



Scaling Up for Institutional Markets: Midwest Case Studies

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There is a growing demand for fresh, local food among institutions, including schools and hospitals. This demand creates new markets for smaller-scale farms and food companies. However, it is not always easy to scale up production to meet the requirements of larger clients. This publication profiles two types of institutional food buyers working to bring fresh, local, and regional food to institutions—a farm to college food service with locations nationwide and a local food aggregator in northeast Iowa.

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High school “cafeteria coaches” encourage elementary students to eat healthy food on their lunch trays. In northeast Iowa and across the country, more of that food is coming from local sources scaling up for institutional sales. Photo: Courtesy of Northeast Iowa Food & Fitness Initiative

Introduction

Farm to institution encompasses a wide range of situations. In this publication, the term refers to programs in institutions such as schools, hospitals, and workplaces that serve or provide locally produced food, including vegetables, fruit, dairy, and meat. In addition to providing food that is fresher, tastier, and often healthier, these programs may meet other institutional interests, such as sourcing food that

has fewer additives, is humanely raised, or is produced without growth hormones or antibiotics, realizing environmental benefits and boosting local economies.

Institutional customers can grow local farm businesses, help them diversify product lines and, in some cases, reduce risk. However, it is not always easy to make the transition from direct markets, such as community supported agriculture (CSA) programs or farmers markets, to institutional

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clients. Institutions may offer lower prices than the producer needs, they may want produce or eggs during times of the year that are not feasible in local growing conditions, and they may require increased paperwork.

This publication features two types of institutional food buyers working with area farms and ranches to bring fresh, local food to consumers. The first set of cases focuses on Bon Appétit Management Company's Farm to Fork program at St. Olaf College in Northfield, Minnesota, and two of its vendors, a vegetable farm and a grass-fed beef business. The second section of this publication discusses the Iowa Food Hub, located in northeast Iowa, and how it is bringing local farm products to schools and workplaces.

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Bon Appétit Management Company's Farm to Fork Program

Bon Appétit Management Company provides on-site food service for institutions such as private colleges, businesses, and museums. An early leader in the movement to eat fresh and local, Bon Appétit launched its Farm to Fork program in 1999. The program requires Bon Appétit chefs to try to source at least 20% of their ingredients from small, owner-operated farms, ranches, and artisan businesses within 150 miles of their kitchens. The company works with more than 1,200 vendors around the

country who supply a wide variety of products including tofu, oils, produce, locally grown and milled flours, and responsibly caught or farmed seafood (Bon Appétit, 2014).

Through the Farm to Fork program, Bon Appétit seeks to support small (under \$5 million in sales), owner-operated farms and ranches. The company also strives to serve meat and poultry that is third-party humane-certified and raised with limited or no use of antibiotics, cage-free eggs and sustainable seafood (Bon Appétit, 2015). The company does not require vendors to be certified organic but does ask that they use ecologically based Integrated Pest Management (IPM) methods to reduce the need for pesticide use. (Find more information on IPM at www.attra.org).

Bon Appétit operates more than 500 cafés in 32 states, with concentrations in Northern and Southern California, Oregon, Washington, Minnesota, Illinois, Ohio, New England, and Washington, DC. The company provides tailored opportunities for area farms to scale up to a level that falls somewhere between direct marketing and selling wholesale. Bon Appétit spends tens of millions of dollars annually through the Farm to Fork program. In some cases, the company supports its work with producers by helping fund improvements like refrigerated delivery trucks, hoop houses, and the cost of certification programs. Bon Appétit is always looking for new vendors and is especially interested in purchasing staples such as potatoes, carrots, and onions.

Bon Appétit at St. Olaf College, Minnesota

St. Olaf College in Northfield, Minnesota, has been a Bon Appétit client since the Farm to Fork program was created. Bon Appétit's General Manager at St. Olaf, Peter Abrahamson, started as the college's executive chef a decade ago. Now he supervises 34,000 meals per week during the school year and about 5,000 meals each week for much of the summer (Bon Appétit, 2014).

