

# **Sustainable Community Food Systems: Case Studies**

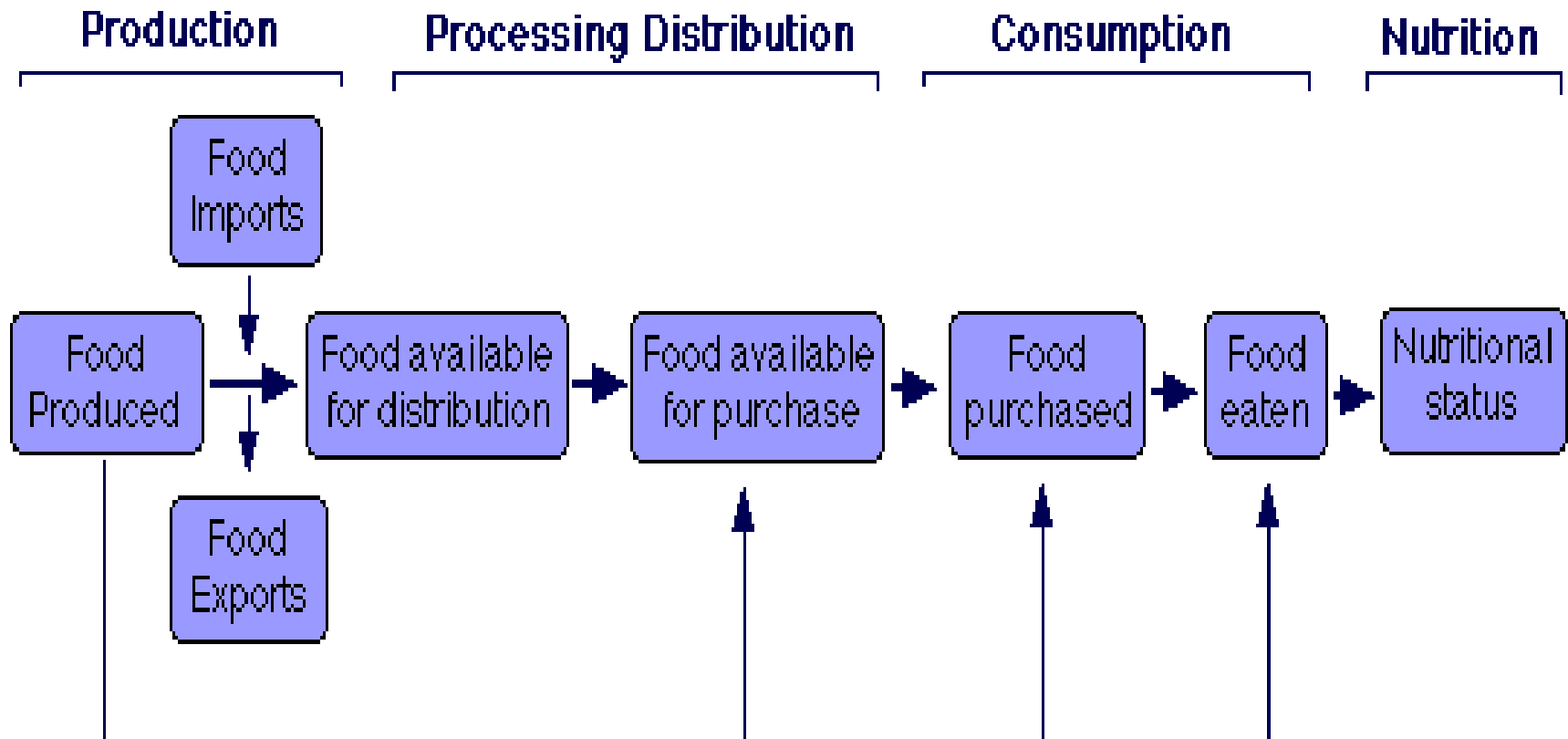


**Dr. Curt Stofferahn, UND, Dr. Gary Goreham,  
NDSU and NDSU students.**

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# The Food System

## The Food System



# Food System Components



- Production processes & inputs
- Food distribution
- Food preparation & preservation
- Food use & consumption
- Recycling & disposal of food wastes
- Support services necessary for system to operate

# The Food Chain: Combines Components & Support Services



# Criticisms of Current Food System



- Loss of local food diversity
- Loss of consumer relationship to farmer & the land
- Food safety & consumers
- High costs to the environment
- Decreased diversity of plant & animal genetics
- Effects on producers & rural communities
- Increased concentration of ownership & control by few firms in processing sector

# Consumer Trends and Community Food Systems



- Consumer trends indicate opportunity to develop a local food system
  - Increasing consumer concerns about food safety
  - Consumer perceptions about organic food are changing
  - Consumer buying behavior is changing
  - Consumers are willing to pay more for a premium product

# Consumer Trends and Community Food Systems



- Consumer trends (continued)
  - Consumers are becoming more health conscious
  - Purchasing seasonal foods is gaining in popularity
  - Consumers are increasingly concerned about quality of life
  - Many consumers recognize the importance of supporting their local economy

# Sustainable Community Food System: Definitions

- Sustainable community food systems have been described as: *"Self reliant, locally or regionally based food systems comprised of diversified farms using sustainable practices to supply fresher, more nutritious foodstuffs to small-scale processors and consumers to whom producers are linked by the bonds of community as well as economy. The landscape is understood as a part of that community and, as such, human activity is shaped to conform to the knowledge and experience of what the natural characteristics of that place do so or do not permit"* (Kloppenbergh et al., 1996).

