

FEASIBILITY ASSESSMENT

Great Falls Food Hub

Efforts to Support Agricultural Infrastructure
in Windham and Windsor Counties in Vermont &
Cheshire and Sullivan Counties in New Hampshire



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I. INTRODUCTION

The Great Falls Food Hub (GFFH), working through the Southeastern Vermont Community Action agency (SEVCA), engaged consultant John Ryan, Principal of Development Cycles located in Montpelier, Vermont to evaluate the best approaches for supporting the increased production and consumption of local foods within the four county region encompassing Windham and Windsor Counties in Vermont and Sullivan and Cheshire Counties in New Hampshire.

Purpose of this Study

There are numerous public and private local, state and regional efforts afoot to support the development of local food systems in Vermont and New Hampshire. Many of these efforts have come in response to concerns about the centralization of food production, distribution and sale channels nationwide; concerns about the existing system's reliance on rising fuel costs; and concerns for the ongoing viability of agriculture in the region. The GFFH commissioned this study to look at the physical, human, and financial infrastructure that supports local food systems by enabling local agricultural producers to expand production and area residents to consume more local products. Physical infrastructure includes farmland and farm structures; agricultural, processing and distribution equipment; as well as processing, storage and point of purchase facilities. Human infrastructure includes farm and food processing labor and skills; professional development and consumer education activities; marketing resources; and coordination and networking capacities. Financial infrastructure includes access to long-term credit and working capital, as well as private and government support for key initiatives. The study aims to identify weaknesses in this infrastructure that the GFFH can address effectively and sustainably over time.

Methodology

The consultant performed the following tasks in preparing this assessment:

- ❖ Met with the GFFH Advisory Board to understand the organization's larger goals, its aspirations for the food hub, as well as the board's understanding of the challenges and questions that needed answering.
- ❖ Reviewed relevant studies and data including: the Vermont Farm to Plate 2011 Strategic Plan, the 2010 Summary of Agricultural and Food Buying Power Data prepared by Crossroads Resource Center, Minneapolis, MN, the 2011 Cheshire County Farm Infrastructure Needs Assessment prepared by the Cheshire County Conservation District, and documents prepared for RAFFL and for the Vermont Food Venture Center efforts to create an agricultural food processing incubator.

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- ❖ Conducted three focus groups: with regional agricultural specialists (14 Feb 2011), with buyers and sellers of local agricultural products (17 March 2011), and with Local Producers (07 April 2011).
- ❖ Administered an online survey addressed to over 250 potential stakeholders including agricultural producers, processors, retailers, institutional buyers, and agricultural specialists between 15 May and 20 June 2011.
- ❖ Conducted individual conversations with a range of stakeholders and others working in the Vermont and New Hampshire local agricultural field.
- ❖ Reviewed a number of Local Food Center and Food Hub experiences in Vermont, New Hampshire, Massachusetts, Rhode Island, and selected facilities beyond New England.

Limitations

When reviewing the following findings and recommendations, the following limitations should be considered.

- ❖ The most recent state and federal data used in the study are now three to four years old. Local agricultural activities have picked up significantly in this time period so the level of overall activity is likely underestimated.
- ❖ The participation rate among potential stakeholders, especially among agricultural producers was relatively low. While their message was consistent, the statistical reliability of their responses was limited and should be understood accordingly.
- ❖ This is a particularly dynamic field, with both public and private investments happening regularly at both the state and local levels. New opportunities to address infrastructure needs will undoubtedly arise in the near future. This makes it particularly important to clearly define the center's mission with regard to the local food system rather than chase opportunities or funding sources without a clear sense of the role the organization hopes to build.
- ❖ Finally, the consultant derived the information, estimates, and opinions contained in this report from sources considered to be reliable. The consultant assumes no responsibility for accuracy of individual items. However, the consultant relied upon no single item of information to the exclusion of other data and analyzed all information within a framework of common knowledge and experienced judgment.

II. UNDERSTANDING THE LOCAL FOOD CONTEXT

The following section provides a macro look at the nature of the local food system within the four-county area. It draws heavily from a study commissioned by Great Falls Food Hub and Prepared by Crossroads Resource of Minneapolis, MN that summarizes the macro-market potential for agricultural activities in the Great Falls market area (see Appendix A).

Area Buying Power

According to Bureau of Labor Statistics, residents in the four-county region purchased an estimated \$639 million in food in 2008, of which \$369 million is for home use. Key consumer food purchases include:

Products	Sales (millions)
Meat, Poultry, Fish & Eggs	\$84.5
Fruits & Vegetables	\$66.6
Cereal & Bakery	\$53.2
Dairy	\$42.3
All Other (inc. Sweets, Fats, Oils)	\$122.6

This gives a sense of the overall local food market potential. Local food consumption numbers currently dwarf the region's agricultural output. At the same time, local consumption is, in turn, dwarfed by the market potential of some nearby urban areas including Metro Boston (\$13.1 billion in food purchases), Worcester Metro Area (\$2.2 billion), and Manchester-Nashua, NH MSA (\$1.3 billion). Finding ways to help local producers market effectively both within the local area but also to these more urban regional markets is another important element of the food center's opportunity to assist.

Area Agricultural Production

Using a variety of data, including the most recent U.S. Census of Agriculture for 2007, Mr. Meter's report highlighted combined agricultural sales for the four counties. There were \$25 million of crops sold and \$52 million of livestock and animal-based products sold in 2007. Top farm products produced in the Great Falls region included:

Products	Farms	Sales
Dairy	511	\$30.8 million*
Forage Crops	819	\$ 6.4 million*
Nursery and Greenhouse Products	142	\$ 6.3 million**
Cattle and Calves	345	\$ 5.3 million
Fruits and Nuts (NH only)	158	\$ 4.9 million
Vegetables and Potatoes (VT only)	n/a	\$ 3.1 million*
Grains, Dry Beans, Oil Crops (NH only)	n/a	\$ 285,000*
Hogs and Pigs	99	\$ 233,000

**Data suppressed by USDA to protect confidentiality; note that this table only accounts for \$57 million of farm product sales in 2007, or 74% of the total. ** Total estimated based on 2002 data to address suppressed data limitations.*

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Roughly \$6 million in food sales in the four counties went directly from farmer to consumer in 2007, up nearly 40 percent from 2002. Still, this represented the equivalent of less than one percent of total food sales by residents and accounted for just 8 percent of farmer's cash receipts. Per Capita direct sales were highest in Windham County (\$48.57) and lowest in Sullivan County (\$16.05). Overall, Per Capita direct sales in Vermont were three times the level of New Hampshire in 2007.

Per Capita	Direct Sales (Annually)	Pct of All Food Sales
Windham County, VT	\$48.57	1.6%
VERMONT	\$36.83	1.2%
Windsor County, VT	\$34.81	1.1%
Cheshire County, NH	\$17.57	0.6%
Sullivan County, NH	\$16.05	0.5%
NEW HAMPSHIRE	\$12.21	0.4%

Direct sales and local purchases through retail channels have by all informal measures increased rapidly since the 2007 Census, while overall food sales in the region have grown at a significantly slower rate. Based on estimates provided by Meter and discussions with area food distributors and retailers, total local purchases of local products from all channels currently represents between \$12 million and \$14 million per year. This is still less than 2 percent of the total food purchases made by Great Falls area residents.

Area Farms and Food Processors

The 2007 Census of Agriculture reported a total of 1,908 farms in the four counties, many of which are micro- or hobby farms. Appendix B lists 183 producing farms in the four-county region with some level of public marketing activity. The assessment attempted to get feedback on infrastructural needs from these farms. Nearly 80 percent of these farms are located in Vermont. These farms are those most likely to have identified direct marketing channels such as Pick-Your-Own, Farmers Markets, and Farm stands.

One noteworthy finding from the U.S. Census of Agriculture Survey is the relatively small production of farms in the region. Only 7.5 percent of all local farms produced as much as \$100,000 in gross agricultural sales in 2007, compared to 15 percent for Vermont farms as a whole. Only 29 farms in the four counties (1.5%) reported sales of at least \$500,000 (compared to 4.2% in VT and 1.6% in NH). Nearly all of these were dairy operations. Focus groups and individual interviews suggest that a substantial majority of produce farms in the region are too small to utilize Black River Produce as a wholesale distributor of their product. Among produce growers, only one large organic farm plays a significant role beyond the borders of the local region. This small scale

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provides an important limitation, as well as an essential focus for any food hub efforts going forward. Efforts to promote small farm expansion and programs to aggregate small farm products will play important roles in any local food center initiative.

The Great Falls area specialty food producers are similarly small. Only a few local specialty food producers are significant producers on a state or national level. Only 18 of the 148 current members of the Vermont Specialty Foods Association are located in this market area. Appendix C lists Specialty Food producers contacted for this study. One reality of this market area is that there are relatively few producers currently capable of utilizing a food processing or storage facility on a regular basis.

