



LEOPOLD CENTER
FOR SUSTAINABLE AGRICULTURE

New food entrepreneurs: Value added enterprises for farm profitability, facilitating understanding between producers, processors and policymakers

Abstract: This study researched the challenges and opportunities to improve Iowa's small food processing sector.

Question & Answer

Q: What new business opportunities are open to Iowa farmers?

A: The project revealed business opportunities for Iowa farmers including on-farm processing, reiterated the importance of developing a sound business plan, and emphasized that it may be more productive for the private sector to develop creative, innovative business responses to policy realities than to try and influence regulatory policy. Producers who are interested in selling to institutions should strongly consider forming producer-marketing associations (aka: cooperatives) in order to capitalize on current consumer perception and demand for local foods.

3. Enhance Iowa's food culture and small business climate by making the connections between those who need information and industry experts who can provide real-life knowledge and resources.

A special effort was made to provide education and outreach to new immigrants and refugees who were interested in starting food-based businesses or value-added agricultural enterprises in the greater Council Bluffs region.

Approach and methods

Three major activities were proposed for the project.

1. The Common Ground Study Circle. Producers, small food processors, and policy makers will participate in "Common Ground," a study circle dialogue process to identify and make recommendations for public policy change that would aid Iowa's small food processing sector. (A study circle includes a diverse group of eight to 12 people who meet four or five times.)
2. Establish a web presence as a vehicle for education and outreach. A suite of educational resources will be developed and delivered. Among them: a web site dedicated to providing guidance and information; a "Mentor's Listerve" where industry experts can answer questions; one-page fact sheets (available on-line and at meetings) that explain steps that new food entrepreneurs need to follow; and a Q&A handbook that outlines basic start-up issues for food entrepreneurs.
3. The "New Food Entrepreneurs Small Food Processors Workshop." A one-day workshop will offer a non-traditional structure to facilitate introductions and

Background

Following the 2004 reestablishment of the Iowa Food Policy Council, there was a need to develop educational resources and create opportunities for food system stakeholders to further explore public policy issues that would affect their performance.

The New Food Entrepreneurs (NFE) project had these goals:

1. Increase food system/food policy understanding between producers, processors, and policymakers,
2. Create a food entrepreneurs clearinghouse of information via the Internet, and

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interaction among food entrepreneurs, small food processors, industry and regulatory specialists. It would provide faster answers for those seeking to start a food-based business.

Results and discussion

Four Common Ground Policy Dialogues were held in spring 2006, with 23 participants. Two facilitators worked with all four sessions, and participants were divided into two groups. Group 1 took a more creative approach to problem solving, and group attendance and progress remained consistent. Group 2 experienced less positive dynamics in their interactions with one another, and attendance declined each week.

Expected support did not materialize, so the Internet activities were not implemented as planned originally. The co-PI was able to assist in preparing a food processors regulatory handbook that was being produced by one of the dialogue participants with other funding.

Conclusions

While there is a need for scale-appropriate policies, the opportunities to create and achieve change need long-term attention. Results from the project's Common Ground Policy Dialogue revealed the need to educate policy makers about food systems, and producers and processors about the challenges in the regulatory arena.

The private sector may be positioned best to address processing, pricing, distribution, and other market challenges that affect the ability of producers and small-scale

processors to meet market demands. Technological innovations, greater cooperation between processors and producers to form marketing associations, and market pull are needed to capitalize on the current interest in local foods.

Social networking may be a good way to share knowledge, especially in rural communities where Internet connections may not yet be optimal. For those with internet familiarity and accessibility, there may advantages to using newer forms of interactivity such as blogs or social networking sites rather than creating new web portals to share information.

Group participants. In order of seating arrangement from left to right in photo at bottom left are:
Doug O'Brien – Drake Agricultural Law Center and Deputy Secretary of the Ohio Department of Agriculture
Solveig Hansen – Organic producer/processor and co-founder of GROWN Locally cooperative
LaVon Griffieon – Producer and co-founder of 1000 Friends of Iowa
Paul McGarvey – Co-Founder of Cybus Capital Markets
Steve Williams - Producer /Owner of Naturally Iowa, Iowa Food Policy Council member
Dr. Ferro Trabalzi – Professor of Community Design and Land Use Planning, Iowa State University, College of Design
Rick Forkenbrock – Director of Purchasing for the Iowa Department of Corrections, Iowa Food Policy Council member
Kathy Eckhouse – Co-founder, La Quercia Artisan Cured Meats
Shane Tiernan – Business Development Officer, Grundy National Bank



The NFE project experienced significant challenges due to a shortfall in leveraged resources and difficult organizational dynamics.

Impact of results

Primary outcomes:

- Connections made that have resulted in new partnerships and collaboration
- Producer/processor groups benefitted from sharing information
- Education and understanding of small-scale processing was enhanced among participants
- Emphasized the need for policies to better address the needs of small-scale producers and processors
- Follow-ups provided further, more specific information to client groups

Secondary outcomes:

- Increased collaborations between NFE participants
- Augmented food system social network knowledge

- Identification of private sector opportunities
- Enhanced organizational performance and programming insight for the Wallace House Foundation staff and board
- Added to knowledge base of state legislators regarding food policy and food systems

Education and outreach

No publications were issued. Other outreach activities included All-Iowa meals and site visits and consultation to the Southern Sudanese Community Association. Consultations on food processing issues were provided to six food entrepreneurs.

Leveraged funds

Several funding and assistance opportunities that had been considered promising at the outset of the project did not occur. A hoped-for collaboration with the Iowa Department of Economic Development did not occur because they traditionally do not work with small businesses.

Photo courtesy of Christine Pardee

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