Abrahamson is an enthusiastic leader for the Farm to Fork program, and the company's Midwest "forager," one of the company's managers charged with seeking out "the best, most flavorful ingredients" from regional suppliers. During the 2013-14 school year, Farm to Fork purchases represented about 24% of St. Olaf's food purchases. Abrahamson says the primary reasons



Local food is on the menu at St. Olaf College cafeteria.
Photo: Courtesy of St. Olaf College



Peter Abrahamson, general manager of Bon Appétit at St. Olaf College, is an enthusiastic leader for the company's Farm to Fork program in the Midwest. Photo: Courtesy of St. Olaf College

are that “it’s great food that tastes better, looks better, and has a longer shelf life.”

The college purchases a wide variety of local and regional products, including all of its pizza cheese and most of its turkey. Much of its produce comes from Open Hands Farm nearby (read more about Open Hands Farm later in this publication). Fish served in the cafeteria includes tilapia from an area aquaponics producer and Alaska-caught salmon from a part-time fisherman in Duluth, Minnesota. (Bon Appétit standards require that only wild-caught salmon be served.) Less often, the school purchases local, cage-free, humanely raised eggs, and a fraction of the antibiotic-free chicken served in the cafeteria is local.

Most of St. Olaf’s ground beef comes from Thousand Hills Cattle Company, a provider of Midwest beef that is 100% grass-fed, and antibiotic and hormone-free (read more about Thousand Hills Cattle Company later in this publication). Because of St. Olaf’s volume and willingness to use less popular cuts, they can purchase enough to get a good price for high-quality meat.

Abrahamson emphasizes the value of working with farmers to look for opportunities where they and the college can both benefit. The producers get a customer that needs increased volume, and the college gets high-quality products at a good price. Even so, finding a workable price point is a balancing act that often requires the college to lower its costs in one area to make it possible to pay more in another.

Seasonal availability is an important consideration. Bon Appétit at St. Olaf must focus on what can be sourced from September through May, when most students are on campus, even though peak harvest in Minnesota comes earlier. With that in mind, Bon Appétit works with its producers to encourage season-extension efforts.

Kitchen labor requirements can be another challenge. For example, Abrahamson would like to buy local garlic, but so far it hasn’t made sense due to the time it would take to peel 90 pounds of whole garlic each week. Bon Appétit also considers larger sustainability factors, such as a product’s carbon footprint – prohibiting out-of-season, air-freighted fruit, for example. The company has established a system for this analysis, and though local products often represent reduced energy use, it is not always the case.

Nearly all of the producers who sell to St. Olaf campus deliver to campus. Produce usually arrives two to three times a week and beef twice weekly. Sometimes producers are able to share transportation to cut their costs and carbon footprint.

Abrahamson characterizes his agreements with vendors as “semi-formal.” He emphasizes that communication is key. He works with producers in the beginning to set them up as a Farm to Fork vendor. They must meet Bon Appétit standards such as raising their laying hens cage-free and not using routine antibiotics. There is no specified contract length and no guarantee that Bon Appétit will buy a certain amount of product. Abrahamson says, “We talk about what we’d like to have more of, they tell us what they could provide, and we discuss how we would work together. Our attitude with local producers is we want you to thrive, grow, and be successful. We try to work things out.”

As part of the company’s quality control, Abrahamson gets to know vendors personally and tours their farms, now and then showing up for impromptu visits. When it comes to food safety,

“What scares me the most is not the local producers,” he says. “Most of the recalls and problems have come from larger operations and occurred with items transported over a longer time period. Our Farm to Fork vendors have a lot of pride in their products and have high standards. To contract with us, they must have liability insurance and a food-safety program that includes a recall plan. Meat has to be slaughtered in USDA-inspected plants. If we ever got produce whose dirtiness worried us, we would have a conversation with the grower or drop them, if necessary, but that hasn’t happened.”

Challenges

Abrahamson’s biggest challenge at St. Olaf is to find more products that are affordable and available year-round at the volume needed. Chicken is a good example of this challenge. The cafeteria may use 600 pounds of chicken in a day, so they need birds already broken down into parts. At this time, the college has not found a good source

willing and able to provide it to their specifications. He would also like to find a local source of cooking oil.