Existing Infrastructure Providers and Key Stakeholders

Appendix C provides a summary description of the key stakeholders and infrastructure providers for the four-county region. The mix of locally-based governmental and non-profits touch upon a range of agricultural issues including direct technical assistance and marketing support to farmers, agricultural land conservation, consumer education, and food security. The two major private sector stakeholders provide food distribution services regionally and meat processing capacity. A number of other groups, located outside of the Great Falls area also provide a range of important technical assistance, marketing, funding, food security, and consumer education functions within the region. These stakeholders include the regional consortium of food co-ops and a CDC-based food processing facility both located just south of the Great Falls area in Franklin County, MA. These local and more regionally based stakeholders represent the key partners a regional food center would work with to reach both producers and consumers. The function of a local food center in the region will include both staking out value added services not already provided by those stakeholders and extending the reach of these services to more agricultural producers and institutions locally.

Key Marketing Channels

Appendix B identifies the major marketing channels for the 183 regional farms identified for this study. While the information is clearly not complete, it is interesting to see how much direct marketing these farms engage in already.

CSA	Farmer's Market	Farm Stand/Site	Pick-Your-Own	Wholesale	Mail Order/Internet
20%	20%	33%	12%	25%	9%

At least a third of these farms sell directly from the farm through a farm stand or other on-site location. One in five operates a Community Supported Agriculture (CSA) farm. Twenty percent participate in one of the region's ten farmer's markets. Only a quarter of the farms reporting sell through wholesale distribution networks. Many of these farms utilize multiple marketing channels.

Looking at all farms in the four-county region, the Meter report found fifty-five farms market through community-supported agriculture (CSA). This amounts to 22 percent of the CSA farms in Vermont and New Hampshire. According to the Meter report, 193 farms (20% of the total report in the 2007 U.S. Census of Agricultural) produce some kind of value-added products on the farm. The most common value-added products are maple syrup, portioned meat, sauces, and cheese.

Aside from direct sales, the key marketing channels in the region include a major Vermont fresh food distributor in Black River Produce in Springfield, VT, several milk processors (most notably Agway), a number of specialized distributors who purchase both meat and produce from individual farms, individual and ad hoc "aggregators" who combine the produce from multiple farms for sale to larger distribution sources, 15-20 retail outlets that carry some local products purchased directly from farms, and a number of school systems and institutions that also purchase directly from local farms. Appendices E- H list some of the key direct sales, retail and wholesale channels, and potential institutional buyers of local agricultural products.

Fitting Into a Statewide Context

Both the States of Vermont and New Hampshire have increased attention and support on local foods systems in recent years.

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The Farm to Plate (F2P) Initiative <http://www.vsif.org/project-details/5/farm-to-plate-initiative> in Vermont provides a trove of valuable information about the agricultural landscape of Windham and Windsor Counties as well as a comprehensive overview of the goals, directions and capacity of the state to grow a more robust local food system. As expressed in the Farm to Plate document, the State will be supporting a wide range of efforts, consistent with the goals of the Great Falls Food Hub to significantly increase local production and consumption of locally produced foods along the range of marketing channels. F2P's conceptualization of the Vermont Food System, especially with its outline of key infrastructural characteristics, helped shape this inquiry.

Figure II.
Vermont Food System
From Farm to Plate



Employment and establishments figures for farm inputs, food production, food processing, wholesale distribution, and retail distribution are based on the Vermont Department of Labor, Quarterly Census of Employment and Wages (second quarter, 2010), and the U.S. Census Bureau's 2008 nonemployer statistics.

TOTAL JOBS & BUSINESSES	
Jobs	Businesses
55,581 total	10,974 total
18.8% of private jobs	13.2% of private businesses

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Vermont Regional Food Centers Collaborative (VRFCC)

Across the state of Vermont, local initiatives and actions have emerged that represent important drivers and key local infrastructure supports advancing the primary goals of the Farm to Plate Strategic Plan. Some of these organizations emerged from transformative work in the 1980s (The Intervale Center, Food Works at Two Rivers Center) and others represent new initiatives based on collective entrepreneurial activity (Center for an Agricultural Economy) or grass roots community energy (Post Oil Solutions, Addison County Relocalization Network). In 2009 eight organizations banded together to form the Vermont Regional Food Centers Collaborative. One objective was to ensure that activity was supported that covered communities throughout the state and explored new models for organizing consumer-producer, public-private sector initiatives. More than 20 self-identified initiatives have now emerged and continue to organize toward a statewide vision of an interconnected food system guided by its roots at the local level. Appendix I lists the current VRFCC members who share the following overall mission for the collaborative:

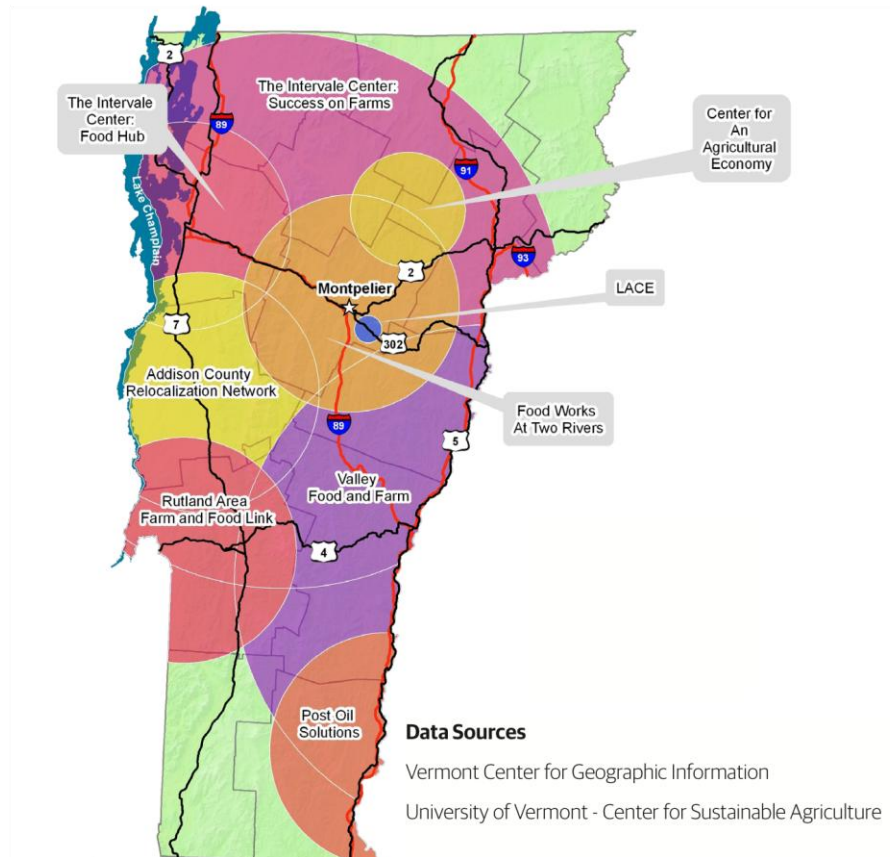
The Vermont Regional Food Centers Collaborative envisions a vibrant, economically just and environmentally sustainable food system where locally produced food is available and affordable for all Vermonters, and where the vitality of agriculture in Vermont is key to the conservation of our land and the progress of our sustainable economy.

The VRFCC acts as an established network whose mission and goals address gaps in the local food system and serve the needs of farmers, food processors, and consumers. Members of the network are organizations working in and serving different designated regions of throughout the state. Members of these groups work together to develop and share resources including information, infrastructure, and funding when appropriate. They also mentor other Vermont community groups who share similar values and goals. The VRFCC members share the following goals:

- ❖ Support more Vermont farmers and produce more food for the local and regional market.
- ❖ Increase and improve infrastructure that supports diverse farm operations and value added processing.
- ❖ Expand economic opportunities in farming, access to land, and food system services.
- ❖ Improve farm viability, thereby expanding existing farm operations and opening opportunities for new farm incubation.
- ❖ Expand local food access for all Vermonters.
- ❖ Engage communities in learning about and contributing to a viable local food system.
- ❖ Increase food security and self-reliance of communities and regions.
- ❖ Engage communities in retention of important agricultural lands for current and future productive usage.

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Figure II.2
Service Territory of Regional Food Centers
From Farm to Plate



In New Hampshire, the Department of Agriculture, Food and Markets has links through the Department of Resources and Economic Development to improve visitors' awareness of the range of direct farm sales opportunities. The department also produces guides to local farms, specialty foods, and to restaurants that highlight local foods. The Cheshire County Conservation District, Land for Good, the Monadnock Conservancy, UNH Extension, and the local chapters of the farm bureau, and numerous private efforts spearhead the local food system's development in Cheshire and Sullivan Counties. There is no equivalent yet to Vermont's regional food hubs nor is there the level of interest and financial support for developing the local food system at the state government level. As the concept of a cross-state food center develops, it will be important to recognize that opportunities for engagement may vary significantly for a while between the two sides of the border. Building partnerships and presence in New Hampshire will likely be a longer-term process with less potential initially for funding support to make that happen. If there is a driving force to envisioning a cross-state food center, it is the reality that New

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Hampshire, with its significantly larger population base and more limited agricultural production, offers a larger untapped consumer potential for locally produced foods.

