

ENHANCING LOCAL VALUE CHAIN CAPACITY

Session 1

- Catalyzing, connecting and managing value chains – challenges, needs and approaches
- Collaboration is an essential tool
- Overview of the Leopold Center
- Strategies for addressing policy opportunities and challenges

Session 2

- Catalyzing, connecting and managing value chains – challenges, needs and approaches
- Collaboration is an essential tool
- Strategies for addressing policy opportunities and challenges

FROM THE FIELD...

Challenges

“[We] need to have better overall networking and communication relative to opportunities, needs and having entities work together for the common good.”

- Capacity varies widely throughout the region
- Lack of workable alternatives to the Good Agricultural Practices (GAPs)
- Lack of certified poultry processing facilities
- Increase in security issues for herb and botanical production
- Creating an understanding of economies of scale and available opportunities with producers
- Communicating the issues to local officials

“Public awareness seems to be the biggest issue.”

Opportunities

- Explore innovative state programs, including cost share, for season extension and irrigation
- Utilize intermediaries to provide production assistance and help connect producers with markets
- Explore bulk purchasing opportunities for low income people
- Expand local purchasing targets for public institutions
- Local food security is becoming a more visible issue
- Increase collaboration among value chain partners

Sources: Participants' Registration Survey responses and CAN member regional assessments.

FROM THE LITERATURE...

- Importance of choosing value chain partners who share similar goals and values in order to build the necessary long-term partnerships and develop trust between partners
- “The small- and medium-scale family farmers... cannot content themselves with knowing their farm machinery, their livestock, or the needs of their fields. They also must grapple with marketing strategy, consumer relations, etc...” (Hinrichs and Lyson, 2007, 347).
 - There is a need for technical and financial assistance for farmers
- Emphasis on consumer education when launching a local product or brand
- Invest in studies that will validate the viability of local food systems and agricultural enterprises
- There is a need for “meaningful standards and consistent certification” (Stevenson & Pirog, 2008, 138) at different points throughout the value chain
 - Institutions are having their chains examined by consumers

Sources: Hinrichs, C. Clare and Thomas A. Lyson, eds. 2007. Remaking the North American Food System: Strategies for Sustainability. University of Nebraska Press: Lincoln, NE.; Making Value Chains Work: Best Practices for Success – Workshop Proceedings, April 3, 2008, Ames, Iowa. 2008. Value Chain Partners.; Stevenson, G.W. and Rich Pirog. 2008. Values-Based Supply Chains: Strategies for Agrifood Enterprises of the Middle. In, Food and the Mid-Level Farm ed. Thomas A. Lyson, G.W. Stevenson, and Rick Welsh.

PROCESSING, AGGREGATION AND DISTRIBUTION

Session 1

- GAP/GHP – hurdles and approaches
- Meat processing and processing issues
- Farm to school – specific requirements/challenges

Session 2

- Produce aggregation and other aggregation models
- Distribution needs and challenges
- GAP/GHP

FROM THE FIELD...

Challenges

“...Lack of infrastructure outside of the existing corporate food system.”

“There are large geographic gaps still, preventing many farmers from being near enough to a [processing] facility to make it worthwhile.”

- Infrastructure is crucial for farmers to achieve economy of scale, but is concentrated in only a few areas
- Large markets want to work with large-scale farmers or aggregators
- Distribution/transportation is an issue for rural farmers who are without a collaborative means of distribution
- Local slaughterhouses will not work with poultry for a variety of reasons
- A large gap exists in poultry processing/aggregation

“...The availability of a ‘common brand’ and processing facility would allow food producers to have a venue in which to sell and market their product under a common brand.”

Opportunities

- Utilizing mobile processing units
- Sharing and learning from regional, successful commercial kitchens

Sources: Participants’ Registration Survey responses and CAN member regional assessments.

FROM THE LITERATURE...

- Efficiencies of scale are dependent on being able to acquire good rates on transportation and slaughter and building cost-effective assembly and distribution systems
 - It is wise to piggyback on existing distribution and assembly lines, especially when initial volume is low by working through channels that are already serving hospitals or collaborate with other farmers for joint transport
- “Value chain arrangements allow farmers to be partners in the food chain without having to provide all of the managing, processing, or manufacturing expertise and without having to provide all of the managing, processing, or manufacturing expertise and without being vulnerable to high risks as in a farmer owned business (Halweil, 34).”

Sources: Farm to Hospital: Supporting Local Agriculture and Improving Health Care. 2008. Center for Food and Justice, Occidental College and the Community Food Security Coalition.; Halweil, Brian. 2005. Change on the Horizon: A Scan of the American Food System. Kellogg Foundation.; Stevenson, G.W. and Rich Pirog. 2008. Values-Based Supply Chains: Strategies for Agrifood Enterprises of the Middle. In, Food and the Mid-Level Farm ed. Thomas A. Lyson, G.W. Stevenson, and Rick Welsh.

BUILDING SUPPLY

Session 1

- Farmer outreach, training and support – challenges and effective models
- Barriers for limited resource, new and/or transitioning farmers
- Farm incubators, land link and leasing programs as tools
- Price points – what do farmers need to be viable and how do we get it?