“Overall, there is more work involved, but we think it’s worth it,” says Abrahamson. “Some food service staff might not always like it. They have to call more people, process more deliveries, deal with another invoice. You can’t just go online and make big orders. Making it work depends on your attitude. Is it more work? Or does it make the work more interesting and rewarding? When I get to talk with local producers – which brings better food to my students and also builds up local, sustainable businesses – it’s a joy.”

Open Hands Farm

Open Hands Farm at the outskirts of Northfield, Minnesota, provides much of the produce served at St. Olaf College. The farm is owned and managed by Ben Doherty and Erin Johnson, primarily as a CSA, with about 270 varieties of vegetables,

Stories and relationships about food are part of the value

St. Olaf regularly features Farm to Fork suppliers like Todd Churchill of Thousand Hills Cattle Company on menus and displays. On Bon Appétit’s annual “Eat Local Challenge Day,” started in 2005, every cafe in the country serves at least one 100% local meal choice—from the yeast in the bread to the sweetener in the dessert. Vendors are invited to meet and talk with students to share stories and help convey the impact the school’s purchases represent for farm families and local communities.

At an institution like St. Olaf, the stories and relationships that food represents are valued for building a sense of community and a culture of people who appreciate and know more about their food. The educational element of knowing where their food comes from is important to the students, who have indicated strong preferences for healthful, humanely raised food, produced with methods that protect the environment.

“For example, we could get cheaper beef, but I don’t believe it’s comparable in terms of health or environmental benefits,” says Abrahamson. “We look at the overall program. Even where it is slaughtered... Then we feature Todd Churchill in a cowboy hat to talk about what he’s doing and why. It’s a good example of how it can be worth it to spend more than we would otherwise from a local partner who can come and share information.”



Todd Churchill, founding owner of Thousand Hills Cattle Company, is an alumnus of St. Olaf, one of the institutional buyers of the company’s 100% grass-fed beef. Photo: Courtesy of Thousand Hills Cattle Company



Ben Doherty and Erin Johnson own and manage Open Hands Farm, Northfield, Minnesota, which operates as a CSA farm and also sells to nearby institutional clients. Photo: Courtesy of Bon Appétit Management Company

fruits, herbs, and flowers. Its specialties include lettuces and root crops, particularly carrots. Many of its crops are heirloom, open-pollinated varieties. It currently serves 225 to 250 families from 11 acres. Members pick up at the farm, where they have opportunities to purchase additional strawberries that they pick themselves, and to attend special events (Open Hands Farm, 2014).

Doherty and Johnson met and worked together on a large CSA in Massachusetts, and then moved to Minnesota near Erin’s family, where they started renting farmland they now own. They started Open Hands Farm as a small CSA and sold to several farmers markets. Their first step into institutional sales came when they started supplying Bon Appétit at St. Olaf. Now, Open Hands Farm also sells to Bon Appétit at Carleton College, at a local food co-op, to restaurants, Northfield Public Schools, and sometimes an emergency food shelf network in Minneapolis and St. Paul, not far away.

This variety of markets provides a lot of flexibility, according to Doherty. Their volume of sales has been growing significantly. Now the farm sells about 15,000 pounds of carrots and 3,000 to 4,000 pounds of lettuce annually.

Open Hands Farm is certified organic, but Doherty doesn’t really think that most of his customers care. “We don’t get a premium for that in most cases, but we think it’s worthwhile anyway. Certification exists for a reason, and we’re just committed to it. Otherwise, there is so much gray area, and I’m sure that the gray area often gets

abused when producers aren’t certified.”

“The relationship with Bon Appétit has worked especially well. It’s not really fair to call it wholesaling,” says Doherty. “We’re able to charge more than farmers usually make from a wholesaler, and they adjust their menu to make it work as much as possible. For example, originally we didn’t think they would buy lettuce from us, but now they purchase it weekly all summer, all fall, and it has become a major crop for us.”

“Bon Appétit is not looking for excuses or just good publicity,”

says Doherty. “They are interested in our success. We want *each other* to succeed.”