Summary

An enlivened and integrated local food system in this four-county area is in its early stages of development, with many promising individual activities and participants, but relatively few coordinated efforts aimed at expanding local utilization. The overall economic scale of agricultural activity is limited and the relative share of local food purchases is small but growing rapidly. The key structures to build upon include the presence of a strong farmer's market and CSA presence in the region, a major fresh food distributor in Black River Produce, a dedicated volunteer involvement in local agricultural issues on both sides of the river, and the nearby experience of several food center models already working to deliver improvements in local agricultural networking, marketing, distribution, and consumer education and outreach. The size of the local consumer market and the nature of agricultural production suggest the following:

- ❖ Focused efforts on education to build local consumer demand for local products
- ❖ Marketing support to supplement the direct sales focus of the more established small farms in the area
- ❖ A focus on developing the aggregation and networking capacity of small area farms to support their capacity for growth
- ❖ A value in expanding the definition of local food systems to include support for efforts by local producers to reach nearby urban markets
- ❖ An insufficient capacity to support a food processing incubator facility at this stage of development

III. LOCAL FOOD INFRASTRUCTURE NEEDS EXPRESSED

As part of this assessment, the consultant and GFFH staff conducted individual interviews, focus groups, and written surveys to key stakeholders and others in a position to understand the needs of producers and consumers within the local food system. The following summarizes key expressions of infrastructure needs as represented by each stakeholder group.

Agricultural and Specialty Food Producers

Central to GFFH's mission and a key reason for commissioning this study is a desire to increase the amount of food produced and processed locally. The responses from agricultural and specialty food producers to the question of what infrastructural needs would help them make for food available locally may be summarized as follows:

- ❖ Consumer Education (Local Foods Awareness Campaign): Without question, the greatest need expressed by agricultural producers was for an effective voice expanding local consumer awareness of the benefits of local food to healthy individuals and healthy communities. Producers understand rightly that local food systems are market driven. For every enlivened consumer who sees the value of supporting the local food system, producers hear comments from many more neighbors who harbor misunderstandings or ignorance about the cost, value, benefits, and availability of local food and its positive impacts on the economic and environmental health of communities.
- ❖ Technical Assistance with the Regulatory Process around On Farm Processing: Frequently, agricultural producers' efforts to add processing value to their products rub up against health department and other regulatory oversight. Stronger than the call for processing facilities was the desire for technical assistance to negotiate the regulatory process that would allow them to perform more of the value-added work themselves on their farms or in their homes.
- ❖ Networking Assistance: Focusing as they do on the day-to-day challenges of growing and selling food, many producers recognize that they lack time and access to focus on new opportunities like shared storage, equipment or labor, marketing opportunities, and new developments in the area that may affect their own marketing or financing efforts. Producers see a real value in some form of networking function that makes it easier to identify and link to such opportunities as they arise.
- ❖ Direct to Consumer Marketing Assistance: Whether they are engaged in CSAs, farmers markets, farm stands or PYO efforts, producers commonly lack the time or expertise to identify and implement best practices, engage in necessary follow through, and act upon new marketing opportunities. They expressed in both focus

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groups and in the online survey a willingness to give financial support to marketing efforts that increase their direct sales.

- ❖ Aggregation of Small Farm Produce: Many of the area's agricultural producers have some capacity to provide produce to the wholesale, retail or institutional market but are not large enough to provide the amount or range of products needed to enter these markets individually. A significant amount of the focus group and individual conversations focused on mechanisms to aggregate small producers to the point where they could participate in these markets.

Just as important as what needs were expressed was which needs were not highlighted. The research elicited surprisingly little call for a shared physical plant or food incubator to process or store agricultural products. There was also near silence in terms of requesting help to access credit or funding. With regard to the two physical infrastructure pieces, respondents provided a consistent message that the market was either not sufficiently developed for such to be a need or that producers were focused on providing these needs on-site. In a survey of stakeholders, less than a quarter of respondents felt they would likely use a food-processing incubator at anytime in the future. Another 20 percent said that there was a chance that might use such a facility based on quality, convenience and price. Only 11 percent of respondents thought they would likely use a shared storage facility now or in the future. What interest does exist for this shared infrastructure is largely based on future expansion needs.

Concurrent with this assessment, the Cheshire County, NH Conservation District conducted a series of focus groups and interviews with farmers in that county about their labor and infrastructure needs also in the spring of 2011. According to that report, "the biggest barriers the farmers in our interviews face [in hiring labor] are the ability to provide health insurance, the ability to pay workers, and the ability to pay workman's compensation. Another issue regarding labor that came up was the low percentage of farm employees who see farming as a career option for themselves. The ideas for addressing labor issues that had the most interest were collective purchasing of health insurance to reduce costs, and educational programs both for farm laborers as well as for farmers." The study also found a strong interest in an equipment rental program run by a non-farming entity but limited interest in a centralized storage facility, and almost no interest in centralized processing facilities.

As part of this assessment, discussions about the need for a food processing/ community kitchen facility and/ or a joint storage facility focused on the interim potential for better utilizing existing facilities through sharing information on excess capacity and opportunities for informal sharing. These suggestions led to the discovery of the Open Kitchen program in Rhode Island (described in Section IV below) that helps link producers to existing licensed facilities to serve their processing needs on a more informal basis.

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The lack of dialogue around financial infrastructure needs may well be based on assumptions that a local food center would have limited ability to help in this area. There is a wide range of funding and investment programs, especially in Vermont, aimed to support increased agricultural production. Research for the Farm to Plate Strategic Plan as well as the market feasibility study for the Vermont Agricultural Development Program (VADP) found weaknesses in basic producer knowledge of financing; limited ability to build and manage complex funding packages that draw from multiple types of capital sources; lack of awareness among both entrepreneurs and service providers of non-traditional funding options; and insufficient service provider expertise in serving both food producers and supporting businesses (e.g. processors, distributors, market brokers) as components of the same economic sector. The VADP is a new program, offered through the Vermont Sustainable Jobs Fund, to assist expanding agricultural enterprises negotiate those challenges. The local food center's role may include guiding potential producers into programs like this.

Retailers, Restaurants and Local Institutional Food Buyers

The four-county area has roughly 200 retail outlets with at least some potential to sell local products. These include some like food co-ops and specialty stores that focus on local foods; more traditional grocers whose utilization of local foods is small but growing; and convenience stores whose utilization of local products is quite variable but limited overall. The Great Falls area is home to roughly 100 restaurants that similarly vary from no utilization of local products to a marketing focus on serving local foods. Most of these retail and restaurant outlets purchase their goods primarily from wholesalers. The area's array of local food distribution channels is limited; among those who focus on local foods, Black River Produce dominates. A number of stores and restaurants do maintain at least occasional buying relationships with individual producers. Some of the larger local producers maintain regular direct accounts with the area's food co-ops, restaurants and some independent local stores.

The four-county area is also home to a number of health and correctional institutions, educational facilities and a handful of larger employers that provide food as part of their ongoing operations. Like many retailers and wholesale suppliers, the buyers for these institutions are often eager to provide more local food in their settings. In practice, however, there is a wide range of commitment and results. In all, the area's institutional involvement with the local food movement is in the relatively early stages. A number of efforts like the Farm Fresh Network, Vermont FEED and the New Hampshire Farm to School Program work with individual restaurants, retailers, schools and health-institutions to promote local food use.

The needs of retail, restaurant and institutional buyers focus on the same areas that challenge local agricultural sales elsewhere in Vermont and New Hampshire: namely cost, the quality and reliability of product year-round, access to minimally processed foods, and transactional simplicity.

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The most promising approaches suggested by the research to meet the needs of these buyers include:

Among Retail and Restaurant Buyers

- ❖ An aggregation and distribution capacity to serve smaller producers than can be handled by Black River Produce
- ❖ Ongoing consumer education to support and expand the marketing efforts of these retailer and restaurants and drive consumer demand

Among Institutional Buyers

- ❖ Targeted consumer education to raise the importance of local food to the often-public decision makers who are responsible for institutional food budgets or purchases
- ❖ An entity to promote collaboration between producers and institutional food buyers to coordinate production and menu planning
- ❖ Helping access a greater range of minimally processed local foods targeted to institutional buyers even if prepared for a larger geographic scale than just these four counties

In all, these respondents expressed a need for an entity that could provide an effective bridge between the needs and capacities of small local producers and buyers' needs to respond to consumer demands for top quality, reliable products at a competitive price throughout the year.

State and Regional Stakeholders

Many valuable responses came through conversations with representatives of state and regional organizations whose function is to support agricultural producers and local food markets. Their suggestions largely mirrored the responses of producer and consumer groups, and included the following:

- ❖ The most pressing need is for coordination of all the players in the region with a focus on linking individuals to the array of opportunities out there. In this way, they described more of a one-on-one effort to match specific needs between producers, distributors and buyers and bring added value to those transactions and connect partners in win/win situations
- ❖ There must be a constant, continual marketing of products.

- ❖ Continue to build local consumer awareness and education around the potential for greater local production and consumption of local food.

In general, representatives of state and regional agricultural support agencies expressed confidence that there was a role for a coordinating entity, like the Great Falls Food Hub to serve these functions and that there was funding to support specific tasks at both a public and foundation level once the GFFH clearly articulated its mission and goals.

