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Increasing the capacity of a local food hub to service the public school market

Abstract:

Cooperation with a local food hub can be beneficial for bringing together farmers and school district food services interested in serving local food to their students. This project in northeast Iowa successfully navigated some of the challenges for these groups to collaborate.

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Budget:

\$21,000 for year one

Q Can schools be viable local food markets for Iowa farmers if they partner with a food hub?

A Yes. In order to truly grow farm to school programs, there needs to be an intermediary market like a food hub that can serve as a facilitator between the farmer and the school. Schools are a low-margin, high-volume market and food hubs need multiple producers available to meet the demand. Food hubs also need enough capacity to conduct weekly calls to schools to collect orders.

Background

The Northeast Iowa Food and Fitness Initiative has a seven-year history of supporting rural school districts with their Farm to School efforts. This project leveraged the momentum built in school classrooms, gardens and cafeterias to increase local food purchases by schools.

Leopold Center funding for this project was used to strengthen the efforts to connect rural school districts with an emerging non-profit local food hub, Iowa Food Hub (IFH). Funds provided assistance to schools to procure local products, create weekly delivery routes and investigate costs for minimally-processed food items. Four school districts were selected as pilot sites for this grant; however, the services and products developed were offered to any school district that chose to participate. (This project also received some funds from a USDA Farm to School grant.)

The food hub coordinator worked with school food services, FoodCorps members, ISU Extension, Luther College, local farms and businesses, and members of the community to meet these objectives:

- Develop ways of procuring more local food at prices that are fair to farms, processors, and schools;
- Develop aggregation models and methods that allow schools to partake in farm to school;
- Determine the needs and costs for light processing of vegetables; and
- Create distribution models that include schools, are logical and leverage existing resources.

Approach and methods

Selection of Pilot Districts

Based on interest and engagement, four Iowa school districts were chosen to be pilot sites based on demonstrated capacity, readiness and commitment to implement a



MARKETING



Decorah pork sandwich plate. (courtesy Northeast Iowa Food and Fitness Initiative)

regional farm to school cycle menu, and willingness to double their local food purchases. The partner districts created school wellness action plans which included Farm to School goals and activities.

Development of Delivery Routes

At the beginning of the project, the IFH was still determining the best way to service the 16 school districts in the region. The school deliveries were incorporated into the existing routes to the metro centers. One day a week was dedicated solely to school deliveries.

Product Development

The Iowa growing season aligns with the school year for a short time, so efforts focused on processing and freezing foods to extend availability during the winter months. One of the goals was to investigate the costs of processing on a small scale. Some items, like sweet corn and shredded cabbage, received minimal processing to be served immediately. Other items, such as strawberries, sweet potatoes, winter squash, tomatoes, beef and pork, were processed in bulk to have inventory available throughout the winter months. Two certified kitchens were used for the produce processing operations.

Results and discussion

Based on feedback from current customers and schools, schools were added to the existing delivery routes for maximum efficiency. The routes were adjusted several times, including after the food hub moved from Decorah to West Union in Jan. 2015.

Because the food hub operates an all-in, all-out system, it requires at least three weeks advance notice for a fresh-cut product, which makes the offering a logistical challenge. They also are on a weekly delivery schedule for most of the schools. Because the hub delivers to most schools on Mondays, the product is processed on Thursdays or Fridays, which shortens the shelf-life. Testing showed that the frozen product was more expensive than fresh-cut because of the extra steps to blanch or parboil. They assumed that the kitchens would have boxes or containers for the finished product and appropriate equipment, but that was not always the case.

On the positive side, the hub's method to receive food orders from schools works well. In general, the schools have created their monthly menus at least two weeks before the menu starts. If a school is using the NE Iowa Farm to School cycle menu, they have several opportunities to serve local items already built into the menu. Once the menus are determined, hub staff can have a discussion with the schools about what they can procure locally for them. When those products are identified, the food service director figures the quantity needed and places a purchase order with the hub.

This system works well because 1) it offers several weeks for communication with the farmers and time to make arrangements for pickup/delivery, and 2) if a product becomes unavailable, the hub is able to communicate with the schools with enough lead time for them to make other plans. As a hub that is operating with an all-in/all-out system, it is hard for them to work with the conventional next-day delivery model. This "plan-and-order-ahead" model works much better for the hub and for the food service directors.