Session 2

- GAP – challenges for small farmers
- Network/cooperative means to help farmers increase scale, access markets
- Organic/sustainable production – networks and other approaches to meeting challenges

FROM THE FIELD...

Challenges

- Market demand is exceeding supply in some regions leading markets to want to work with large-scale farmers or aggregators
- Most farmers in the region do not have an adequate number of acres in production to meet market demands on their own

Opportunities

- Utilize intermediaries to provide production assistance and help connect producers with markets
- Extend the growing season through mulches, hoopouses, greenhouses, etc... in order to reach institutional buyers and restaurants
- Expand production beyond vegetables to include herbs, botanicals, forest crops etc...
- Address regional gap by producing organic/sustainable seed stock, bedding plants, livestock and poultry feed, mulch, and fuel
- Value-added producers present a potential market for local produce
- Work with local associations (herb, cattle, direct marketing, farmer's markets etc.) to increase supply, share knowledge, and promote sustainable practices
- Sell to more local institutional buyers and restaurants
- Local food security is becoming a more important issue

Sources: Participants' Registration Survey responses and CAN member regional assessments.

FROM THE LITERATURE...

- A major barrier for institutions considering purchasing local products is the lack (or seeming lack) of a dependable supply
 - Presents opportunity for producers to work together to fill gaps in supply and cover for unexpected gaps that arise throughout the season
- Institutions are also seeking consistently high quality products year-round in addition to the consistent volume of products
- Value chains help reduce cost by increasing “speed to market and overall product quality” (Stevenson & Pirog, 2008, 123)
- Establishing evaluation and traceability mechanisms are imperative

Sources: Farm to Hospital: Supporting Local Agriculture and Improving Health Care. 2008. Center for Food and Justice, Occidental College and the Community Food Security Coalition.; Halweil, Brian. 2005. Change on the Horizon: A Scan of the American Food System. Kellogg Foundation.; Stevenson, G.W. and Rich Pirog. 2008. Values-Based Supply Chains: Strategies for Agrifood Enterprises of the Middle. In, Food and the Mid-Level Farm ed. Thomas A. Lyson, G.W. Stevenson, and Rick Welsh. MIT Press: Cambridge, MA.

DEVELOPING AND ACCESSING MARKETS

Session 1

- Building on and beyond farmers markets
- Specialty, restaurant and value added food markets
- Organic/grass-finished branding – better prices, increased market share

Session 2

- School and institutional buyers
- Grocers and supermarkets
- Cooperative buying groups

FROM THE FIELD...

Challenges

“...Identifying needs of the consumers.”

- Access to institutions is being impacted by issues such as policy, growing season, etc...
- Institutions require specific infrastructure such as green houses, packing houses, etc...
- Markets want to work with large-scale farmers and aggregators as their demand often exceeds the available supply

“We need cooperative distribution or a regional brand to get what we produce to market.”

Opportunities

- Institutions represent a substantial market
- Medium/large grocery chains are being accessed by several CAN groups and hold potential for joint initiatives
- Local production for local use is increasing (e.g., growth in farmers' markets)
- Mobile farmers' markets are likely to emerge
- Restaurants are a growing market to make direct connections with farmers
- Seconds/waste streams need attention and can add value to local food security
- Expansion of coupon use
- Markets accessible to low-income and minority communities
- Sources: Participants' Registration Survey responses and CAN member regional assessments.

FROM THE LITERATURE...

- Gap in value chains with supermarkets usually comes from centralized purchasing systems that are concerned with volume and price
 - The opportunity therefore often lies in regional supermarket chains that are looking to distinguish themselves from bigger chains by selling local products
- Certification from neutral third parties and standards at each point throughout the value chain are often important to institutions looking for the assurance of traceability and evaluation and transparent value chain partnerships
 - Branding can be an opportunity to highlight the third party verification
 - “These systems reassure consumers because a food taste or safety problem can be readily traced, located, and solved” (Stevenson and Born, 2007, 147).
- Communication is vital when working with a large institution that will need to understand what will be available to them when and in what quantity so that you are collectively able to plan together
 - Many institutions (i.e., healthcare organizations, schools, etc...) have their own guidelines and requirements for food products as well as distinct billing procedures

Sources: Farm to Hospital: Supporting Local Agriculture and Improving Health Care. 2008. Center for Food and Justice, Occidental College and the Community Food Security Coalition.; Halweil, Brian. 2005. Change on the Horizon: A Scan of the American Food System. Kellogg Foundation.; Making Value Chains Work: Best Practices for Success – Workshop Proceedings, April 3, 2008, Ames, Iowa. 2008. Value Chain Partners.; Stevenson, G. W. and Holly Born. 2007. The “Red Label” Poultry System in France. In, Remaking the North American Food System: Strategies for Sustainability, eds. Clare C. Hinrichs and Thomas A. Lyson. University of Nebraska Press: Lincoln, NE.; Stevenson, G.W. and Rich Pirog. 2008. Values-Based Supply Chains: Strategies for Agrifood Enterprises of the Middle. In, Food and the Mid-Level Farm ed. Thomas A. Lyson, G.W. Stevenson, and Rick Welsh.