Survey of Stakeholders

Following the focus groups, the researchers conducted an online survey aimed at asking stakeholders specifically about the willingness to utilize and provide financial support to a range of infrastructural efforts. (See Appendix K) The request to respond to the survey was sent to over 250 individuals, with follow up reminders both from the GFFH as well as from organizers of Farmer Markets and others with influence in the agricultural community. The response to this survey was disappointing with only 28 individuals responding. While their numbers were too small to be a valid statistical sampling of any of the key stakeholder groups, their responses were consistent with the remarks raised during the focus groups:

- ❖ Only 20 percent of respondents use outside facilities for any value added processing; half process on site, and 30 percent do not process at all. More than half see no need for any shared processing facility and less than a quarter consider it likely they would need such a facility either now or at some point in the future.
- ❖ Even fewer see the need for shared storage facilities
- ❖ For those who would consider using such capital improvements, the limit of their geographic range was typically 15-30 minutes.
- ❖ Half of respondents thought that a centralized effort to provide consumer education, marketing and equipment sharing would benefit their organization. These respondents felt they would use such a resource on a regular (weekly to monthly) basis.
- ❖ Across the board, respondents were 20-30 percent less likely to offer financial support to these activities than to acknowledge their benefit.

Summary

The research on stakeholder needs identified both challenges and opportunities, and point to a gradual building up of human infrastructure investments rather than the “big splash” of a significant capital investment in food processing or storage facilities.

A relatively low level of stakeholder participation, especially among producers, indicates a need to build engagement in the concept of a food center as well as organizational capacity and credibility with those producers. The best way to begin that process is to begin offering some of the critical linkages missing now in consumer education, networking, aggregation, and marketing that those who did participate in the study indicate are needed. Agricultural producers as well as other stakeholders indicated a willingness to support efforts that help them directly, but will need to see results first.

This focus on human infrastructure needs does not mean that there are no opportunities for strategic capital investments, but whether those are in mobile slaughter, flash freezing, or distribution (to name just a few options), they will need to grow out of a more active and dynamic relationship with the producers who do engage positively with the food center concept. In time, the area may have built up its core of local agricultural enterprises in ways that can support some form of food incubator to serve local producers, but at this point neither the critical mass nor the expression of interest is there to pursue that alternative.

IV. EXPLORING ALTERNATIVE APPROACHES

The research identified a variety of organizations located in Vermont, New Hampshire, Massachusetts, Rhode Island, and beyond that are currently working to address a similar local food mission to that which inspired Post Oil Solutions to explore the feasibility of a local food hub in Southeastern Vermont and Southwestern New Hampshire. The consultant and GFFH staff evaluated several such programs for lessons learned in their effort to meet the infrastructure needs expressed by participants in this assessment. The following summarizes key programs and experiences that may help guide the direction of a food center in the Great Falls area.

Organizations with a Broad Marketing and Community Education Focus

This assessment included a review and evaluation of three abutting local food organizations that have adopted a primarily marketing and outreach focus. These three include: Community Involved in Sustaining Agriculture (CISA), Rutland Area Farm and Food Link (RAFFL), and Valley Food and Farms (VF&F).

Community Involved in Sustaining Agriculture (CISA), Deerfield, MA

CISA was founded in 1993. Their stated mission is to *link farmers and communities to strengthen agriculture and enhance the economy, rural character, environmental quality, and social well being of western Massachusetts*. They provide services in a three-county region of Western MA spanning the Connecticut River. Their 2010 annual report lists 11 staff members and an eighteen-member board of directors.

Key Goals and Program Areas: Since 1993 CISA has been working to strengthen the connections between farms and the community by creating and running programs that link farmers, community members, and markets. They currently operate the following programs:

- ❖ CISA's *Be a Local Hero, Buy Locally Grown*® public awareness and marketing campaign was started in 1999. In 2010, 202 farms, 46 restaurants, 31 grocery stores, eight landscape/garden centers, eight specialty food producers, and 12 institutions participated. The *Local Hero* campaign covers virtually all local farm products, from fruits and vegetables to dairy, poultry, forestry and fiber products and uses a wide array of paid advertising (print, radio, web) and public relations (press releases, events and appearances) to engage the public and increase support for local farmers.
- ❖ A [Senior FarmShare](#) program has provided shares of the local harvest to low-income seniors since 2004. They rely on a mix of state funds and public generosity to fund the program.

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- ❖ [Farm to Institutions](#) sales are promoted by CISA to build local wholesale agriculture markets with institutional buyers such as workplace cafeterias, hospitals, schools, and colleges.
- ❖ While the organization does not operate any food processing facilities, CISA encourages [infrastructure development](#) as a convener, facilitator, and researcher to help farmers, for-profits, and public and private funders gain knowledge of the value of investing in food systems infrastructure. They provide technical assistance to entrepreneurs making decisions about agricultural infrastructure investments and work with partners to improve local infrastructure and address critical gaps in the systems and facilities needed to get agricultural products to new markets. Since 2007, they've worked with growers, business owners, and buyers interested in ready-to-eat salad greens, dairy products, meat, and winter storage crops.
- ❖ CISA offers a wide range of [technical assistance](#) to farmers and other members with workshops, consulting, and downloadable information sheets. Some examples include a **Local Hero Networking Opportunity: Farmer/Buyer Meet and Greet** that brings people who grow and produce food together with the people that want to purchase local products for their store or restaurant. Another example is their **Farmer Mentor Program** that lists farmers and other types of experts that are interested in working one-on-one to share their expertise with farmers. Workshops are supported in part by the USDA Risk Management Agency, USDA/Rural Development, USDA Agricultural Marketing Service and by individual contributors and Local Hero members. A **Whole Farm Planning for Beginning Women Farmers** consists of one-on-one mentorships, on-farm field days, business planning workshops, and a network of women farmers with shared concerns. The class is free to participants, with a USDA/NIFA grant covering the \$1,500 value.
- ❖ CISA offers [consulting services](#) to nonprofit organizations, farming groups, state departments of agriculture, and others the benefit of their 15 years of work creating public support for agriculture.
- ❖ CISA supports [farm to school](#) efforts to get kids involved in agricultural activities in classrooms, cafeterias, gardens, and local farms. They provide links to other organization such as the Massachusetts Farm to School Project and the Southeastern Massachusetts Agricultural Partnership (SEMAP), and collaborated on a "Train the Trainers" workshop series to offer intensive, pragmatic training designed to prepare more community-based agricultural professionals and others to help farmers decide if and

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how to sell to schools. The information gathered through these workshops was compiled in a Massachusetts Farm to Cafeteria Resource Guide.

CISA's Range of Services: While many of CISA's programs may cover more than one public function or service, they address most of the human infrastructure needs expressed by stakeholders in the Great Falls area:

- ❖ **Consumer Education** is provided through the *Local Hero* campaign using a wide array of paid advertising (print, radio, web site) and public relations (press releases, events and appearances) to engage the public and increase support for local farmers.
- ❖ **Marketing** of local products occurs through a *Farm Products Guide*.
- ❖ **Communication** about local food issues appears to be the core of CISA's mission. Communication vehicles include a free monthly e-newsletter, newsletter archives, annual reports, a farm products guide, technical-manuals (starting your-own buy-local campaign, and a guide for developing workplace CSAs). They also post events related to local products and list them under three categories as follows:
 - Community Events: Farm visits, educational events, films, rallies, and more that connects the community to local farms and food.
 - Farmer Events: Conferences, workshops, trainings, and any other events that are specifically geared towards farmers.
 - CISA Events: CISA offers opportunities throughout the year for community members to connect to local farms and for Local Hero businesses to connect to each other.
- ❖ **Networking** has grown as a service through the recently established PVGrows, a collaborative network that hosts two networking meetings open to "anyone working to build a healthy Pioneer Valley Food System." So far, individuals from 125 organizations, agencies, and initiatives have participated. Collaboration between PVGrows members occurs in working groups that include higher education, urban food access and community health, infrastructure finance, land, rural food access, co-ops, entrepreneurs, food sovereignty, and farm-to-school.
- ❖ **Food Security** is undertaken, somewhat, by the Senior Share program.
- ❖ **Professional Development** is offered through a "Resources for Farmers" page with tip sheets, grant information and resources and through a broad range of technical assistance workshops.

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- ❖ **Resource Identification** is provided on their Website with links to a variety of sites that provide “local inspiration and tips for using the local bounty”. Some examples include:
 - [Happy Valley Locavore](#)—A Greenfield resident blogs her recipes and kitchen tips.
 - [Valley Locavore](#)—A blog about local farm adventures, events, and recipes.
 - [Edible Pioneer Valley](#)—A quarterly magazine about eating well in the Valley.
 - [The Recorder](#)- features a weekly column by Mary McClintock about eating locally.
 - [The Kitchen Garden Vegetable Pages](#)- Photos and recipes for any vegetable you can find in a farmers market.
 - [Brookfield Farm](#)- Storage tips and recipes for fresh produce.
- ❖ **Distribution Support** is aided by linking local farms and wholesale buyers of all sizes, including restaurants, retailers, workplaces, and schools. CISA provides assistance in getting started with purchasing from local farms, looking for specific items, and expanding local farm relationships.