Challenges

Even with great customers like Bon Appétit, the couple acknowledges that there will always be challenges. Their most significant challenge in selling to their main institutional client is timing. St. Olaf’s biggest demand falls in the farm’s off-season. However, the farm is learning to adapt by planting more fall crops and recently expanded greenhouse space to increase season extension.

Labor for processing also poses challenges. Doherty says he would like to sell garlic to Bon



Ben Doherty of Open Hands Farm with Hmong farmers at Eat Local Challenge Day 2014 at Carleton College in Northfield. Photo: Courtesy of Bon Appétit Management Company

Appétit, but peeling requires more labor than either Open Hands Farm or St. Olaf can make work at the present time. Carrots used to pose a similar problem. Bon Appétit used to buy pre-peeled, diced carrots, which Open Hands Farm could not supply. St. Olaf figured out, though, that doing the processing in-house was more cost-effective.

“Their attention to keeping an eye on the bottom line actually had a positive impact for us,” says Doherty. He adds that due to increased carrot sales, he was able to take out a federal Farm Services Agency (FSA) loan to build an energy-conserving, root-storage building.

Doherty says that none of the vendors he works with have required his farm to have a third-party food safety certification, though he knows that could change with new food-safety regulations. Since he and Johnson both have restaurant experience, they have put a lot of thought into setting up their operation to keep produce fresh and clean and avoid problems. However, he is aware that any operation can have issues.

One of the years when there was a serious salmonella outbreak traced to spinach, Open Hands Farm couldn't sell spinach to Bon Appétit, which had decided to halt all spinach purchases companywide. “We were flooded with customers at farmers market who trusted us, but realistically, how can you know?” says Doherty. “It inspired us to make changes to tighten up our safety procedures. For example, we now require workers with animals at home to change boots when they come on the farm. Like most people and farmers, we don't really like to be told what to do, but we know safety is really important.”

The couple has attended workshops on food safety put on by the University of Minnesota after they bid to be a contract grower for the Minneapolis Public Schools. “The schools put together a great food safety checklist and a helpful document on what items and package sizes they wanted, what volume they could commit to and how often they expected delivery,” says Doherty. Even though Open Hands Farm did not get that contract, he was impressed with the process and the constructive outreach to smaller growers.

The farm's owners started out wanting to focus on Northfield, and that is still their primary market. “One of our goals is not to over-commit ourselves,” says Doherty. “Growing pains can hurt if you're not careful.”

That applies to labor. Doherty recommends being careful and intentional about the tradeoffs between labor and equipment as a farm expands. By locating bottlenecks, you can figure out where you're losing time and need to streamline. Over time, a piece of equipment can be cheaper, he says, if it will save hiring more help. Open Hands

Funding has helped Open Hands Farm scale up

Doherty says that Open Hands Farm has benefited greatly from federal USDA Farm Service Agency (FSA) and Natural Resource Conservation Service (NRCS) programs. The Beginning Farmer and Rancher Development Program helped them build a barn and root-storage facility and make land purchases. “It's making a huge difference for us. Especially in the beginning, the bank wasn't interested in us. I'm not sure what the potential of borrowing from a bank would be now, but I think the chances would be improved.”

They also used the USDA-NRCS Environmental Quality Incentives Program (EQIP) to cost-share several different practices, including buckthorn removal and a water and sediment control basin to catch runoff. EQIP also helped fund a planting of prairie and ornamentals to attract pollinators and provide habitat for beneficial insects that are predators of vegetable pests.

In addition, the farm has received support from Bon Appétit. In fall 2014, the company awarded Open Hands Farm one of 10 grants given (two in each of five geographical regions) to help the company's producer partners implement a specific project. Open Hands Farm received the award to help purchase washing and packing equipment needed for their growing root crop business. Read more at: <http://manitoumessenger.com/news/2014/11/09/bon-appetit-awards-grant-to-local-farm>.



Assistance from federal programs and from Bon Appétit Management Company have helped Open Hands Farm improve storage facilities to expand root crop sales. Photo: Courtesy of Bon Appétit Management Company

started out with Johnson and Doherty working alone on six acres. When Johnson was pregnant, they hired one worker. Now, they employ 2.5 additional full-time employees. Workers are paid hourly, and the couple plans to gradually increase the rate they pay to provide a “living wage.”

