuals were invited on the basis of their organization's association with area economic development, their ability to provide support



*The Intervale Food Center,
Burlington, Vermont.*

for, or to sponsor, the formation of an FEC locally, and their leadership in the local food movement. The meeting was designed to tap into their expertise about how to move forward with the possibility of forming an FEC, and to gain insight into community capabilities, community interest and next steps. Fifty-one area leaders were invited to the meeting and 18 attended.

Results and discussion

Survey: In general, respondents to the survey were small operators, new and deeply engaged in the local food system. Seventy percent of farmers who replied grow fresh produce and market it directly to the consumer through sales channels such as Farmers Markets and CSAs. Almost all (89 percent) of the food processors and buyers responding currently use or sell local food products in their businesses. The most important motivations were support for the local economy and higher quality of local products.

When asked about their need for the services of a Food Hub, 34 farmers, or 91 percent of the farmers surveyed, said that they would use at least one of the services listed. All respondents (farmers, food processors and buyers) were asked how likely it was they would use a FEC. Thirty-five percent (26) said it was very likely or likely that they would make use of a shared-use food processing facility in the future.

The main services and technical assistance items requested were packaging and distribution, UPCs and food labeling, food safety and sanitation training, food regulation and food licensing information. Respondents also were surveyed for projected hours of use, equipment and distance they were willing to travel. Seventy-two percent of respondents (54) asked to be kept updated on the progress of the project.

Although this is preliminary data from a small sample, it appears that survey respondents saw a need for further investigation of both a Food Hub and a shared-use FEC. Project reports and a summary of the survey can be found online at ww.ivrcd.org/food-enterprise-center-feasibility-study

Stakeholder meeting: A working meeting on the topic of establishing a Food Enterprise Center (FEC) in the Johnson and Linn County region was held on May 16, 2014. There was general consensus in the stakeholder meeting that the local food sector represents a regional economic opportunity with great potential. The attendees felt that the sector can be further developed with support services and additional resources, including appropriate infrastructure such as a Food Hub or an FEC. There also was a general recognition that more information needs to be gathered before proceeding with such a project. Another important conclusion was that there is a need to take stock of available resources and current capabilities in the region and bring them “under one roof.”

Conclusions

The survey of farmers, food entrepreneurs and local food buyers in March-April of 2014, as well as the stakeholder meeting held with community leaders confirmed that there is community interest in the services of both a Food Hub and a FEC, such



Wisconsin Food Hub Cooperative, Madison, Wisconsin.

as a community kitchen, along with the need for additional business services and technical assistance to the local food sector in Johnson and Linn counties. Eighty percent of stakeholder meeting participants indicated a willingness to be involved in the project in some way as it develops. Seventy-two percent of survey respondents (54) asked to be kept updated on the progress of the project. However, there is a need for more research and analysis to prove these projects are feasible.

Recommendations

Further needs assessment and customer discovery should be undertaken by increasing and diversifying the survey contact list to include additional area food processors, food entrepreneurs, caterers, mobile food vendors and farmers selling into secondary markets. Large local buyers and community resource groups that did not attend the stakeholder meeting (Hy-Vee, Kirkwood Community College, Public Health Services, for example) need to be brought into the process.

Three possible models should be further researched and developed.

1. Create a food enterprise tool kit to make use of existing resources.
2. Develop a food hub business model and feasibility analysis.
3. Develop a FEC community kitchen model and feasibility study.

Impact of results

The project increased knowledge of several FECs and food hubs around the country, and their potential to serve as models for similar local food organizations in Johnson and/or Linn counties. This information was shared with project stakeholders at the May 2014 meeting and also made available on the Iowa Valley RC&D website.

During the project's research phase and at the stakeholder meeting, community resources that could contribute to the formation of an FEC or food hub in the area and barriers and gaps were identified. The barriers and gaps that were cited increased the importance of continuing conversations among partners to fill those gaps in the region. Resources such as business planning guides will be helpful to new food entrepreneurs.

The project encouraged new relationships that can further the development of the local food system in Johnson and Linn counties and specifically the development of an FEC or food hub in the area. During and since the planning project, relationships have continued to grow with Kirkwood Community College and regional buyers such as Hy-Vee.

It was determined that there is a high level of interest in a business/community alliance to conduct a feasibility study on a FEC or food hub. At the end of the project, no business or community alliance had been formed to complete a feasibility study on a FEC and or food hub. Project partners still have aspirations of conducting a feasibility study to expand IVFC operations to more customers and into additional Food Hub services.

Leveraged funds

The Greater Cedar Rapids Community Foundation provided \$15,000 to Iowa Valley RC&D to coordinate and monitor the wholesale pilot project between Iowa Valley Food Co-op and Hy-Vee. The University of Iowa MBA Program also supplied in-kind support of a five-person MBA student team to assist the project investigators as they developed the survey questions and survey tool and conducted the survey analysis.

The City of Iowa City (\$6,000), Johnson County Board of Supervisors (\$3,000) and the University of Iowa's Office Outreach and Engagement (\$5,500) have agreed to provide support for the next phase of the project to implement the Food Enterprise Center Kitchen Toolkit recommendation.

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