Funding: CISA’s 2010 Annual Report provides the following information about revenue and support categories that fund their programs:

SOURCE OF REVENUE	AMOUNT	%
Grants and Government Contracts	\$459,542	53%
Cash Donations	\$259,329	30%
Local Hero Membership Dues	\$ 50,205	6%
Rental, Consulting, etc.	\$ 32,412	4%
In-Kind Donations	\$ 31,461	4%
Advertising and Merchandise Sales	\$ 31,130	4%
Total Revenue and Support	\$864,363	

CISA’s annual report also lists the following government agencies, foundations and businesses whose grants and financial contributions provided support for their work:

- ❖ **Government Grants**
 - [Massachusetts Department of Agricultural Resources](#)
 - [Massachusetts Executive Office of Elder Affairs](#)
 - [Mass Highways: UMass Transportation Center](#)
 - [Northeast Center for Risk Management Education](#)
 - [Northeast Sustainable Agriculture Research and Education](#)

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- United States Department of Agriculture/Agricultural Marketing Service
- United States Department of Agriculture/Rural Development
- United States Department of Agriculture/Risk Management Agency

❖ **Foundation Grants**

- Berkshire-Pioneer Resource Conservation and Development
- Frank Stanley Beverage Foundation
- Community Foundation of Western Massachusetts
- Irene E. and George A. Davis Foundation
- Lawson Valentine Foundation
- Lydia B. Stokes Foundation
- Northeast Farm Credit AgEnhancement Program

CISA represents a relatively mature organization that has evolved over time by developing a strong base of producer and community involvement in both its governance structure and its programmatic efforts. A large multi-year commitment by the Kellogg Foundation and others allowed it to establish its signature *Be A Local Hero* campaign. It now has credibility to seek funding sources for specific initiatives across the range of local food areas from consumer education, to food security, to expanding institutional purchases. It relies on foundation or governmental grants to fund over half of its work, but raises over \$330,000 annually from private fund raising efforts. After nearly 20 years, it still raises less than 10 percent of its revenue from direct fee for services such as consulting, rentals, product sales, or advertising.

Rutland Area Farm and Food Link (RAFFL), Rutland, VT

RAFFL was formed in 2004 to serve the “Rutland Area” covering Addison, Bennington and Rutland County in Vermont and Washington County, NY. They currently have a staff of seven (plus two interns) and fifteen board members. Their mission is *to create economic opportunity for local farms; connect residents to an abundance of healthy local foods; and to support environmental sustainability within our food system.*

Key Goals and Program Areas: Whereas CISA had a broad consumer-awareness and involvement focus initially, RAFFL serves as a project-based facilitator of specific initiatives to support the local food system in a range of ways. Four major work areas include:

- ❖ **Connecting Farms to Customers** with projects like the annual *Locally Grown Guide*, *Worksite Delivery Farm Share* programs, *Farm Tours*, the *Winter Farmers Market*, and work with local schools and institutions.

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- ❖ **Expanding the Accessibility and Affordability of Locally Grown Food** through on-farm gleaning projects, *Grow the Longest Extra Row* and as an active member of the *Rutland County Nutrition Coalition*.
- ❖ *[In Planning Stage]* **Supporting Farm Expansion and New Farm Start-up** through a *New Farmer Initiative* and *Land-based Farm Incubator* program.
- ❖ *[In Planning Stage]* **Food System Infrastructure Development:** The proposed *Green Mountain Food Hub* takes RAFFL into the provision of capital infrastructure in the form of a regional facility providing storage and processing solutions for farmers.

RAFFL's major projects or programs include:

- ❖ **A New Farmer Initiative** to link new farmers with the resources they need to succeed. This includes linking folks with business planning and technical resources available, advocating for training sessions for beginning farmers to be held in the Rutland Region, hosting mixers for new farmers to meet and network with each other, and advertising land rental, business transition and other opportunities. An important goal of RAFFL's is to expand the number and breadth of farms in their region.
- ❖ RAFFL organizes a **Farm-to-Workplace** program to build a connection between local farms and Rutland-area workplaces. Employees purchase a share and have it delivered by the farms to their workplace each week throughout the growing season. Several different shares are offered, including vegetable, locavore (includes local products like honey and apple cider), egg, half-season, and winter share. RAFFL hopes to further streamline the program by overseeing enrollment and offering administrative services.
- ❖ **A Locally Grown Guide** is a directory of local farms, farm stands, farmers' markets and restaurants, retailers and specialty food producers that use or sell locally grown food and agricultural products with 40,000 copies distributed widely throughout the region.
- ❖ Farmers and home gardeners in the Rutland region participate in the **Grow the Longest Row** by pledging to grow a little extra food for community members in need. Fresh, locally grown produce is collected and distributed to 14 area food shelves and meal programs for people in need of food assistance. Produce is collected at area farmers' markets, stored in coolers over the weekend, and delivered to drop off locations the

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following Monday. This effort is a partnership between RAFFL, the [Vermont Foodbank Gleaning Program](#), area agencies, and local farms.

- ❖ In partnership with Green Mountain College and Poultney Mettowee Natural Resource Conservation District, **Annual Farmers' Gatherings** are held to discuss relevant agricultural issues. These gatherings guide RAFFL's work and serve as a networking opportunity among farmers, buyers and regional agricultural service providers.

Range of Services: While RAFFL's programs may cover more than one public function or service, this is primarily how they address the following broad categories of potential food center services.

- ❖ **Consumer Education** is provided through place-based nutritional education in collaboration with Rutland County Nutrition Coalition. Much of RAFFL's consumer education is delivered through their Website section, "Eating Locally," that has the following links to information: [Why & How](#); [Find Local Farms & Food](#); [Become a Localvore](#); [Eating Seasonally](#); [Cooking & Food Preservation](#); [Growing Your Own Food](#); and [Blogs & Web Resources](#)
- ❖ **Marketing** of local food comes through their "Locally Grown Guide." Farms listed in the Guide must be located in the Rutland Region (Rutland County, southern Addison County, northern Bennington County, and western Washington County NY). Value-added processors, bakeries, stores, restaurants and inns must be committed to regularly using or selling agricultural products from farmers within the Rutland Region to be included in the Locally Grown Guide.
- ❖ **Communication** is primarily from their website and a newsletter – *Connecting You and the Local Food Movement*.
- ❖ **Networking** efforts are accomplished through their annual Farmer's Gathering and a website blog.
- ❖ **Food Security** is a goal of the Grow the Longest Row program.
- ❖ **Professional Development** efforts include: A Farmer Resource Fair, New Farmer Initiative, Summer Workshop Series, and Winter Discussion Series, one-on-one services to match farmers to statewide resources, farmland access matchmaking, and farm-to-farm mentorships.
- ❖ **Resource Identification** is provided through a website section called "*What's Growin' On*" that has additional sections titled Recent Post,

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Websites and Resources, and Categories (events & farm tours, farmer shout outs, internships and farm employment, land opportunities, resources, etc.) and Local Farm Blogs.

❖ **Distribution Support** is not provided in a formal way.

Proposed New Food Processing Infrastructure: RAFFL is currently working to create the **Green Mountain Food Hub** to provide food processing, storage and distribution facilities for farmers and value-added producers in southwestern Vermont. The infrastructure components provided by the hub will allow locally-grown food to be processed and packaged to meet the demand of local schools and other institutions. The Hub will provide farmers a fair-trade price for their raw product while making the lightly processed product available in the quantity, consistent format and streamlined procurement system demanded by large food services. RAFFL is in the business planning stage of this project.

Funding: At this point in its organizational development, RAFFL pays for programs and services largely through grants. Key funding sources include the Vermont Community Foundation, the John Merck Fund, the Highmeadows Fund, and the Vermont Agency of Agriculture, Food and Markets. It holds one major fundraising event during the year and has been slowly increasing its financial support from residents and corporations in the Greater Rutland area. As with CISA, fee for services account for less than 10 percent of its revenue stream. One reason for RAFFL's efforts to develop a food incubator and storage facility is their assessment that to continue to expand support for local agriculture they need a more sustainable earned revenue stream.

SOURCE OF REVENUE	AMOUNT	%
Grants	\$88,625	76%
Fundraising Events	\$14,491	13%
Fee for Services	\$ 5,600	5%
Community Contributions	\$ 5,286	5%
Other	\$ 1,871	2%
Total Revenue and Support	\$115,873	

Valley Food and Farm (VF&F), White River Junction, VT

Valley Food and Farm is a program of Vital Communities, Inc., a regional nonprofit organization based in White River Junction, VT. Vital Communities serves sixty-nine towns in the Upper Connecticut River Valley region of Vermont and New Hampshire. The perimeter of their service area includes Ryegate, VT, and Bath, NH, in the north; New London, NH, in the east; Walpole, NH, and Westminster, VT, in the south; and Bethel, VT, in the west. As such it overlaps with the Great Falls Food Hub's service area.

Vital Communities has an overall mission to engage citizens, organizations, and communities in creating solutions to the region's challenges. The Valley Food & Farm Program was formed in 1999 and is one of Vital Communities' eight programs that address issues of civic leadership and involvement, business and economic development, energy, and transportation, as well as agriculture and local food.

Key Goals and Program Areas: The Valley Food & Farm Program has three main functions:

- ❖ Helping people to find farmers and local farm products through its publications ([Valley Food & Farm Guide](#), [Tidbits](#));
- ❖ Promoting local agriculture through marketing efforts and special events ([Flavors of the Valley](#), [Seasons](#)) and
- ❖ Fostering relationships between community members and farmers ([Valley Food Council](#), [Valley Food & Farmanac](#), [HEAL](#)).