Staying ahead of the weeds is important to success at Open Hands Farm. It is also a way to minimize use of plastic. “I never would have imagined we’d have this much plastic on the farm,” says Doherty. “We use much less than many vegetable farms, but I’m still concerned about the carbon footprint of the plastic we use. It cuts down weeding time, but we prefer to emphasize mechanical weed control on most crops.”

Open Hands Farm initially invested in two small cultivating tractors with 20 to 35 horsepower for tillage. Their go-to tractor is an Allis Chalmers Model G, favored because it is small and easy to use on delicate crops. “The engine sits behind, so you so can see everything you’re doing in front of you,” says Doherty. “You can get in when weeds are small.”

Tips from Open Hands Farm

- Create a good system of crops laid out uniformly in a bed system with the cultivator and tractor to match. Equipment can be adjusted or set permanently to match bed spacing. Right now, Doherty says their tractor-tire width is set for 40 inches on-center end-row spacing.
- Have a strong interest in the success of your customers. Help make it work for each other. It takes teamwork.
- Prioritize relationships and communication. A newsletter or blog is an important tool to help customers understand your operation. The better customers understand what’s going on, the better your relationship will be.
- QuickBooks can be a really helpful tool for recordkeeping. Even so, Doherty and Johnson don’t do their own taxes. “We use an accountant, which has been worth every penny.”
- You have to have crops that match the customer’s interest. It’s easy to get excited about a big buyer, but to make it work long-term, it

has to be a good fit. Take the time to learn how they operate.

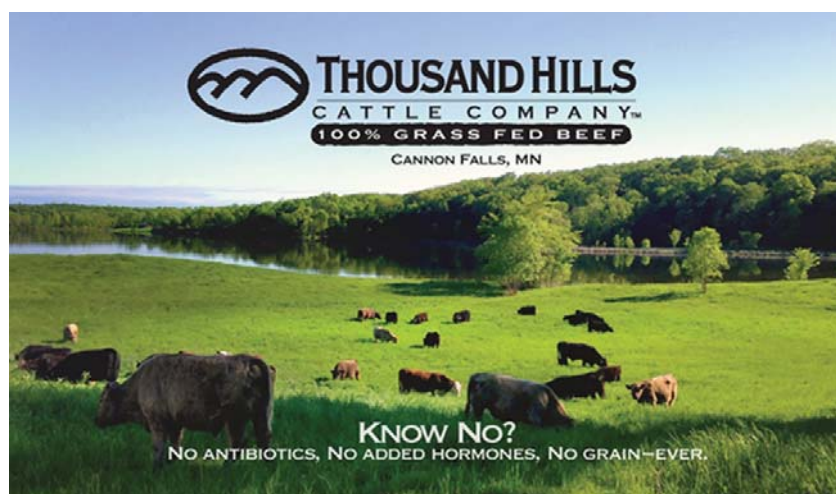
- Don’t forget about the potential of mechanization for small operations. Being profitable can sometimes cost more money. Doherty says he and Johnson try to make the best use of their capital of time, energy, and money: “A lot of the time for us, it’s been a series of smaller investments. You also can choose not to grow or spend money if you want to stay small, and that can make sense, too.”

Thousand Hills Cattle Company

Peter Abrahamson serves a lot of beef at St. Olaf, and most of it comes from Thousand Hills Cattle Company, headquartered in nearby Cannon Falls. Thousand Hills also supplies nearby Bon Appétit locations, such as Carleton College and Best Buy. Combined, these customers purchased about 98,000 pounds of Thousand Hills beef in 2013 (Thousand Hills Cattle Company, 2014).

Thousand Hills sources cattle from independent family farms in the Midwest that meet strict protocols the company summarizes as:

Holistically managed free-range forage environments, suitable heritage breed cattle genetics, raised and finished on a 100% grass and forage diet, proven humane handling through the entire life of the animal, and, finally, processing at the cleanest facilities possible, with stringent, proactive food-safety testing.



