Value Chain Partnerships – Early Success Stories

Spring 2009

Value Chain Partnerships (VCP) is an Iowa-based network for food and agriculture working groups that brings together producers, businesses, and state and federal organizations. The project is led by the Leopold Center for Sustainable Agriculture Marketing and Food Systems Initiative, and includes Iowa State University, ISU Extension and Practical Farmers of Iowa as core partners. These are documented success stories from the early stages of the project, from its initiation in 2002 to 2009. Learn more at www.leopold.iastate.edu.

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Prime Pork Supply

Identify Food and Agriculture Systems Challenges

Niche pork companies were having a difficult time selling all parts of the hog carcass, resulting in their need for large margins on desired cuts of pork to offset negative margins on less desired cuts or byproducts. Their challenge was driven by a lack of critical mass to supply customers’ needs, a lack of customer diversity to utilize the entire carcass, a lack of resources, and a lack of knowledge of the market and process.

Lever Funding and Expertise

In 2007, the Pork Niche Market Working Group (PNMWG) secured funding from Value Chain Partnerships to conduct research on Maximizing Carcass Utilization in Niche Pork. Per Duane Short, the
consultant hired for this project, “The long-term success of niche pork companies depends on solving the carcass utilization puzzle.”

**Foster Learning and Innovation**

Through research, the group learned that companies who process various pork items such as hams would be interested in a consistent supply of antibiotic-free pork. By aggregating the excess from niche pork companies, there would be enough pork available to meet this need.

**Implement Solutions**

This project led to a business opportunity, Prime Pork Supply. This business-to-business entity developed the necessary business structures, relationships, and agreements necessary to facilitate commerce. Prime Pork Supply worked with distributors and retailers to develop a broader customer base. In addition, the company also expanded beyond pork into beef and poultry.

**Northeast Iowa Food and Farm Coalition**

**Identify Food and Agriculture Systems Challenges**

In 2006, the Regional Food Systems Working Group (RFSWG) decided to support food systems in specific geographic areas in Iowa. A group from northeast Iowa submitted a proposal to develop a work plan to build a stronger local food and farm economy in that region. This group is called the Northeast Iowa Food and Farm (NIFF) Coalition.

**Lever Funding and Expertise**

The NIFF Coalition's proposal was accepted with the provision of nominal funding in 2006 and they became the first pilot community within the RFSWG. The group is comprised of agricultural growers, banks, market gardeners and orchardists, extension agents, retailers, independent meat processors, and fund-raisers. They invest in collaborative efforts amongst Allamakee, Clayton, Fayette, Howard, and Winneshiek counties. The NIFF Coalition supports the development and marketing of locally grown agricultural products to enhance the lives of local citizens.

**Foster Learning and Innovation**

The NIFF Coalition's initial three goals were to provide an opportunity for existing and new producers to diversify, to explore development of regional processing and storage facilities to add value to all agricultural products in the area, and to increase the consumption and sale of locally grown crops. Following their initial proposal, the NIFF Coalition developed a strategic plan to increase access to healthy food and generate physical activity within the community. This plan was instrumental in their proposal submission to the W.K.Kellogg Foundation, and they were selected as the site of one of nine Food and Fitness initiatives across the U.S. Over the last few years the NIFF Coalition, with the help of the Northeast Iowa Food and Fitness Initiative:

- **Facilitated institutional purchases of produce, dairy, and meat products.** Teresa Wiemerslage, NIFF Coalition Coordinator, states that “...in 2007, one of the myths ... that we were hearing from local food service providers was that they could not buy (fresh fruits and vegetables) from farmers. Well, we raised this issue at a RFSWG meeting and as a result we were
able to get to the bottom of the issue. A formal letter was drafted and sent to all of these places so that they now realize it is OK to use fresh fruits and vegetables from local farmers. It was a significant policy change for people not just in our area but the whole state.” Through the work of the NIFF Coalition and RFSWG, the Iowa Department of Agriculture and Land Stewardship clarified its policy on the use of local food by institutions, including schools, care centers and hospitals, and these buyers are again purchasing local fruits and vegetables.

- **Expanded the growing season.** In 2008, increased buying interest from institutions led to a local wholesale and retail horticultural company to convert almost three acres of greenhouse space for the production of several types of vegetable and fruit crops.

- **Engaged schools.** The availability of off-season produce in the greenhouses led local school districts to realize they could purchase local food for approximately nine months out of the year. As of the spring of 2009, the Northeast Iowa Food and Fitness Initiative is collaborating with the school system to provide children and their families access to healthier food options.

- **Increased commitment to buying local.** Luther College, a local private college in the region, will contract with local producers for seven high volume food products in 2009, and has committed to purchasing 35 percent of its food from local producers by 2012.