Their major programs include:

- ❖ A **Valley Food and Farm Guide** for local food year round and an online searchable data base of farm stands, farm shares (CSA), pick-your-own, gifts, caterers, grocers, restaurants, educational classes, and farm related vacations and retreats. Interestingly, it includes many operations in southern VT and NH. The guide is a no cost voluntary listing process with updating done on-line by participants. They are adding new functionality that will make it searchable by zip code, distance from any selected point and other user functions.
- ❖ **Valley Food & Farmanac** is a clearinghouse of information on locally grown food and local agriculture. The "Farmanac" is a section of their website dedicated to providing information about locally grown food and local agriculture. It includes articles, recipes, tips, events, workshops, and links. There is a special section for local groups that includes topics such as

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get inspired, see what's happening, find local food, prepare local food, grow local food, and find out about local groups. Material is for the most part contributed by the public by e-mail and sorted by staff.

- ❖ **Tidbits** is an e-newsletter that provides articles and links to farms and other marketplace issues. Each issue appears to be underwritten by sponsors.
- ❖ **Flavors of the Valley** is an annual tasting, informational, and buying event for locally grown foods in the upper valley. They encourage anyone who is a chef, gardener, consumer, wholesale or retail buyer to attend. Dozens of local farmers and chefs answer questions about their food and farm products, including meats, produce, maple, dairy, baked goods, and prepared foods. This is a consumer focused event rather than a matchmaking effort for buyers and sellers. Sponsors for the April 2011 event included Cedar Circle Farm, Edgewater Farm, Marceau's Fine Foods/Inn at Idlewood, NH Department of Agriculture and King Arthur Flour.
- ❖ The **Valley Food Council** was formed in 2009 to keep pace with the increase in the number of Upper Valley groups working on topics related to local agriculture. It gives participants a central way to network, share information and experiences, look for areas of collaboration, and avoid duplication of efforts. Among those represented are farms, local grocers, town planners, town sustainability committees, locavores, food security advocates, farmers' markets, and farm-to-school groups. Council members discuss successes, problems, and possible solutions, with an eye towards enacting these solutions and improving the state of local agriculture in the Upper Valley. Vital Communities has expanded its website to include the Council's participating organizations. These and other resources, including highlights of past VFC meetings and a local agriculture calendar, announcements, news, and events are in the [Farmanac](#).
- ❖ VF&F is a member of **HEAL** (Healthy Eating Active Living), a growing network of schools, child care centers, recreation programs, health care providers, and nonprofits, to increase access to fresh produce in the Mascoma Valley region of NH. The project involves Mascoma residents in planning how to bring convenient and affordable produce to the Enfield-Canaan area.

Range of Services: While VF&F's programs may cover more than one public function or service, this is primarily how they address the following broad categories of potential food center services.

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- ❖ **Consumer Education** is provided during participation in the HEAL program.
- ❖ **Marketing** of local food is done through the Flavors of the Valley event and Tidbits has market place features about the availability of seasonal products pulled from the Food and Farm Guide. Their Website provides a searchable database of farms, CSAs, farmers markets, stands and many other organizations.
- ❖ **Communication** is accomplished through Tidbits (e-newsletter) and the Farmanac that is created by compiling publicly generated e-mails about specific topics.
- ❖ **Networking** efforts are accomplished through the Valley Food Council. The Council is set up to be somewhat self-sustaining with little administrative work for VF&F.
- ❖ **Food Security** efforts were part of past programs that are no longer operating.
- ❖ **Professional Development** efforts at the moment only include a new program for a beginning farmer mentoring program.
- ❖ **Resource Identification** is a key part of VF&Fs Website. For example website links include [agriculture associations/agencies](#), [agriculture nonprofits](#), [business](#), [conservation & other nonprofits with farm connection](#), [education](#), [farms with education centers/nonprofits](#), [food agencies & nonprofits](#); gardening resources, [non-profits](#), [locavore groups](#), [media](#), [regional food systems](#), and [Vermont and New Hampshire local food guides](#).
- ❖ **Distribution Support** is not provided in a formal way but they used to have a Farm-to-Dartmouth program that is no longer funded.
- ❖ **Processing Infrastructure** is not provided.

Funding: Valley Farm and Foods relationship with Vital Communities makes it difficult to clearly divide staff, administrative overhead and office space functions from their parent organization. It's likely that being part of a larger organization provides a number of financial and logistical benefits to the "food center" functions. VF&F has an annual fundraiser, Seasons, which is held at a restaurant that prepares locally grown farm products. Sponsors include Mascoma Savings Bank, Samuel J. Groom of Morgan Stanley Smith Barney, Inn at Idlewood/Marceau's Fine Foods, and Black River Produce.

SOURCE OF REVENUE est.	AMOUNT	%
Grants	\$30,000	33%
Fundraising Events	\$30,000	33%
Consulting Services	\$ 4,000	5%
Business Sponsors	\$22,500	25%
Other	\$ 3,500	4%
Total Revenue and Support	\$90,000	

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Figure IV.1
Summary of Services Provided by CISA, RAFFL & Valley Farms & Food

	CISA	RAFFL	VF&F
Consumer Education	Local Hero Campaign, Website	Farm-to-Workplace, Website	Website, HEAL
Marketing	Farm Products Guide Local Hero Connections	Locally Grown Guide, Farm-to-Workplace,	Flavors of the Valley. Tidbits has market place features about availability of seasonal products pulled from Food and Farm Guide.
Communication	e-newsletter, events listing (community, farmer, CISA), website	Newsletter – Connecting You and The Local Food Movement.	Tidbits (e-newsletter) Farmanac
Networking	PV Grows	Annual Farmer’s Gathering	Valley Food Council
Food Security	Senior FarmShare, Partnership with local Foodbank	Grow the Longest Row	NA
Professional Development	Resources for Farmers on Website, Farmer Mentor program, Whole Farm Planning	New Farmer Initiative	Just starting a beginner-farmer mentoring program.
Resource Identification	Website links to regional blogs, newspapers, etc.	Website section, “What’s Growin On” blog and links to information about events.	Website links. The Farmanac is generated from public contributions of information.
Distribution Support	Provides links between farmers and purchasers	Farm-to-Workplace	Nothing at the moment. Used to have a farm to Dartmouth program.
Infrastructure	Has an infrastructure planning, consulting and financing component to their services.	Green Mountain Food Hub in planning stages	Nothing at the moment.
Funding Sources	Total Revenue and Support \$864,363 <i>Grants- 53%</i> <i>Donations- 34%</i> <i>Membership Dues- 6%</i> <i>Rental, Consulting, Sales- 8%</i>	Total Revenue and Support - \$115,913 <i>Grants- 77%</i> <i>Donations & Fundraising Events-14%</i> <i>Products & Services - 6%</i>	Total Revenue and Support- \$90,000 est. <i>Grants -33%</i> <i>Special Events -33 %</i> <i>Business Sponsors -25%</i> <i>Consulting Services- 5%</i>

SOURCE: Organization websites and interviews, June 2011

Organizations with a Food Processing Focus

Three other regional food organizations have focused on efforts to provide food processing and/ or storage capacity for local farm producers.

Vermont Food Venture Center (VFVC2), Hardwick, VT

Set to open in June 2011, the VFVC2 is an expansion of the original Vermont Food Venture Center that began operations in 1996 in Fairfax, VT. The new Hardwick facility will have Total Development Costs of roughly \$3.2 million funded largely through a federal earmark. VFVC2 will operate as one of two major activities of the Center for an Agricultural Economy (CAE) also located in Hardwick. The other major activity will embrace the Community Outreach & Education Programs similar to other local food centers. CAE has a board sub-committee specifically tasked with the oversight of the Food Venture Center. In addition, the CAE will formalize the creation of an Agricultural Incubation Advisory Work Group.

The mission of the Vermont Food Venture Center (VFVC2) is to provide professional food processing opportunities to regional agricultural producers in a way that increases the value of that agricultural production, adds living wage jobs, strengthens Vermont's local food network, and further integrates the agricultural economy into the life of the Hardwick community.

The 13,559 square foot building houses three major processing cells for 1) for vegetable products and baked goods, 2) for cheese and dairy products, and 3) for meat products. In addition, the facility has two loading docks, a warehouse, freezer and refrigeration storage, a test kitchen, display halls, offices, break room, conference room, and mechanical room. The Fairfax facility is in the process of relocating several tenants who intend to use the Hardwick facility when it opens. These existing tenants will provide a baseline use of the Specialty Foods cell equal to about 20 percent of its operating capacity. In addition to those already using the Fairfax center, the Cellars at Jasper Hill Farm in Greensboro, VT has agreed to lease the cheese and dairy cell in the new center. The demand for and operational plan for the Meat Cell remains in flux at this time.

The VFVC2 envisions itself serving as a critical processing link in the established network of local and sustainable food providers in Vermont that includes whole food stores and food co-ops, hospitals and schools, restaurants, CSAs, food banks, farmer's markets, and farm stands. The Center's management will work with this network of food providers to identify specific opportunities to expand local food use through processing means and will coordinate efforts with local producers, food-based entrepreneurs, and food distributors to supply these products effectively. In doing so, the center will help drive demand for a greater quantity and variety of local agriculture product and help

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extend the state's capacity to provide local food on a more year-round basis. The VFVC2's role in bringing together agricultural producers and food providers interested in local food will provide the core market demand for start up food processing businesses to develop.