# **Sustainable Community Food Systems: Working Definition**



- A system in which “food is grown, processed, distributed and consumed in an ecologically and socially responsible manner on a local, community scale” (Wilkinson et al., 1997)

# Sustainable Community Food Systems: Definitions

- In addition to *Economics*, sustainability can be defined in terms of three other E's: *Ecology*, *Ethics*, & *Equity*
  - ***Ecology***: Long-term food sufficiency, food systems that do not destroy their natural resource base
  - ***Ethic***: Food systems that are based on a conscious ethic regarding humankind's relationship to other species and to future generations
  - ***Equity***: Food systems cannot be sustainable if there are gross inequities in the distribution of food or means to produce food

# **Sustainable Community Food Systems: Main Idea**



- Foods are produced, processed & distributed as locally as possible
- Supports a food system that
  - preserves farmland &
  - fosters community economic vitality,
  - requires less energy for transportation, &
  - offers consumers the freshest foods

# **Sustainable Community Food Systems: Elements**



- Involves a social & an economic relationship between producers & consumers
- Fosters community self-reliance by reducing dependence on outside food producers & distributors
- Includes training & technical assistance for farmers, processors & distributors

# Sustainable Community Food Systems: Justification



- The design of food systems has many social, economic, & environmental implications:
  - **Environmental:** the way in which food is produced has a significant impact on local environmental conditions such as erosion and water quality. It also has a significant impact on land use patterns.

# Sustainable Community Food Systems: Implications

- **Economic:** The markets for food products, and the prices paid by these markets, influences the size and nature of farms that can be economically viable. Further, money generated from the food system has many economic benefits or drawbacks, depending on how the system is operated.
- **Social:** Food systems play a significant role in shaping one's sense of community, relationship with other community members and connection with place. They can also foster local self-reliance. Other important social implications of food systems include consumer nutrition and access to an adequate food supply by all community members.

# Components of a Sustainable Community Food System:

- community/church supported agriculture (CSA),
- direct on farm marketing,
- farmers markets,
- subscription farming,
- on-farm marketing
- roadside stands,
- home delivered routes
- on-farm/community-based food processing
- organizational collaboration

# Components of Sustainable Community Food Systems



- **Community supported agriculture (CSA) system:** A contract of sorts is agreed upon between farmers and several consumer members which is based on shared goals, responsibilities, and rewards. The members make a commitment to support the farmer, including inputs and salary, and the farmer commits to grow the products that the members want.

# Components of Sustainable Community Food Systems

- **Congregation supported agriculture (CSA) system:** Churches have long been concerned with the problems facing rural America. More recently, they began looking within the church at using the CSA model to support local beginning or family-sized farmers, provide fresh food for the poor and those with special needs. A CSA allows church members to feed their own families fresher food as well with the church as a drop-off site for food distribution.

# Components of Sustainable Community Food Systems



- **Subscription farming:** This model is similar to the CSA model and can vary a bit as well. In most cases a consumer agrees to purchase a set amount of food over a given period of time. When the deposit amount has been used, the subscriber may provide another deposit.

# Components of Sustainable Community Food Systems



- **On-farm marketing:** The food and fiber which is produced on the farm is sold directly from the farm. The basic premise is that a connection, a face-to-face relationship, is created between the farmer, the consumer, and the land.

# Components of Sustainable Community Food Systems



- **Commercial direct marketing:** Restaurants, hospitals, schools, and colleges are becoming interested in purchasing nutritious locally grown produce directly from farmers.

# Components of Sustainable Community Food Systems



- **Farmers Markets:** Are held in most urban areas of the country but few are held in rural areas. They can provide fresh, locally grown food to the community.

# Components of Sustainable Community Food Systems



- **Roadside Stands:** Can be located just about anywhere. A farmer may use the same location year after year and may have a loyal customer following. A relationship between the farmer and the consumer can be built this way.

# Components of Sustainable Community Food Systems



- **Home Delivered Routes:** Is less common a model than the others because it is a time intensive model. The products are grown and delivered by the producer in most cases. It works best with meat, but eggs, vegetables, baked goods, and fruit models exist as well.

# Components of Sustainable Community Food Systems



- **Community kitchens:** When value is added to products, a whole new set of state regulations come into play. A number of initiatives are being developed in rural areas to create community kitchens, some of which offer the services of a produce marketing center and the affordable use of a licensed, commercial kitchen.

# Components of Sustainable Community Food Systems



- **Organizational collaboration:** With other churches or organizations whenever possible. Work with rural economic development groups or community economic development groups; federal, as well as state and local government agencies; education institutions; consumer groups; environmental groups; some farm organizations; cooking and gardening clubs.

# Sustainable Community Food Systems & Local Development

- At the basis of this assumption lie several related arguments
  - ***Import substitution*** – replacing imported goods with goods produced locally is a powerful economic development strategy
  - ***Locally-owned processing plants*** (those that add value to locally grown crops) generate and retain significant capital in local economies
  - ***Cities and their surrounding regions*** may be the most vital and important economic actors

# Barriers to Achieving Sustainable Community Food Systems

## ■ Farmers

- Inadequate number of sustainable growers
- Lack of basic information on sustainable production techniques
- Poor understanding of the economics of sustainable practices
- Potentially high economic transition costs to sustainable production
- Poor general business management & marketing skills
- Poor access to existing markets

# Barriers to Achieving Sustainable Community Food Systems

## ■ Processors

- Poor access to local consumer markets
- Small & dispersed local markets
- Poor production economies of scale
- High start up costs
- Dearth of efficient, low cost, small-scale processing equipment
- High costs to meet health regulations
- Poor access to financial capital
- Regulations geared to large-scale industrial operations

# Barriers to Achieving Sustainable Community Food Systems



## ■ Distributors

- Poor general business management & marketing skills
- Poor access to financial capital
- Lack of infrastructure for alternative distribution systems
- Distance to consumers

# Barriers to Achieving Sustainable Community Food Systems



## ■ Consumers

- Lack of convenient, year round availability of organic food products
- Preference for uniform, visually attractive food products
- Lack of willingness to pay more than 10% premium for organic products
- Low knowledge of sustainable food systems benefits