Thousand Hills Cattle Company sources its 100% grass-fed beef from farms around the Midwest that meet the company’s strict production protocols. Photo: Courtesy of Thousand Hills Cattle Company

The company started out small in 2003. Founding owner Todd Churchill, an alumnus of St. Olaf, worked for Lorentz Meats in Minnesota. Inspired by a Michael Pollan article, “Power Steer,” in the *New York Times* Magazine (2002), Churchill decided to figure out how to make humanely raised, grass-fed beef, produced without being fed antibiotics or grain, available fresh at grocery stores by the cut. “I thought consumers would be willing to pay more for a high-quality product that had certain attributes, but I knew it had to be convenient,” he says.

Churchill’s own farm only had carrying capacity for about 100 to 150 cattle per year. So from early on, Thousand Hills has purchased from a network of producers, which now includes about 60 ranchers around the Midwest who are willing to follow Thousand Hill’s criteria. “All of our producers have to raise cattle with strong immune systems,” he says. “We want our cattle to be so healthy and vibrant that they don’t need rescue pharmaceuticals. That’s the secret to providing a really great product that is going to be nourishing. It has to taste really good, too. To keep our customers, we also have to impress them with the eating experience.”

All of Thousand Hill’s differentiated meat is processed through a local slaughter and processing plant that can meet the company’s high quality specifications for packaging meat humanely, safely, and cleanly. There are relatively few mid-size USDA processing plants that can still offer a one-stop service that includes the kill, fabrication, smoking/cooking, and packaging for a variety of

meat products ready for retail sale, according to Churchill. “Having such a local partner has been critical to our ability to scale up,” he says.

Originally, Thousand Hills started selling at one health food store and soon the company was selling to four. When it started offering precut, packaged products with a longer shelf life, some new markets opened up, such as health food co-ops in the Twin Cities that didn’t have the capacity to process meat on-site. There were higher costs associated with cutting and packaging, but that balanced out when considering factors like shrinkage at the store level: “And when I cut it up, I can use the trim for sausage or hot dogs,” says Churchill.

Churchill appreciates his business relationship with St. Olaf. “Peter is really committed to using local food. His attitude is totally different than many larger buyers. His take is, ‘I’m feeding 2,000 students next week, what do you have, and my chef and I will figure out how to serve it to them.’ Peter has the desire to help, and he can use some cuts that don’t lend themselves to packaging for retail. As a result, he gets some of my best deals.”

Challenges

In his experience, Churchill says, the minimum scale for profitability with livestock is much larger than for a produce enterprise. The “sweet spot” in terms of scale depends on a lot of factors. If the owner performs most of the labor, Churchill thinks that staying small can work. However, he suggests that producers who are selling directly at farmers markets are probably not accounting for all the time involved. To scale up, the ranch must be large enough to afford quality help. Churchill estimates that means maybe 1,500 to 2,000 head a year. “You have to sell a lot of pounds of meat to cover the cost of one good full-time employee. In between, it’s hard to have a successful business.”

Also, to scale up, he says, a ranch needs people with skills in marketing and sales, who can develop good working relationships with different types of institutions, from food service companies to retailers. “Typically, they can’t be hired on a part-time basis. In the beginning, that person might make more than you do – and get paid more than they can realistically bring in. You have to consider them as an investment,” says Churchill. He adds that it took Thousand Hills several years to get to the stage – and scale – where their marketing efforts paid off.



Thousand Hills Cattle Company sells a variety of packaged products ready for retail. Photo: Courtesy of Thousand Hills Cattle Company

Food safety is always a challenge, too, especially in the meat business. Thousand Hills protocol incorporates robust food-safety testing procedures designed to find problems both on network farms and at the plant where slaughter and packing occurs. “Some research indicates that grass-fed beef is less likely to have pathogens, but it is not zero risk. If there are pathogens, we’re going to try to find them and figure out how to eliminate them,” says Churchill.