Implement Solutions

In two years, the initial $20,000 provided by the RFSWG in 2006 to support the NIFF Coalition has leveraged approximately $1.2 million in food and fiber infrastructure and resources for the region. This includes investment in greenhouses, apple and pear trees, grapes, poultry expansions, garden expansions, honey bee production, farm stand marketing, construction of packing sheds, hydroponic production, and much more.

- Per Teresa Wiemerslage, “Because of RFSWG funding we were able to give out a series of mini-grants to local producers; this will be our third year to offer those grants. As a result we were able to leverage almost $800,000 off of that $10,000 investment.” The NIFF Coalition partnered with the Leopold Center for Sustainable Agriculture, the Community Vitality Center and local organization in this endeavor.

- Included in the $1.2 million figure is a $500,000 planning grant for the Northeast Iowa Food and Fitness Initiative from the W.K. Kellogg Foundation.

- By tracking the local food purchases of four to five institutions in the last two years, the NIFF Coalition identified an increase of more than $377,000.

- The NIFF Coalition has also documented more than $222,000 in increased food sales from local farmers to restaurants, food co-ops, and other institutions.

To learn more about the Northeast Iowa Food & Farm Coalition (now part of the Northeast Iowa Food & Fitness Initiative), visit [www.iowafoodandfitness.org](http://www.iowafoodandfitness.org). To see photos of the Food & Fitness group in action, visit [www.flickr.com/photos/iowafoodandfitness](http://www.flickr.com/photos/iowafoodandfitness).

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**Pottawattamie County Local Foods Coordinators and the Southwest Iowa Food and Farm Initiative:**

**Identify Food and Agriculture Systems Challenges**

The Regional Food Systems Working Group (RFSWG) is helping build vibrant and sustainable regional food systems in specific geographic areas in Iowa. RFSWG’s objective is to identify key elements within these geographic areas that will create resilient regional food systems, and provide support for groups to build capacity on
those key elements that are weak or missing. Southwest Iowa Food and Farm Initiative (SWIFFI) is one of RFSWG’s regional groups.

**Lever Funding and Expertise**

Pottawattamie County is one of several counties included in SWIFFI. In 2008, members of the Golden Hills Resource Conservation and Development (RC&D) in Pottawattamie County brought together a group of people interested in local foods to develop a strategic plan. This group included growers, food and beverage distributors, health care providers, elected officials, grocery retailers, and culinary professionals.

**Foster Learning and Innovation**

A dedicated group of volunteers worked together to develop a strategic local foods plan for southwest Iowa named Pottawattamie County Farm to Fork. The “Farm to Fork” mission is to facilitate and stimulate connections between growers and consumers, and to provide fresh, nutritious, safe, and local food while enhancing community health and economic vitality. The plan focuses on increasing the number of fruit and vegetable growers, improving the infrastructure system to support local foods, identifying new markets and distribution points, and educating growers and consumers on the benefits of local foods.

**Implement Solutions**

After the strategic plan was created and presented to the Pottawattamie County Board of Supervisors, the Pottawattamie County Board of Supervisors passed a resolution to establish the Pottawattamie County Local Food Council, a first in the state of Iowa. In addition, the Board of Supervisors pledged to provide financial support for a local food staff person at a rate of $30,000/year for five years. A Local Foods Coordinator was hired and began work at the Golden Hills Resource Conservation and Development office in March 2009. The Leopold Center provided an additional competitive grant towards the work of SWIFFI and this local foods coordinator. One of the first goals of the local foods council will be to implement the plan that has been outlined by the group. The council will provide a strong voice with local government, helping to move local food systems forward.

Learn more about the Southwest Iowa Food and Farm Initiative at [http://www.swiffi.org](http://www.swiffi.org).

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**Iowa Meat Processors’ Resource Guidebook**

**Identify Food and Agriculture Systems Challenges**

For the past few decades, there has been a steady decline of small meat processing plants in Iowa for a variety of reasons. Meat processors were struggling in several areas: business planning and feasibility, financing and financial assistance, plant design, plant construction, and labor. Assistance organizations with answers to these problems were not working holistically to help small processors.

**Lever Funding and Expertise**

The Small Meat Processors Working Group was formed in 2006 to bring resources together at the local and state levels to address the challenges of small meat
processors, resulting in many discussions, much research, educational workshops, and hands-on work with individual meat processors. The group is comprised primarily of processors, regulators, educators, and business consultants.

**Foster Learning and Innovation**

The group worked to determine what it takes to build, expand, and upgrade a small meat processing plant, and identify where assistance providers fit into this process and what pieces were missing. According to Stanhope Locker owner Clint Smith: “It was a struggle finding contractors that know all the little peculiarities of the industry and ones that could help us meet all the regulations. We had the support of the previous owner for several months, but it wasn’t until Arion came along and invited us to be part of the working group that we saw the right hand and left hand of the meat industry come together for us – for all small meat processors.”