The local food purchases by the four pilot schools increased from \$10,451 to \$52,401 in



*Potatoes grown locally.
(courtesy Northeast Iowa
Food and Fitness Initiative)*

two years. The increase in purchases each year is similar to the amount of food purchased from the food hub. These data suggest that the increase in purchases is largely due to the availability of product and services from the food hub.

Conclusions

- Partnering with a food hub is an effective way for schools to increase their local food purchases.
- The logistics of offering fresh-cut produce are challenging. Because the food hub operates an all-in, all-out system, it requires at least three weeks advance notice to offer and deliver a fresh-cut product.
- Frozen products give the hub more time to make the sales, but these items tend to be more expensive than fresh-cut because of extra steps needed to blanch or parboil.
- Additional challenges came with packaging of the final processed product. One can't assume that commercial kitchens or meat lockers will have boxes, containers or the correct equipment required for the finished product.
- More research is needed to further explore small-scale processed products for sale to schools.
- A regular, weekly delivery schedule works well for schools.
- Schools should consider advance menu planning and generous lead time when working with local farmers and food hubs.

Impact of results

By partnering with a food hub, a school can significantly increase its local food purchases. Food hubs also are in a better position than individual farmers to work with schools on identifying, procuring and processing local foods for a more consistent supply throughout the school year.

Before the food hub was available, local food purchases by northeast Iowa schools had plateaued as a result of limited time to build relationships with individual farms. Once the food hub stepped in as the intermediary to connect schools and farmers, the local food purchases doubled.

The NE Iowa Food and Fitness Initiative has been collecting data from K-12 school districts since 2009 as a measurement of its work. The large increase in sales in 2014 and 2015 is attributed to the implementation of the Farm to School cycle menu (2013) and the creation of the Iowa Food Hub (2014).

Schools can be a significant market for local foods and food hubs. Farmers interested in those markets will need to refine their wholesale production practices and scale up production to satisfy those markets. Iowa Food Hub primarily sells to institutional food service units (schools and colleges), grocery stores and restaurants. Monthly sales for the Iowa Food Hub show large spikes in September, October and November that coincide with local food sales to schools and October's designation as National Farm to School Month.

In its third year of operation, IFH doubled its sales from 2014 to 2015. Community K-12 school districts accounted for 11 percent of those sales. The increase in sales led to the addition of staff at the food hub. They expanded the hours of their sales associate, added a second truck driver and contracted with a bookkeeping service. The food hub also moved into a new facility in December 2015 which allowed it to maintain a larger inventory, including frozen items for schools. In 2015, IFH worked with more than 50 farms and food businesses and returned over \$508,000 to farmers.

Communities interested in strengthening their local food system will be able to use this information to support conversations around food hub development and local food procurement in schools. Food hubs and schools can be great partners once effective relationships have been established.

Education and outreach

Media coverage:

- “Schools embrace farm to school connection,” *Wallaces Farmer*, May 2015, www.rd.usda.gov/files/IA_Highlight_NIFFI_051215_0.pdf
- Best Practices: Flavor Stations (blog post) <http://iowafoodandfitness.org/wegrow/2016/02/02/best-practice-flavor-stations/>
- National radio show, “Inside School Food,” profiled the Iowa Food Hub and Decorah School Chef Chad Elliott on how food hubs and schools are working together to connect kids to local food in rural Iowa. October 2015. <http://insideschoolfood.com/episode/iowa-food-hub/>
- NE Iowa Farm to School headlined a blog post by the National Sustainable Agriculture Network, October 2015. <http://sustainableagriculture.net/blog/building-on-farm-to-school-success-act-today/>

Findings publication: “NE Iowa Farm to School Processing Pilot Results” (to be made available later)

Outreach: Monthly meetings were held with school food service directors and technical assistance offered to participating schools on a monthly basis.

Leveraged funds

This grant was supplemented with funds from Northeast Iowa Food and Fitness Initiative: Ongoing, \$26,500. Funds were used to place Food Corps and AmeriCorps service members in schools. Funding also covered the grant project director and service member coordinator, as well as continued technical assistance for school food services.

USDA Farm to School Grant: December 2013 to September 2015, \$97,600 for:

- School kitchen equipment,
- Funds for processing studies,
- Continued funding for food service honoraria,
- Funds for distribution to schools, and
- Funds to send food service staff to National Farm to Cafeteria Conference, Austin, TX, April 2014.

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