The Business Plan projects first year earned income in the neighborhood of \$200,000, with earned revenues growing rapidly in years two and three, as operational efficiency, marketing and outreach take hold. Operating expenses will likely exceed revenues for the first several years by somewhat more than \$100,000/ year. The Business Plan projects five large capital equipment investments over the 15-year period. The total value of these five investments is nearly \$400,000. The Plan relies on fundraising through granting agencies to raise this capital as needed. In addition, there will be nearly \$2 million in unfunded depreciation on the new facility and equipment purchases over the first 15-year life of the facility.

In addition to the marketing and financial challenges, CAE Director Monty Fisher spoke of the organizational stress as well as the time and financial demands placed on the larger organization that has added this major new undertaking to its existing workload.

Western Mass Food Processing Center, Greenfield, VT

The Franklin County CDC developed a food-processing incubator in 2001 with funding from the USDA and the MA Department of Agriculture. The Western Mass Food Processing Center's mission is to promote economic development through entrepreneurship, provide opportunities for sustaining local agriculture, and promote best practices for food producers.

The center is a fully equipped production facility that meets federal, state, and local standards. Equipment includes:

- ❖ 100- and 60-gallon steam kettles
- ❖ Hot-bottling/filling automation
- ❖ Convection and conventional ovens and range
- ❖ Large scale baking capacity
- ❖ 25-gallon tilting skillet
- ❖ Large capacity mixers, choppers, shredders
- ❖ Dry, cold and frozen storage
- ❖ Shipping & receiving area w/loading dock
- ❖ 24-hour secure access
- ❖ Vegetable wash and prep areas
- ❖ Complete sanitation program and equipment
- ❖ Shared office space and equipment

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Working in combination with the CDC's focus on business development and training, the Center provides wrap around business development and marketing services to complement the processing facility. Services include:

- ❖ Training for agricultural producers and growers making value-added products or preserving harvests for retail and wholesale
- ❖ Technical assistance, business planning, product development, distribution resources and manufacturing space for specialty and organic food producers
- ❖ Support for catering, special events, mobile food service, and other direct-to-consumer food production;
- ❖ Co-pack, or contract manufacturing
- ❖ Professional development classes, workshops, and seminars

Membership at the Center costs \$50 per month, and includes access to the facility, technical advising services, and orientation and training. The basic cost for production is \$38/ hour.

According to the CDC's Executive Director, the facility generates about \$200,000 in revenue. Only in the recent year or so has it begun to generate more revenue than operational expense. For the preceding decade, the CDC underwrote the operational shortfall through earnings elsewhere, through grant funding, and through memberships and donations.

Over time, the facility has tried several approaches to maintaining activity at a break-even basis. Like all incubators, its most successful clients move on to establish their own facilities. There is a continuous struggle to keep finding and developing new entrepreneurs capable of using the facility regularly. Overtime, the most reliable anchor businesses have been CDC staffed co-packing and contract services. In addition to an array of private commercial users, other regular users include the local Meals-on-Wheels program for Franklin County.

Open Kitchen Program @ Farm Fresh Rhode Island, Pawtucket, RI

Farm Fresh Rhode Island runs local farmers markets, provides local food services including marketing and distribution, and kitchen and culinary training and special programs. This regional food center has a long-term goal of opening a kitchen entirely focused on incubating food businesses, supporting farmers and women, immigrant and low-income entrepreneurs. They are currently developing a dedicated incubator kitchen, *Hope & Main*, planned for the former Main Street School site in Warren, RI. This shared-use facility will be rented out by the hour or month to provide kitchen equipment and storage, along with professional services, mentoring, and education to guide local businesses.

In the mean time, Farm Fresh is currently acting as a matchmaker between value-added producers and owners of local kitchens under an **Open Kitchen Program**. The program is for farmers who want to produce value-added products but do not have access to a certified kitchen or the time to cook during the growing season; entrepreneurs to overcome the obstacles associated with starting a food production business such as high start-up costs for ingredients, equipment, and licensing and the trouble of finding a certified kitchen; and certified kitchen owners who can rent their underutilized kitchen space, usually during off-hours for their main business.

Open Kitchen maintains a list of certified kitchens "open" for rental with their location, contact information, and details about whether they co-pack or provide storage and the hours available for use. In addition, they maintain a list of farm kitchens that have city-water, a double-basin stainless steel sink, and that are certified for commercial food processing. Location, contact information and examples of products made in the kitchen are listed. The project offers a range of services, including: partnerships with established certified kitchens to offer affordable rent to farmers and new users; training in an affordable and accessible ServSafe certification and culinary skills courses; links to food producers to locally grown ingredients; guidance for potential producers to get through the process of getting a license; connections for entrepreneurs to business training and micro loans; and market outlets that connect food producers with customers.

According to the agency, the key to making the Open Kitchen Program work is a combination of program and staff experience gained from working in three different service areas. First, much of the initial identification of processing facilities needs by value-added vendors came from farmers markets. At the same time they are running a program called Harvest Kitchen, a 15-week culinary and job-readiness training program for youth from the RI Division of Juvenile Corrections. The Harvest Kitchen uses one full-time staff (chef/educator) and an AmeriCorps volunteer. Running the culinary program developed staff experience with ServSafe practices, RI Department of Health licensing requirements and other kitchen management issues. Farm Fresh now gets as many as one hundred calls a year for information about issues related to food preparation and serves as a resource for overcoming obstacles related to permitting. In summary, they

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provide a matchmaking service to vendors from farmers markets looking for processing facilities, take calls from the public about value-added processing requirements and continue their outreach to identify and list licensed kitchens.

The key issues faced by the two organizations that moved quickly to fill a processing capacity need centered on three questions: How long will it take to develop a sustainable level of use? What are the true levels of cost for capital equipment and operational capacity to meet that sustainable level of use? Where are the sources of revenue to underwrite operating shortfalls until the market capacity can be reached? In the consultant's view, few of the conditions needed for the GFFH to successfully address those questions exist at this point. The area lacks a concentration of food processing businesses who could serve as potential users; the existing Food Processing Center in Greenfield is comparatively close; the stakeholder interviews, focus groups and survey expressed only limited interest in and need for such a facility; and the potential for a publicly-supported processing facility in the Rutland area reduces the likelihood of support for another southern Vermont facility. Within this context, the Open Kitchen model of matchmaking users with existing capacity represents a more realistic approach to providing some additional food processing capacity.

Organizations with Aggregation and Distribution Programs

Two additional organizations have programs aimed at providing direct links between individual farmers and market opportunities. Each of these has particular applicability to the Great Falls market area.

Southeastern Massachusetts Agricultural Partnership (SEMAP), New Bedford, MA

The Southeastern Massachusetts Agricultural Partnership (SEMAP) is a 501©3 serving southeastern Massachusetts, the Cape and Islands. They have a broad consumer education, outreach and marketing mission with three full-time staff and a ten-member Board of Directors. They have an overall budget of \$200,000 with 72 percent coming from grants.

SEMAP has recently undertaken a partnership with FoodEx, a food exchange operated by Organic Renaissance, to enhance local food distribution and strengthen the regional food system. FoodEx will operate a food hub in New Bedford's south end providing local pickups, deliveries, and warehousing while opening direct access to Boston and other regional markets for local producers. The New Bedford facility is scheduled to open in June 2011. SEMAP will facilitate introductions to the service and provide technical assistance to farmers transitioning to wholesale through its **Farms Forever** program. FoodEx will offer a virtual Business-2-Business marketplace with full warehousing and logistics support that will allow producers and buyers to manage and control relationships directly without leaving their respective worksites. Buyers will be

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able to browse, select and purchase from a large variety of regional growers. Local growers will be able to post products, make sales and arrange for delivery directly through FoodEx.

Windham Farm and Food Network, Brattleboro, VT

Closer to hand, the Windham Farm and Food Network (WFFN) is a not-for-profit, farmer-owned, produce delivery service for institutional food buyers in the Windham County Region. Piloted by Westminster Organic Farms in the fall of 2009, several farmers collaborate to produce a reliable and affordable inventory with convenient ordering and billing. Farms post their products on the WFFN website and sell directly to local institutional kitchens.

WFFN delivers from over 15 farms to the doors of more than 35 non-profit institutions in the Windham Area, such as the Brattleboro and Bellows Falls Public Schools. Because these schools serve lunch to all, including free and reduced price lunch to over half of its students, lower income eaters can enjoy healthy local food that would otherwise be too expensive. They also deliver to other wholesale buyers such as stores and restaurants but transparently charge a higher delivery fee to for-profit buyers. These higher delivery fees help to subsidize lower delivery fees for schools, thereby promoting farm-to-school programs in Windham County.

Currently, about 75 percent of WFFN funding comes from delivery fees, with coordination paid for and provided by UVM Extension. WFFN is developing a sustainable business plan to become financially solvent by 2012.