**Implement Solutions**

The Small Meat Processors Working Group, through the North Central Regional Center for Rural Development, published its findings in 2008 as the Iowa Meat Processors’ Resource Guidebook: A Guide to Building, Upgrading, or Expanding a Small Meat Processing Facility. Comprehensive and systematic resources are laid out in each section of the guidebook, covering five critical areas: Business Planning and Feasibility, Financing and Financial Assistance, Rules and Regulations, Plant Design and Construction, and Labor. It is the only guidebook of its kind in the US. The guidebook was distributed to all state meat inspectors and is widely utilized as a resource. “This reference book serves as a common starting point for processors and regulators as they begin working together,” states Dr. Gary Johnson, Iowa Meat and Poultry Inspection Bureau Chief. Two of the Small Meat Processors Working Group members are putting the guidebook to use in rebuilding their plants. The Spillville Locker in Spillville, Iowa, is planning to upgrade its 1930’s facility and County Line Locker in Riceville, Iowa, will rebuild its operation following a fire in October 2008.

**Identify Additional Food Systems Challenges**

After publishing the Iowa Meat Processors’ Resource Guidebook, the Small Meat Processors Working Group has gone on to address several challenge areas in detail:

- **Product costing:** Many processors were using ineffective accounting methods. In conjunction with the SMPWG, Iowa State University Extension’s Center for Industrial Research and Service (CIRAS) is developing product-costing software and offering workshops to meet the specific needs of small meat processors. An early version was released in late 2008.

- **Succession planning:** Many processors have closed their doors because they could not find someone to take over their business. As a partner in the SMPWG, ISU Extension’s Value Added Agriculture Program hosted a succession-planning workshop in the spring of 2008 for small meat processors. Members of the Iowa Alliance for Cooperative Business Development and a prominent Des Moines lawyer advised attendees on how to approach succession planning.

- **Plant productivity:** Many processors are unaware of constraints on production throughput and how to deal with them. In the Spring of 2009, a member of CIRAS will lead a workshop on how processors can better understand how productive their businesses are, and how they can better understand the constraints on their production.

- **Financial Benchmarking:** How do plants stack up against each other? What costs are reasonable? The Small Meat Processors Working Group is conducting a pilot study to find out.

Download the guidebook from [http://www.extension.iastate.edu/Publications/PM2094.pdf](http://www.extension.iastate.edu/Publications/PM2094.pdf).
Sustainable Agriculture Research and Education (SARE)  
Professional Development Grant

Identify Food and Agriculture Systems Challenges

Identify Food and Agriculture Systems Challenges: People committed to supporting community-based food and agriculture systems often lack the support associated with large corporations. Many communities are faced with the challenges of moving forward with fewer resources.

Lever Funding and Expertise

The Value Chain Partnerships team has been successful because of the benefits of working within a community of working groups (using the community of practice model). The opportunities for networking, collaboration, and information sharing are valuable to its members who are making much greater strides than they could have made independently. The Value Chain Partnerships team leaders recognized that others working in the food and agriculture arena could benefit from their experience. The team submitted a proposal for a Sustainable Agriculture Research and Education Professional Development Program (SARE PDP) grant. The proposal, entitled “Learning how to use communities of practice to address sustainable agriculture issues” was accepted in November 2008 at a funding level of nearly $66,000.

Foster Learning and Innovation

The Value Chain Partnerships team has built a successful community of Iowa-based food and agriculture working groups by following the community of practice model. As a whole, the group has worked through all aspects of the community of practice life-cycle, including selecting, initiating, managing, funding, branding, and participating in working groups. The group is in a prime position to share this knowledge with others who could benefit from a community of practice.

Implement Solutions

The Value Chain Partnerships team held a pilot event for Iowa State University Extension in late April 2009, and will host a workshop in July 2009 for SARE’s North Central Region, which includes 12 states in America’s heartland. The workshop will explain to others the purpose, function, and value of using communities of practice to address key emerging community and regional issues in sustainable agriculture and food systems. Rich Pirog, leader of Value Chain Partnerships and Associate Director of the Leopold Center states, “The SARE PDP-sponsored workshops will allow the VCP team to extend our learning beyond our existing working group partners to stimulate the creation of additional working groups in Iowa and across the Midwest.” The group will discuss the community of practice model and how it has been used to develop and sustain a successful community of working groups. The group will also discuss the principles and considerations of the working group life-cycle. In order to provide experiential support, the working groups will provide examples and lessons learned, and host working group meetings where attendees can witness a community of practice in action. In addition, attendees will participate in a case study discussion of two mid-sized values-based food chains, Country Natural Beef and Organic Valley. A follow-up workshop will be planned for early summer 2010.

Learn more about the North Central SARE Professional Development Grant program at http://www.northcentralsare.org/Grants/Types-of-Grants/Professional-Development-Grant-Program.