# Target Market Share for a Community Food System (Integrity Systems Coop. Co, 1997)

<u>Food Categories</u>	<u>1993 Actual Expenditures</u>	<u>Proportion That Could Be Met Be A Community Food System</u>	
		<u>Percent</u>	<u>\$/year</u>
Cereal Products	\$162	0%	\$0
Bakery Products	\$279	100%	\$279
Beef	\$227	50%	\$144
Pork	\$154	50%	\$ 77
Other Meat	\$ 99	40%	\$ 40
Poultry	\$129	100%	\$129
Fish & Seafood	\$ 88	60%	\$ 53
Eggs	\$ 31	100%	\$ 31
Fresh Milk & Cream	\$132	100%	\$132
Other dairy products	\$172	30%	\$ 52
Fresh fruit	\$140	70%	\$ 98
Fresh vegetables	\$134	75%	\$ 101
Processed fruit	\$ 98	60%	\$ 59

# Target Market Share for a Community Food System (Integrity Systems Coop. Co, 1997)

Food Categories	1993 Actual Expenditures	Proportion That Could Be Met Be A Community Food System Percent	\$/year
Processed vegetables	\$ 80	60%	\$ 48
Sugar & other sweets	\$119	5%	\$ 6
Fats & oils	\$ 79	5%	\$ 4
Miscellaneous goods	\$381	35%	\$ 133
Non-alco. Beverages	\$232	20%	\$ 46
Total Food At Home	\$2736	53%	\$1459
Food Away From Home	\$1736	20%	\$ 347
Household Expend/Year	\$4472	40%	\$1806
<b>Number of households in community of</b>	<b>150000</b>		<b>60000</b>
<b>Potential sustainable food system market (60,000X\$1806)</b>			<b>\$108,384,000</b>
<b>Sustainable food market @5% market share (60000X\$4472)</b>			<b>\$ 13,416,000</b>
<b>Percentage household participation rate @5% total market share</b>			<b>12%</b>

# Case Studies of Examples of Components of Sustainable Community Food Systems

- Direct, Off-Farm Marketing (Goosemobile, Canistota, SD)
- Community Supported Agriculture (Old Trail Market, Moorhead, MN)
- Value-Added Processing (Dakota Style Processing, Clark, SD)
- Sales of Locally Produced Foods to a Grocery Store (Hornbacher's Grocery, Fargo, ND)
- Direct Off-Farm Marketing (Food Marketing Coop, Long Prairie, MN)

# Case Studies of Examples of Components of Sustainable Community Food Systems

- Farmers Markets (Lakes Area Farmers Market Coop, Detroit Lakes, MN)
- Food Co-op (Grand Forks Food Coop -- Amazing Gains Natural Food Market, Grand Forks, ND)
- Institutional Purchases of Locally Produced Foods (UND Dining Services)
- Value-Added Wheat Flour Milling (Summer's Harvest, Page, ND)
- Vegetable Production By A Partnership for Local Grocery Store Sales (Nesson Valley Gardens & Thunderbird Ranch Enterprises, Williston, ND)

# Lakes Area Farmers Market Coop, (Detroit Lakes, MN)



- **Organization:** LAFMC was organized in 1998 and became operational in 1999. Impetus came from the Agric. Committee of the Chamber of Commerce. Dr. Maiga, Co. Ext. Ser. Director was the catalyst. Its objectives are: (1) to provide a location for regional producers to sell their home grown products; (2) to improve the local economy and to provide fresh, nutritious, wholesome foods to local residents. Governed by a 10 member board, half of which are producers. Initially funded by a grant from the Minn. Dept. of Agric.

# Lakes Area Farmers Market Coop, (Detroit Lakes, MN)



## ■ Challenges:

- Location: Preference was for a location along highway 10 but there was no safe access. Settled on a city park near the fair grounds. LAFMC pays a nominal fee to city council.
- Food Safety Issues: Vendors had to have a license if food hazards were involved. Licensing required compliance with food and health regulations but vendors found it difficult to comply or to obtain information.

# Lakes Area Farmers Market Coop, (Detroit Lakes, MN)

## ■ Challenges (continued)

- Marketing & advertising: Membership fees cover cost of signage and newspaper & radio ads.
- Pricing: Ongoing dispute between having LAFMC set prices or letting vendors set prices. Currently vendors set prices. They are encouraged to check with grocers and other vendors as to market prices. Also are encouraged not to sell themselves short.
- Finances: Income -- sponsorships (\$800), market space fees (\$540), MN Dept. Agric. (\$400), dues (\$375), donations (\$250); Expenses -- Advertising (\$465), insurance (\$306), office exp. (\$101), legal & accounting (\$60), licenses & permits (\$30)

# Lakes Area Farmers Market Coop, (Detroit Lakes, MN)

## ■ Challenges (continued)

- Vendor's responsibilities: Organic verification; insurance liability
- Committed vendors & adequate supply: Five to ten vendors necessary at a minimum; need adequate supply of produce;
- Market manager: Duties include (1) putting up & taking down signs; (2) managing the vendors & overall farmers market activities; (3) collecting fees from vendors; (4) overseeing opening and cleanliness. Co. Ext. Service provided service but LAFMC will hire a manager.

