

Next Step Recommendations for Strategic Development of Iowa Food Hubs

March, 2015

These recommendations are made on behalf of the Strategic Planning Project for Iowa Food Hub Development. The project took place in 2014 and 2015, involving more than 25 food hub stakeholders working together during three steering committee and working group meetings.

This project was funded by a grant from Ag Ventures Alliance of Mason City and a Professional Development mini-grant from the Iowa Sustainable Agriculture Research and Education (SARE) program.

The project had three primary goals:

- Convene a group of key stakeholders involved with food hub development
- Develop and implement tools to capture issues, needs and patterns emerging of food hub activity underway across Iowa to create a snapshot of food hub development in Iowa
- Develop a set of recommendations for next step strategies to support Iowa's food hub development

Results from the project research are included in a new report, "*Food Hub Development in Iowa: Lessons learned from a study of food hub managers and regional food coordinators.*" It is available on the Leopold Center website at: www.leopold.iastate.edu/food-hubs.

Background

The project began by convening a steering committee on June 26, 2014 to develop two surveys—one for food hub managers and the other for key informants. Review of survey results, along with thorough discussion, stimulated this set of recommendations for next steps in support of food hub work in Iowa.

These surveys were the first study of their kind of food hubs in Iowa. Survey results were presented to a working group that gathered on October 16, 2014. After hearing the results, the group worked together to begin discussing issues that would form the basis of the recommendations. Based on their feedback, project organizers made a first draft of eleven recommendations.

The working group was convened once more on February 20, 2015, to refine the recommendations. Through the conversation, seven recommendations belonging to two categories rose to the top as being the most critical next steps toward food hub support in Iowa. Those recommendations are presented below.

For the purposes of this project, the focus has been on an emerging new component of local and regional food system development that is being captured by the term "food hubs." Given the need for a common framework, the project worked with the understanding that:

1. Food hubs are defined as "a business or organization that actively manages the aggregation, distribution, and marketing of source-identified food products primarily from local and regional producers to strengthen their ability to satisfy wholesale, retail, and institutional demand."
(Source: National Good Food Network).
2. This is still a very young local food development in Iowa and we have tried to walk a fine line between being so inclusive that we lose our focus on food hub work and being so exclusive that we lose opportunities to partner with key stakeholders.

It is with this balancing act in mind that these recommendations are offered.

Next step recommendations for Iowa food hub development

A. Gain greater understanding of and support for Iowa food hub capacity

- A1. Develop an inventory of available infrastructure and services for local food aggregation and distribution
- A2. Develop a measure of producer interest in food hub participation
- A3. Prepare farmers for food hub markets through expanded educational opportunities
- A4. Conduct a detailed financial analysis of existing food hubs in Iowa by defining "profitable" and proposing an optimum sales value range for Iowa based food hubs
- A5. Form a food hub manager's working group

B. Develop and implement a plan for public/private investment in Iowa's local food and food hub development

- B1. Create a specific plan for Iowa public/private investments in food hub development and engage key stakeholders to assure its implementation
 - B2. Continue to support collaboration on Iowa food hub development
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A. GAIN GREATER UNDERSTANDING OF AND SUPPORT FOR IOWA FOOD HUB CAPACITY

A1. Develop an inventory of available infrastructure and services for local food aggregation and distribution

Background

The surveys asked about infrastructure and services used by Iowa food hubs. Discussion through the working group about responses to this question revealed that food hubs:

- Need a broader base of services as systems get more complex.
- Need more organized coordination of infrastructure—virtual and other kinds.
- Need access to an inventory of available infrastructure and services within regions to support and scale up operations.
- Need a larger and more complex infrastructure.

Action on the ground

Partners from Iowa State University in the working group are able to help

- Develop a matrix guide of appropriate equipment for various food hub models
- Survey food hubs using the framework of this guide

Action needed to further address this recommendation

There needs to be consideration of how food hub managers can access and integrate this information into their operations uniquely and/or collaboratively. The recommended Food Hub Managers' Working Group is a platform to begin this discussion (see recommendation A4).

A2. Develop a measure of producer interest in and readiness for food hub participation

Background

The surveys asked Iowa food hub managers to assess farmer readiness to scale up. Discussion through the working group about responses to this question pointed out that the responses are not from the farmers themselves and that there is a need for more detailed information from producers on this issue. Working group members also pointed out that data on farmer readiness for participation in food hubs has already been gathered on a smaller scale by some individual food hubs. Therefore, they recommended that efforts be coordinated across food hubs, using common measures or common survey tools.