Other important features of the WFFN program include:

- ❖ Buyers can view inventory and prices and order on-line before the posted order deadline. Deliveries generally come to the buyers dock or kitchen by 3 pm on delivery day. Because produce is often picked and washed the morning of delivery, deliveries usually arrive after noon.
- ❖ Farmers set their own prices and receive 100 percent of the price they set. A delivery and service fee (usually 10 percent) is added to the sub-total of the bill.
- ❖ Buyers order directly from farms/vendors and can choose where their products come from. Buyers are encouraged to explore each vendor on “Meet our Farmers” or “Order by Farmer”. Each invoice will verify which farm each product has come from. Buyers are also encouraged to contact farmers directly.
- ❖ WFFN never owns product. It is a delivery service that transports food over short times and distances--usually about 6 hours, and no more than 24 hrs—under

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- refrigeration (34-45 degrees F). They guarantee that product is handled correctly and kept cool during this transport or short-term storage. Because WFFN Vendors sell directly to their customers, they are liable for the quality and freshness of their product.
- ❖ All WFFN vendors are encouraged to carry product liability Insurance, ideally for \$1,000,000 or more.
 - ❖ The majority of WFFN inventory is grown on farms that carry third-party food safety certification. Other farms have completed UVM Extension's Practical Food Safety Workshop Practical Food Safety Plans in 2010. The WFFN Coordinator (also a food safety service provider) visits each farm and reviews, when necessary, best practices on site. Grafton Village Cheese and Commonwealth Dairy are sterile facilities that are regularly inspected and adhere to the highest food safety standards.
 - ❖ All WFFN vendors must register and be approved by the Network Coordinator before posting their products for sale. Vendors must have the interest and ability to sell wholesale, and must agree to and meet the networks standards and expectations.
 - ❖ Vendors are responsible for keeping their on-line inventory up to date with training provided to all new vendors on use of the on-line inventory.
 - ❖ WFFN pays vendors on the first of each month for all invoices in the previous month.
 - ❖ Vendors are cooperating to produce a diverse and reliable inventory. Some redundancy of product is expected, but fierce undercutting and competition is not good for the market and for overall farm profitability. Vendors are asked to use common sense when posting and pricing their products and consult with the network coordinator on a case-by-case basis.

Summary

The existing food centers and food hubs reviewed provide a wide range of human and physical infrastructure supports. Their experience serves as a valuable model for efforts in the Great Falls market. Grant funding dominates the revenue base of these organizations, especially in their early stages of development. Local fundraising capacity can grow with time, with positive impact, and with deeper involvement and participation among producers, consumers and communities. To date, there is little indication of significant *fee for service* revenue developing from “soft or human infrastructure” programs. Still, food centers are becoming increasingly entrepreneurial in their efforts to generate such income. A number of promising new initiatives are aimed at helping small producers aggregate and market products online. The two programs evaluated with direct food processing capacity have each relied on large governmental grants to cover all of the hard costs of developing and creating the facility. Both experience a limited capacity to cover costs with occasional or small regular clients; each depends on “anchor” uses to underwrite operational costs. The Franklin County CDC’s Food Processing Center struggled for more than a decade to supplement earned income from user fees and co-packing contracts with enough subsidy funds to pay for the ongoing operations of the facility. The new Vermont Food Venture Center in Hardwick anticipates an annual operational shortfall of at least \$100,000 for the first few years of operation. Neither sees the facility realistically generating enough revenue to cover depreciation on the initial capital expense. Along with generating a sufficient quantity of users and securing anchor tenants, the cost and availability of operational expertise, especially in the start up phase represents a real barrier to entry. In all, the model of the food center providing soft or human infrastructure support best fits the market conditions, organizational capacity, and level of engagement present in the Great Falls area.

V. RECOMMENDATIONS

The following represent the consultant's key recommendations stemming from the assessment of needs.

Overall Direction

The Great Falls Food Hub needs to clarify its mission, change its governance structure, strengthen internal capacity and its ties to the network of local food interests before seeking funding for any large-scale investments such as food processing facilities or equipment, transportation equipment, or storage facilities. At the same time, the organization needs to move quickly beyond the planning stages and provide some real value to the local food system's already dynamic range of efforts. What stakeholders have most consistently asked for is:

1. A strong **consumer education awareness and marketing** presence
2. A more easily accessed **networking and information exchange** capacity; and
3. **Aggregation** support for smaller producers trying to access to retail, wholesale and institutional markets.

These represent the key infrastructure gaps around which a local food center initiative could build its capacity.

Note: Until the GFFH board selects a new name that captures the essence of this initiative, the following recommendations will refer to the effort as the Great Falls Food Center or GFFC.

Mission & Vision

The consultant recommends a mission that captures the sense that the GFFC is a **bridge between producers and consumers**, that its mission is to support opportunities for agricultural producers to expand local food production while supporting consumer access to healthy and affordable food and community access to sustainable economic development opportunities.

The GFFC vision should bring producers and consumers together, helping each understand and meet the needs of the other, under a common umbrella of community. As part of its networking or linking vision, the GFFC can also link local producers and institutions to opportunities, funding, and best practices as they exist from sources outside of the four-county area.

Key Goals

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The GFFC's activities should flow from its mission and vision in order to achieve measurable goals that help stakeholders, funders and the public see its value and effectiveness. Making sure there is an objective source for measuring goals is key. Meaningful goals to consider may include:

- ❖ Increases in local direct farm sales as a percent of overall food consumed locally
- ❖ Increases in agricultural land in production
- ❖ Increases in overall agricultural production
Measured by the BEA's Census of Agriculture and Census of Retail Trade every five years
- ❖ Increases in the number of businesses and institutions that participate in local food buying practices and programs
- ❖ Increases in direct marketing activities such as farmers market sales, and CSA enrollments
Baseline and ongoing measurements may be available through existing organizations.
- ❖ Increases in the percentage of local food purchases made by area retail and restaurant establishments
- ❖ Increases in the number of small farm producers able to access local retailers, institutions and distributors through the center's support
- ❖ Increases in communities with Local Food purchasing and land use policies
Baseline and ongoing measurements will need to be created and maintained by food center in cooperation with others.
- ❖ Increases in GFFC's memberships and financial support
Ongoing measurements will need to be created and maintained by food center

Governance

At the outset, the key issues for developing a food center to serve this geographic area include: increased community and producer buy-in, funding support appropriate to programmatic goals, and on-going direction from the key regional stakeholders. The GFFC should form a Board of Directors with more emphasis on agricultural stakeholders to guide its future direction. The composition of that board is critical and should include:

- ❖ Both small and larger agricultural and specialty foods producers
- ❖ Representatives from key wholesale, retail and direct marketing channels
- ❖ Representatives from health, education and business institutions; and
- ❖ Community, government and social service leaders

Key skills to look for in prospective board members include:

- ❖ Private sector entrepreneurial expertise
- ❖ Communications, marketing and development expertise

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- ❖ Knowledge of and connections with statewide local food systems' efforts

Initial Program Areas

In its initial stage, the Great Falls Food Center approach should address identified needs in three programmatic areas:

- ❖ **Local Food Awareness Campaign:** The consultant recommends an initial focus on personalizing the efforts and contributions of local farmers, on building consumer awareness of the richness of agricultural products available at their doorstep through the range of marketing channels; on highlighting ways local food can be affordable and build food security; and on making connections between local food and local economic development efforts. Developing the themes and action plan for a consumer education effort to kick off the Center's activities in the spring of 2012 represents an important next step in making the Food Center a reality.
- ❖ **Networking and Information Marketplace:** The consultant recommends developing a web-based capacity to promote the exchange of opportunities and connections across the range of agricultural needs, including access to labor, training, land availability, equipment sharing, marketing approaches, funding opportunities, shared processing and storage opportunities, and other strategies for supporting agricultural producers and connecting them to each other, to consumers and to institutions.
- ❖ **Aggregation & Distribution Support:** Finally, the consultant recommends working with the Windham Farm and Food Network (WFFN), along with Black River Produce, and a representative group of small agricultural producers to explore ways for the center to extend the work of the WFFN and to increase small producer access to local retail, wholesale and institutional markets.

Public Interface

A strong web presence and social media capacity is critical to GFFC's playing a central networking or linking role within the local food system. Given the likely mismatch between available financial resources for staffing and the multitude of important linkages needed to connect producers and consumers, the web interface will need to allow limited staff to communicate with a broad and diverse audience.

Next Steps

Moving forward, the reviewers of this analysis may wish to simultaneously focus on the following next steps:

- ❖ *Prepare a Food Center Business Plan:* This plan would articulate the specific mission, vision, governance, and key goals for the organization, and lay out a three-to-five year set of actions for developing the capacity and delivering the programs needed to express that mission effectively. Critical to the business planning process is an initial and long-term funding strategy based on a realistic assessment of the potential for public and private foundation support for the identified programs, capacity for local fundraising and membership based activities, and the potential for “fee for service” activities.
- ❖ *Initiate a New Governance Structure:* Begin the process of determining the mission, overall vision, and board level participation in the Food Center going forward.
- ❖ *Commit to an Initial Consumer Awareness Campaign:* The Food Center’s first major public effort should be in the area of consumer education. The consultant recommends that the Food Center’s organizers commit to rolling out a local food consumer education campaign for the spring of 2012.
- ❖ *Prepare a Priority List of Short Term Activities to Continue Momentum Towards the Development of a Food Center:* The GFFH has been working on a number of efforts and projects and should prioritize and identify potential funding for those activities including: finding a way to support and expand the work of the Windham Farm and Food Network; collaborating with Valley Food and Farm to provide more exposure to local farms, continuing with Community Conversations in Bellows Falls around the issue of local food access; and collaboration with the Westmoreland, NH farm/jail reuse as a potential farm incubator, food storage and distribution site.