# Lakes Area Farmers Market Coop, (Detroit Lakes, MN)



- **Description of customers:** All ages, looking for specific produce or products, some tourists but most are local, will expand payment to include WIC vouchers
- **Relationship to grocery stores:** Don't view LAFMC as a competitor but as an attraction
- **Relationship to Ext. Service & Faith Community:** Co. Ext. Service has been very much involved in establishing and operating the LAFMC. The ministerial association has promoted it through announcements in church and mailings

# Lakes Area Farmers Market Coop, (Detroit Lakes, MN)



## ■ Impacts of LAFMC on Vendors & Community:

- Vendors: (1) New market for products; (2) new customers; (3) get information on preferences; (4) made money;
- Community: (1) Make fresh products available to residents; (2) vendors were able to pay their bills; (3) provided the community with a new activity where people could meet; (4) helped to retain business in the community; (5) drew some business to the community

# Lakes Area Farmers Market Coop, Detroit Lakes, MN



- **Future Plans:** Grow to 15 vendors, encourage larger customer base by including activities like BBQs & cooking, inclusion in farmers market directory, development of a website, additional advertising, accepting WIC vouchers

# Direct off-farm marketing -- SD Poultry Hdqrts -- Goosemobile (Canistota SD)

- **Establishment:** Neuberger left teaching in 70's to raise cattle but 80's farm crisis led them to sell cattle and to develop full-scale poultry production instead.
  - Incubation: Learned hard way about complexity & cost of quality incubators so now leave that to others
  - Lack of local processing plant: Nearest plant was in Iowa but poultry processed in Iowa could only be sold in Iowa.
  - Marketing: Decided to sell poultry in Iowa from their own truck. Placed ads in local newspapers to notify when they would be in town to sell poultry.

# Direct off-farm marketing -- SD Poultry Hdqrts -- Goosemobile (Canistota SD)

- **South Dakota Goose Assoc.:** Neuberger told the assoc. of their success in IA. The assoc. decided to try it as an assoc. activity. Focused on SD small towns.
  - Importation of cheap Canadian imports and changing consumer tastes lead to demise of assoc. Only Neuberger were left.
- **Goosemobile:**
  - Customized mobile trailer with chest freezers,
  - Diversified into other poultry, beef/pork/lamb, exotic meats, high protein/low fat/low cholesterol meats, free range meats/no hormones or other chemicals

# Direct off-farm marketing -- SD Poultry Hdqrts -- Goosemobile (Canistota SD)

## ■ **Goosemobile** (continued)

- Schedule: 13 day, 192 stop tour, pre-orders are 75% of business, maintain mailing list of 5000 who receive Goosemobile News with schedule and order form

## ■ **Customers:**

- Niche customer base consisting of those willing to pay premium for "old-fashioned" raised poultry & livestock
- Clients vary from elderly nostalgic for flavor of free-ranged livestock to young adults concerned about environ. & nutritional issues. Also includes several grocery chains and upscale restaurants

# Direct off-farm marketing -- SD Poultry Hdqrts -- Goosemobile (Canistota SD)

## ■ Challenges & Opportunities:

- Decline in processing facilities lead to conversion of semi-trailer to a compact processing facility capable of plucking & cleaning 200 chickens and 10 geese a day which are transferred to on-site finishing facility
- Difficulty in getting word out about nutritional & health benefits of low fat/low cholesterol/free range animals.
- Transfer of business -- nearing retirement age and next generation of family not interested in continuing business. Working with NB Landlink & SD Farmlink

# Direct off-farm marketing -- SD Poultry Hdqrts -- Goosemobile (Canistota SD)

## ■ Challenges & Opportunities:

- Management and relational intensive: Nebergers are people oriented, work hard, have a unique and quality product, and little competition
- Adding value: Variety of additional products for unique customer preferences
- Converting waste into products: Dakota Down Feather Products, artists supplies, entrails cooked & fed to pigs
- Keeping product costs down by limiting outside labor and using homeopathic methods.
- Marketing difficulties: Postage rising, mass marketing not cost effective, developing a website

# Direct off-farm marketing -- SD Poultry Hdqrts. -- Goosemobile (Canistota SD)



- **Production:** SD Poultry Headquarters produces 600 poultry a year -- 4000 chickens with remainder other poultry. Have contracts with other livestock producers.
- **Recommendations:** (1) not to expect great immediate achievements; (2) networking through professional meetings; (3) read trade magazines & attend trade shows; (4) talk with others with similar interests

# Community Supported Agriculture: Old Trail Market, Moorhead MN

- **Establishment:** Ben Larson started the CSA on the Probstfield Living History Farm in 1997 with 3 acres and 25 subscribers. By 1999 he had 5 acres and 45 subscribers.
- **Organization:** Ben divided his operation into 3 parts - 1/3 CSA, 1/3 farmer's market, & 1/3 roadside stand.
- **Customers:** Ben surveys his customers to determine which produce they dislike, liked, and wanted more of. He says relations with customers are based on trust. He says his customers are educated, enjoy cooking, and approach life optimistically.

# Community Supported Agriculture: Old Trail Market, Moorhead MN

- **Suppliers:** He relies on a number of input suppliers. Seed comes from Maine. Organic inputs come from Calif., Maine and Twin Cities. He uses local suppliers for equipment.
- **Guiding Principles:** Contrary to some CSAs, Ben does not have any idealistic philosophy. He says he wants to provide fresh produce to customers and to farm on a small scale. Says about 1/2 of customers want organic produce and other 1/2 wants wholesome food.
- **Advertising:** CSAs serve a market niche so networking or community marketing works best for him. Word-of-mouth among customers' friends works well.

# Community Supported Agriculture: Old Trail Market, Moorhead MN

- **Marketing:** Ben is pursuing sales to grocery stores in Fargo/Moorhead through a USDA grant. It has been difficult to get produce on store shelves although Hornbachers and Cashwise have stocked some which sold well. He found it difficult to get into the Fargo Farmers Market so with other organic growers, he organized another farmers market as well as an alliance to market organic produce to grocery stores.
- **Finances:** The 1999 gross farm income was \$25,000 of which 1/3 to 1/2 was used for operating expenses and \$8000 for maintenance & improvements. He has an 8 year rent-free agreement and lives on a house on the farm.