Action on the ground

The Iowa Department of Agriculture and Land Stewardship has plans to survey horticulture producers. It may be possible to add several questions to this survey to gather information related to these concerns.

Action needed to further address this recommendation

Several other examples of producer surveys are being developed by local food groups in Iowa that may be available as templates for food hub managers and regional food system coordinators.

A3. Prepare farmers for food hub markets through expanded educational opportunities

Background

The surveys asked about programming in place in each food hub manager's region. Discussion through the working group identified the need for further farmer business training.

Action on the ground

There are workshops provided by Iowa State University Extension and Practical Farmers of Iowa that address these kinds of educational needs. There are also regional food system coordinators in Iowa providing producer education on a regional basis.

Action needed to further address this recommendation

There needs to be coordinated planning between these educational delivery systems and the content needs identified by producers in collaboration with regional food hub managers.

A4. Conduct a detailed financial analysis of existing food hubs in Iowa by defining "profitability" and an optimum sales value range for Iowa-based food hubs

Background

The surveys asked food hub managers to report gross revenues for their business and whether their business was “making a profit.” Discussion in the working group about responses to this question revealed that we need additional information to more accurately define “making a profit.” The discussion considered the results from the National Good Food Network Benchmarking study, the fact that any size of food hub can be profitable if it is managed appropriately, and that there is a need to further define the “optimal” level of scale to be viable.

Action on the ground

The Leopold Center for Sustainable Agriculture is supporting a number of projects working on food hub development, including development of a financial assessment toolkit that will be an important resource to support this conversation.

Action needed to further address this recommendation

The recommended Food Hub Managers’ Working Group is a platform to begin that discussion and to develop a common set of metrics.

A5. Form a food hub manager’s working group

Background

The surveys inquired about existing cooperation between Iowa food hub managers, for a response to a statewide food hub concept, and for Iowa food hub managers to identify challenges. Discussion in the working group about responses to these questions revealed food hubs’ need for a process that can:

- Explore areas of potential for shared services, talent, and infrastructure
- Explore how this group can help identify emerging food hub needs
- Consider a “best practices” document of food hub management
- Provide a unified banner under which to leverage dollars—grants, small loans or investment programs

Action on the ground

A proposal is being finalized to secure funding and leadership for a pilot food hub managers’ working group that is expected to launch this recommendation by June 2015.

Action needed to further address this recommendation

Assuming the proposal is successful, the food hub managers' working group will identify additional actions needed.

B. GREATER COMMITMENT TO THE OPPORTUNITY REPRESENTED BY FOOD HUBS

The study and working group process made clear the importance of continued strong, coordinated leadership, vision, and investment to assure that Iowa food hubs reach their full capacity to address sustainability of food entrepreneurship, food security, and rural revitalization.

This project continued to underscore that Iowa food hubs represent a powerful new component of local food development. Discussions through the working group identified the critical importance of strong coordinated leadership and significant financial investment in the next steps of food hub development in Iowa. In order to leverage investment, a specific plan needs to be in place, additional stakeholders brought to the table, and continued collaboration supported.

"Thirteen food hubs identified as part of this project purchased \$4.5 million in food from more than 450 Iowa farmers and supported 58 jobs."

(Source: *Food Hub Development in Iowa: Lessons learned from a study of food hub managers and regional food coordinators.*)

B1 Create a specific plan for Iowa public/private investments in food hub development and engage key stakeholders to assure its implementation

Background

Project surveys asked about income streams for Iowa food hubs. While food hubs are able to access diverse funding support, discussions through the working group emphasized the need for significant investment from key partners in Iowa to help Iowa food hubs achieve their impact more rapidly.

Action on the ground

There are numerous institutional partners with an interest in Iowa's local and regional food system development. Moreover, there are a number of members of this project's working group familiar with key policy and funding stakeholders. Leopold Center staff led the effort to develop, publish, and disseminate results from this project so that the public and key stakeholders have access to results.

Action needed to further this recommendation

Targeted and specific facilitation is needed to bring a variety of partners together to develop an investment plan and put that plan into action.

B2. Continue to support collaboration on Iowa food hub development

Background

The conversation that took place through convening key stakeholders allowed the working group to recognize that the group has more strategic capacity working together rather than separately. The working group identified this capacity as a key asset in Iowa's food hub development.

Action on the ground

There are annual local and regional food conferences in Iowa that can serve as a venue for continuing to foster this collaborative conversation.

Action needed to further address this recommendation

The lead organizers of those conferences will need to be contacted to explore both timing and programming to follow up on this recommendation.

For more information

For more information about these recommendations or about this project, contact any of these project team leaders:

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