# Community Supported Agriculture: Old Trail Market, Moorhead MN

- **Starting a CSA:** Ben suggests some practices to help:  
(1) Keep it small at first so it doesn't overwhelm you;  
(2) Plan for hard work and some hired labor; (3) Be ecologically smart, meaning using fewer or no agric. chemicals; (4) Market the garden and sell for profit; (5) Take time to test different gardening techniques & decide which works best and will make the most money.
- **Future of the CSA:** He intended to keep it small (<10 acres), keep it and the roadside stand open, increase crop yields, increase variety of produce. *Ben ceased operation of it in 2000 because of variety of problems.*

# Community Supported Agriculture: Old Trail Market, Moorhead MN

- **Challenges to CSAs:** (1) Main challenge is in mixing the different types of marketing and in combining the different marketing approaches. (2) Amount of time spent selling subscriptions could be spent in the field or in making marketing decisions. (3) Income consistency is a challenge. The CSA provides \$15/\$20 per subscriber per week, but the farmers market income is unpredictable.
- **Benefits to CSA Farming:** (1) You can be your own boss; 2) can profit from own hard work; (3) CSAs are beneficial to the community; (4) Customers receive fresh produce

# Community Supported Agriculture: Old Trail Market, Moorhead MN



- **Lessons Learned:** Ben said he learned that one (1) should not increase acreage too soon; (2) might have to seek part-time, off-farm employment to the early in order to support the CSA while it is being established; and (3) conduct a lot of research and start small and build slowly.

# Value-added on farm-processing: Dakota Style Potato Chips (Clark, SD)

- **Establishment:** In the mid-1980s, the Campbell family experimented with using their potatoes to create “industrial” strength potato chips in their farm kitchen. They eventually remodeled the barn to accommodate growing sales. By 1999 it was a million dollar business with 22 employees, a payroll of \$220,000, processing 1.3 million pounds of locally- and Red River Valley grown potatoes, and an expanded physical plant that includes a warehouse & office.
- **Product:** The chips come in 6 flavors and now the product line includes pretzels, jerky, sunflower seeds, microwave popcorn, salsa & cheese dip. The non-chip products are contracted with other firms & are sold under Dakota Style’s label.

# Value-added on farm-processing: Dakota Style Potato Chips (Clark, SD)



- **Labor supply:** Twenty two employees primarily recruited locally who occupy a range of positions. Four delivery routes cover eastern SD. Warehouses are Sioux Falls, Aberdeen, Custer, Chamberlin, Rapid City, Bismarck & Minneapolis.
- **Organization:** Was a family business from 1985 to 1998 when the Campbells decided to return to farming full time. They sold the business to three local couples who continue it. The Campbells raise potatoes for the plant.

# Value-added on farm-processing: Dakota Style Potato Chips (Clark, SD)



- **Future plans:** Continuation of a newsletter and the addition of a website. Unable to expand at present location, but decided against moving away from the “barn” as that is part of the product’s identity
- **Recommendations:** (1) Figure what it is going to cost to get started and double that; (2) learn how to delegate authority; (3) need for someone to be the “people person” to maintain contact with customers, suppliers, distributors and labor force.

# **Institutional Purchases of Locally-Produced Foods: UND Dining Services (Grand Forks, ND)**

- **Description:** UND Dining Services serves about 5,000 meals a day, seven days a week, 34 weeks a year for a total of 1.2 million meals. It has 110 full-time staff and 200 part-time student staff.
- **Input suppliers:** In 1995, No. Dak. Univ. System institutions entered into a prime vendor agreement with Food Services of America (FSA) which requires them to purchase 95% of all foods through FSA. Excluded from the contract are dairy products (Land O'Lakes or Minnesota Dairy), baked goods (Holsum Bakery), and specialty or small lot purchases.

# **Institutional Purchases of Locally-Produced Foods: UND Dining Services (Grand Forks, ND)**

- **Obstacles to purchasing locally-raised or processed foods:** (1) Prime vendor contract; (2) produce or foods must be from licensed, inspected and bonded vendors; (3) all vendors must be bonded so that they assume risk if there are delivery problems or food safety issues arise; (4) have to provide the same kind of quantity, quality, and delivery as prime vendor; (5) have to provide prepared foods as does the prime vendor in order to reduce labor costs.

# **Institutional Purchases of Locally-Produced Foods: UND Dining Services (Grand Forks, ND)**

- **Issues to consider in purchasing locally-raised or processed foods (Univ. of No. Ia. Experience):** (1) Delivery problems -- have to rely on suppliers' delivery to Dining Services because Dining Services did not have people to make trips to farms; (2) Consistency in quality & quantity -- UNI often could not use produce delivered to it because of poor quality or insufficient quantity; (3) Having to maintain relationships with existing suppliers to ensure delivery in winter months of when local suppliers could not deliver; (4) Price & service competitiveness -- UND & UNI have rigid guidelines which have been price driven as well as in value-added services provided.

# **Institutional Purchases of Locally-Produced Foods: UND Dining Services (Grand Forks, ND)**

- **Opportunities:** If local producers organized into a cooperative that could guarantee consistent quantity, quality, and delivery together with bonding, licensing, and inspection, UND Dining Services would be interested in working with it on a prime vendor contract. Such a contract will have to be with all NDUS institutions.

# **Sales of Locally Produced Foods to a Cooperative Food Store: GF Food Coop/Amazing Grains (Grand Forks ND)**

- **History:** GF Food Coop was established 30 years ago as a buying club. Food was bought in bulk and distribute to members. Eventually the club needed a building for produce to be delivered and picked up. The building became the store where members could shop. In 1999 the coop moved downtown to a new location and was renamed Amazing Grains.
- **Organization:** It is a cooperative with 220 members who pay \$100 one-time investment. Members receive a discount on purchases. A board of directors governs the coop. It has a paid staff and some volunteers.

# Sales of Locally Produced Foods to a Cooperative Food Store: GF Food Coop/Amazing Grains (Grand Forks ND)

- **Suppliers & Vendors:** GF Food Coop is a member of *Blooming Prairie Coop* warehouse in Minneapolis which is the main supplier. Blooming Prairie secures its foods nationwide and provides supplies to coop stores in the upper Midwest. GF Food Coop also secures grains from *Natural Way Mills* or *Tochi Products*. *Roots and Fruits*, another coop distributor, provides fresh fruit and vegetables which are secured nationwide and internationally. GF Food Coop carries organic milk from Blooming Prairie and non-Bst milk from *Land O'Lakes*. *Frontier Herbs*, another coop distributor, provides bulk herbs, spices, vitamins, health & personal products.

# **Sales of Locally Produced Foods to a Cooperative Food Store: GF Food Coop/Amazing Grains (Grand Forks ND)**

- **Relationships to Local Suppliers:** GF Food Coop gets eggs from a local producer, orders beef and lamb from North Outback of Langdon, ND, obtains garlic from a producer in Minot ND, and fresh produce from Klawitter's CSA in Euclid, MN. It has just started to order baked breads from Pierre's Bakery in Thief River Falls, MN whose owners bring bread to the store four times a week and also gets bread from Great Harvest in Fargo which ships twice a week. It obtains rhubarb jam from a local processor and just began selling bee balm produced by a woman from Fischer MN.

# **Sales of Locally Produced Foods to a Cooperative Food Store: GF Food Coop/Amazing Grains (Grand Forks ND)**

- **Interest in Securing More Local Produce:** Only if the produce or products were of good quality and for which an existing supplier does not already exist. They must be organic, all-natural, good tasting, reasonable in price and a good fit with customer preferences.
- **Overcoming Obstacles to Purchasing Local Produce:** Would be interested in working with an organization to develop a producer coop to market fresh or processed organic or natural foods if it could deliver fresh or processed organic or natural foods. Would prefer to work with one supplier than a number of them. Would like to order locally produced, fresh, organic poultry if it were inspected.

# **Sales of Locally Produced Foods to Grocery Stores: Hornbachers Grocery (Fargo ND)**

- **Hornbachers Grocery:** Is a chain of five stores in the Fargo-Moorhead area owned & operated by Supervalu. The branch produce managers have the option to supplement their inventories with local produce on a first-come, first served basis.
- **Relationship to Local Producers:** Delivering high quality products to the customer is the highest priority. The company uses local producers to supplement what it receives from the warehouse. Local producers who sell to Hornbachers must work directly with the branch produce managers through daily phone calls. Those who prove themselves trustworthy have no problems in carving out a niche.

# Sales of Locally Produced Foods to Grocery Stores: Hornbachers Grocery (Fargo ND)

- **Local suppliers:** Hornbachers depends on *Ben Larson's Old Trail Market CSA* to deliver high quality produce in summer months. *Jodi Albert of Albert's Greenhouse* in Erie, ND has established a relationship with Hornbachers by supplying tomatoes and fresh flowers to three of the stores. She plans to add peppers and cucumbers. Because of her greenhouse, she can supply fresh tomatoes year round.
- **Impact:** Hornbachers has a strong desire to support the local community and purchasing from local producers is one way to have a financial impact on the economy as well as providing quality produce to their customers

# **Sales of Locally Produced Foods to Grocery Stores: Hornbachers Grocery (Fargo ND)**

- **Barriers to Purchasing from Local Producers:** Are few and rarely insurmountable. Both the produce and general manager stated there are no regulations or distributors' agreements that bar them from purchasing from local producers. Hornbachers establishes its own standards. Meat and poultry products have to be USDA inspected and the closest inspector is in Omaha so having a local inspector would be helpful. Producers should not try to compete with the prices for products from the large food companies.

# **Sales of Locally Produced Foods to Grocery Stores: Hornbachers Grocery (Fargo ND)**

- **How to Sell to a Grocery Store:** Establish a relationship with the produce manager. Work together to determine what would be a marketable product, decide what the quality standards should be, and do what it takes within reason to meet these requirements. It takes time to establish a trusting relationship and to be seen as a reliable supplier.

# Value-Added Marketing Cooperative: Whole Farm Cooperative (Long Prairie, MN)

- **Whole Farm Cooperative:** Represents 30 member families in central Minn. The coop allows them to raise livestock and grow produce under sustainable agricultural practices for a unique customer base. The market niche consists of church, social and economic advocacy groups and university personnel.
- **History:** The members knew each other through the Sustainable Farming Association of Central Minn. They decided to capture more of the food dollar by marketing their own products. Through a member's contact, the group began to deliver to churches involved in social & economic advocacy.

# Value-Added Marketing Cooperative: Whole Farm Cooperative (Long Prairie, MN)

- **Organization:** Through a SARE grant, the group organized a coop to help with marketing, processing & distributing. The Minn. Food Assoc.'s Community Food Program stipulated that recipients must use vouchers to purchase Minn grown food. The coop was able to provide that food. Half of the income of the coop are from that program.
- **Members:** Anyone who farm sustainably and pays the \$5 membership fee may join. Most members are from central Minn counties. Some produce is kept in a warehouse, but most is kept on the farm and delivered when there is an order. Members retain ownership of the produce, but the coop receives a portion of the selling price to cover costs.

# Value-Added Marketing Cooperative: Whole Farm Cooperative (Long Prairie, MN)

- **Customers:** Have about 34 drop off sites at churches, social & economic justice groups, and some private homes. Group customers include the Institute for Agric. and Trade Policy, Land Stewardship Project, Minnesota Food Asso., Sustainable Resources Council, Minneapolis/St. Paul Dioceses of the Catholic Church, Minn. Council of the Churches of Christ. Individual customers send orders via email or regular mail and deliveries are made to drop off sites once a month. Volunteer coordinators distribute orders to customers. Most customers are in the Twin Cities area

# Value-Added Marketing Cooperative: Whole Farm Cooperative (Long Prairie, MN)

- **Customer Types:** Three types: *Price conscious* (60%) who consider price as the most important aspect of food purchases; *Health/quality conscious* (10%) who make purchases based on whether the product is organic; and *Safety conscious* (30%) consisting of urban consumers who are aware of food-related issues such as e-coli, antibiotics, hormones, etc. Key to expanding coops customer base is through education focusing on health and quality issues as well as sustainable production practices.

# Value-Added Marketing Cooperative: Whole Farm Cooperative (Long Prairie, MN)

- **Networking:** Sustainable Farming Assoc. of Central Minn. -- sustainable farming practices; USDA SARE -- financial assistance; SCORE -- technical & business advice, Minn. Commodity Food Program -- customers; Minn. Food Assoc. & Sustainable Resources Council -- legislation to increase commitment to "Minnesota Grown" products. Other networking -- Agric. Utiliz. Research Institute, Minn. Dept. of Agric., Blandin Foundation, Todd Co. & Univ. of Minn.

# Value-Added Marketing Cooperative: Whole Farm Cooperative (Long Prairie, MN)

- **Challenges:** (1) Management: Update business plan to make it a living document; establish more committees to better delegate responsibilities and micro-manage tasks; establish committee to identify and apply for grants; establish standard operating procedures (SOPs). (2) Full time general manager: the volunteers have taken on too much responsibility and are getting burned out; (3) Interim solutions: SOPs would help designate responsibilities & chain of command; adding a volunteer component to requirements for membership;

# Value-Added Marketing Cooperative: Whole Farm Cooperative (Long Prairie, MN)

- **Opportunities:** (1) Working with Univ. of Minn. -- Morris on the grazing research program to hopefully determine whether sustainably produced milk is healthier; (2) the infrastructure can handle twice the capacity of the current demand; (3) developing their identity within a niche market by reaching out to consumers who want “Minnesota Grown” and “food with a face”; (4) greater expansion in the urban market; (5) open house to attract central Minn customers; (6) delivery route to coop stores and drop sites north of Long Prairie.

# Direct Marketing: Nesson Valley Gardens/Thunderbird Ranch Enterprises (Ray ND)

- **History:** Began with 5 neighborhood farm wives 4 1/2 years ago who wanted to grow produce and sell it thereby utilizing the corner spaces of their irrigated fields. The second year two of them dropped out. The remaining three rotate planting between their three fields. Last year they had 9000 linear feet of produce between three zones. They began with "regular" vegetables as well as any of the more exotic ones that their customers want. They are not organic producers because the land is already chemical-familiar and the chances of losing the crop to infestation or disease.

# Direct Marketing: Nesson Valley Gardens/Thunderbird Ranch Enterprises (Ray ND)

- **Start Up Costs:** Involved mainly supplies & equipment already at their disposal. Did not need any outside financing. Already had land, water, machinery, chemicals, fertilizers, & irrigation strips. One had a refrigerated truck
- **Operation:** Run like any business. They pay their husbands rent for land, machinery use, chemicals, & extras. Also hired 2 local high school boys to help with heavy work and hire more students during harvest. They still do 85% of the work which totals 1400 hours in the garden. Costs vary each year because of how they operate and because of new expenses.

# Direct Marketing: Nesson Valley Gardens/Thunderbird Ranch Enterprises (Ray ND)

- **The Farmers Market:** The first year they sold the produce themselves at a weekly farmers' market which attracted customers from a 75 mile radius. It ran for 10 weeks with a big autumn sale at the end of season. They used several ideas to attract customers: (1) **Location** - In a RV park less than a mile from their gardens; (2) **Variety** - Produced a lot of different vegetables and would promote them in different prepared dishes each week; (3) **Quality** - They believe their produce is clean and gardens well tended; (4) **Atmosphere** - customers come not only for the produce but also for the presentation.

# Direct Marketing: Nesson Valley Gardens/Thunderbird Ranch Enterprises (Ray ND)

- **Promotion & Advertising:** At the beginning they spent a lot in advertising in local newspapers and through sale flyers. They also received a lot of word-of-mouth advertising. Each year their clientele grew. One who received the word-of-mouth were the owners of the grocery stores in Williston, ND.
- **Wholesale Marketing:** Both of the stores approached them about producing under contract, but they chose *Economart*, a privately-owned grocery store. They negotiated on produce to grow and negotiate on price upon delivery asking for at least market prices. Upon initial delivery, the store took the agreed upon quantity and requested all other produce not under contract.

# Direct Marketing: Nesson Valley Gardens/Thunderbird Ranch Enterprises (Ray ND)

- **Goals:** (1) To find a way to make the corner pivots more profitable. They also wanted to show that other crops can be grown in rotation with irrigated crops. (2) They wanted to show the variability, quality, and quantity that can be achieved using the corner pivots. They also wanted to show that high quality produce could be raised in ND. (3) They want to think bigger than just their garden. They want to demonstrate the potential that local produce has. (4) They want to be successful and profitable in their enterprise. Direct wholesale opened up new opportunities. Other distributors have approached them about producing for them which is not possible at their scale of operation.

# **Direct Marketing: Nesson Valley Gardens/Thunderbird Ranch Enterprises (Ray ND)**

- **Thunderbird Ranch Enterprises:** Developed out the farmers' market when one of the partners used her own recipe for ranch style dressing to promote some of their produce. So many customers requested the recipe that she decided to sell a prepared package of the dry ingredients along with the fresh produce. They market the mix at local, regional and state trade shows. They use all ND products in the mix. Economart marketed the dressing along with their fresh produce. Now it is sold in 18 different stores. They have formed a limited liability company to protect themselves, their farms, and the gardens. They've trademarked their logo.

# **Direct Marketing: Nesson Valley Gardens/Thunderbird Ranch Enterprises (Ray ND)**

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- **Lessons Learned & Recommendations:** (1) Protection from blowing sandy loam which can damage the plants leading to disease. (2) The FDA approval was too costly for labeling their produce. (3) Always learning, willing to try different things, and seeking advice from NDSU Extension Horticulturist.

# Value-Added, On-Farm Processing: Summer's Harvest (Hope ND)



- **History:** Dennis Kubischta, wife Mary, and family operate the Summer's Harvest flour milling company. After trying other ways to add value to his grain, in 1994 he took out a loan to buy milling equipment. They have added wholesale customers who are satisfied with the product and demand for the product has increased beyond current capacity. With assistance from Cariveau Consulting, Dennis developed an ambitious business plan. Later he scaled back the plan to add another mill and to convert the existing mill to organic milling.

# Value-Added, On-Farm Processing: Summer's Harvest (Hope ND)

- **Customers:** Top Taste Bakery (Finley, ND) has been a major wholesale market for Summer's Harvest flour in the last 5 years. Quality Bakery and four Hornbacher's bakeries in Fargo also constitute a major portion of the wholesale customer base. The flour is also sold at retail in 2 and 5 lb bags at CashWise and Horbachers. Customers like the consistent quality of the product. In all taste tests, customers prefer Summer's Harvest stone ground flour.
- **Resources:** Dennis has identified a number of grants to do market research, hire engineering consultants, & develop a business plan.

# Value-Added, On-Farm Processing: Summer's Harvest (Hope ND)



## ■ **Resources:** (continued)

- ***Finances:*** USDA Sustainable Agriculture Research & Education Program; ND Agricultural Products Utilization Commission; Steele County Jobs Development Authority; Otter Tail Power Company; Griggs-Steele Empowerment Zone
- ***Technical Assistance:*** Will Robinson, Milling Specialist, NDSU Cereal Science Dept.; Jim Swanson, ND State Seed Dept.; Duane Hauck, Director ND Extension Service; Contract Engineering & Milling, Inc., Duane Cariveau, Cariveau Consulting; Service Corp. of Retired Executives; ND Mill & Elevator;

# Value-Added, On-Farm Processing: Summer's Harvest (Hope ND)



- **Value-Added Practices:** (1) Uses Grandin wheat for its excellent bread making characteristics to produce 100% stone ground flour; (2) Delivers a consistency of flour that can't be obtained anywhere else; (3) 76 acres certified organic and 200 acres for flour mill; (4) As demand for his flour has grown he has cut back on his crop and livestock production by renting out some acreage and reducing herd size so he can focus on wheat and rotational crops. (5) Is a member of Pride of Dakota and numerous farm organizations.

# Value-Added, On-Farm Processing: Summer's Harvest (Hope ND)

- **Challenges:** (1) Difficult to gain access to niche markets and most likely there will be increased competition in this market; (2) Companies' minimum order size is often too large for small producers; (3) Can't anticipate all the problems that one will encounter.
- **Opportunities:** (1) Expansion of production capacity to meet increased demand; (2) Access to Fargo which is a major distribution area provides opportunities; (3) Securing other accounts such as Nash Finch & Super Value; (4) Availability of quality wheat in the area; (5) Increasing demand for organic products; (6) Small scale operation allow him to tailor products to specific customer needs.

# **25 Ways to Be a Good Steward of all Creation, Compiled by Mary Hendrickson**



1. Spend \$10/week on locally produced foods.
2. Be thankful for your food and reflect on the goodness of creation before eating any food.
3. Seek out foods processed locally.
4. Buy as much of your food as you can from a farmer whose face you can see, whose farm you can visit.
5. Become a member of a Community Supported Agriculture (CSA) farm and get wonderful local, seasonal produce from May through October.
6. Buy a CSA membership for a friend's birthday or Christmas present
7. Donate locally produced and processed meat, milk, eggs and fresh produce to local food pantries so all members of your community can have wholesome food.

# **25 Ways to Be a Good Steward of all Creation, Compiled by Mary Hendrickson**



8. Encourage your parish to subsidize CSA shares for families with limited resources.
9. Ask your supermarket manager to stock locally produced fruits and vegetables in season.
10. Lead your parish in organizing a garden to produce food for fellowship meals and donate the surplus to a local food pantry.
11. Plant a garden and experience the wonder of growing life.
12. Take "local" food to your church dinner & make sure everyone knows it's local!
13. Educate yourself about how our food system presently works so you know where your food comes from.
14. Tell all your family and friends why you eat food that is healthy for you, your community and creation.

# **25 Ways to Be a Good Steward of all Creation, Compiled by Mary Hendrickson**



15. Help create links between your child's school lunch program and local farmers.
16. Buy only meat that you know has been produced humanely and sustainably.
17. Ask your waitress for specials featuring locally, sustainably produced food.
18. Donate land at your church to help those without space to grow their own food.
19. Help protect local water quality by using pesticide-free agriculture and food products.
20. Give freely of your expertise in growing food to whoever needs it.
21. Learn how to freeze, can and store seasonal fruits and vegetables produced in your local area.

# **25 Ways to Be a Good Steward of all Creation, Compiled by Mary Hendrickson**



22. Teach others about preserving local food by organizing canning and preserving sessions at the parish hall or in your home.
23. Learn how to cook using whole or less-processed food to save on packaging, to be healthy and to become more self-reliant.
24. Educate yourself about the benefits of eating a diet that includes lots of fresh produce and whole grains.
25. Accept responsibility for making sure that all members of your community have access to an adequate supply of wholesome food.