Tips from Thousand Hills Cattle Company

- Think in terms of systems and skill sets needed. Livestock is land-dependent, and land isn’t a resource that can easily be “scaled up.” Caring for land and raising cattle takes a different skill set than marketing and sales. Invest in good employees who offer the skills you need most.
- Keep a close eye on inventory. Churchill says one of the biggest secrets for his company, which is basically a marketing company, is to try to sell every pound while it’s still fresh.
- Work with a top-notch USDA processing plant that puts a priority on food safety. Thousand Hills’ producers deliver a high-quality product to the plant. From there, it depends on processing, says Churchill. “That’s why we work with a plant that goes above and beyond USDA testing requirements to produce products without pathogens that retain their exemplary nutritional qualities.”
- Look for food service institutions that serve consumers who value high-quality food. Then, work with those institutions to help market your products’ differentiated qualities. You may be able to sell to a wider clientele, but this will be a good place to start as you look for opportunities to scale up.

Iowa Food Hub: Scaling Up for Schools

Schools across the country are increasingly interested in procuring local food for the cafeteria. Educators and food service directors see farm to school programs as a way to make fresh, healthy food accessible to children, while also connecting students to their food system in an educational and engaging way.



The ribbon cutting at Iowa Food Hub’s new warehouse in West Union, Iowa. The business is bringing local products to schools around the northeast region of the state. Photo: Courtesy of Iowa Food Hub

Likewise, for farmers, there are compelling reasons to take part in a farm to school program. When integrated into a broader, diversified marketing strategy, schools can be a steady and reliable buyer. In addition, since most of the food going into schools is processed, food buyers are often open to sourcing cosmetically imperfect seconds. Schools are also excellent settings for community members to learn about local products, especially if the food service staff promotes them to teachers, students, and parents.

It is often difficult for producers to navigate the requirements that come along with supplying a school district. A food hub can be an excellent avenue for food service directors to access products from small- and medium-scale farms. Iowa Food Hub (IFH) is a good example of a new type of distribution business working to connect schools with farmers and food grown close to home. IFH strives to:

- Increase sales and consumption of locally grown products;
- Distribute quality, fresh foods into underserved communities;
- Operate a more efficient local food distribution system, saving time, gas, and money for both farmers and buyers; and
- Support small and mid-sized farms that can supply the wholesale marketplace of schools, hospitals, grocers, and restaurants.

Formed in 2012, Iowa Food Hub is a project of

three organizational partners: the Northeast Iowa Food and Farm Coalition (NIFF), the Northeast Iowa Food and Fitness Initiative (FFI), and Allamakee New Beginnings, a nonprofit with a mission to lessen the effects of poverty through education and collaboration. Iowa Food Hub is an educational, research-driven project; its partners have been successful in securing private and public grant funds to develop this business model as an example for other organizations and to offer specialized technical assistance to food producers. Its Board of Directors includes five farmers, a majority of the seven-person committee. Over 30 farmers or farm groups sold product through Iowa Food Hub in its first full year of operation, bringing in \$119,670 in sales.

Iowa Food Hub aggregates, markets, and delivers local and regionally sourced goods wholesale to grocery stores and restaurants. In addition, it provides hauling services for farmers who need assistance to deliver their direct-sales products. One of the primary avenues in which the Iowa Food Hub distributes food is through a “Workplace Food Box” program, where participating companies serve as pick-up locations for employees to access a weekly box of local food. Rather than a Community-Supported Agriculture (CSA) model, in which consumers prepay at the beginning of the season, Food Box customers have an automatic weekly payment schedule managed by an easy online ordering system.

The Workplace Food Box is designed to appeal to new customers of local food, who may find it more attractive to test the benefits of eating local by paying in smaller installments. From Iowa Food Hub’s research, 91% of their Food Box users had never participated in a full CSA program, and half of the users had seldom visited a farmers market. This model introduces locally grown food to a new customer base, intending to expand the market share for local farmers. The Food Box service is key to Iowa Food Hub’s business, allowing them the ability to run community-minded projects like their Farm to School Pilot.

Dave and Carolee Rapson of Country View Dairy in Hawkeye, Iowa, utilize Iowa Food Hub’s services to distribute yogurt products from their farm. While their sales and distribution manager, Bob Howard, also works with other distributors, Iowa Food Hub has allowed Country View Dairy to access new local markets. “Overall, it’s been a positive experience. The food hub has helped us

deliver to colleges, retail stores, and office parks,” Howard explains. “It’s a great help to getting our product out there, especially in rural communities that have really been a struggle to reach.”

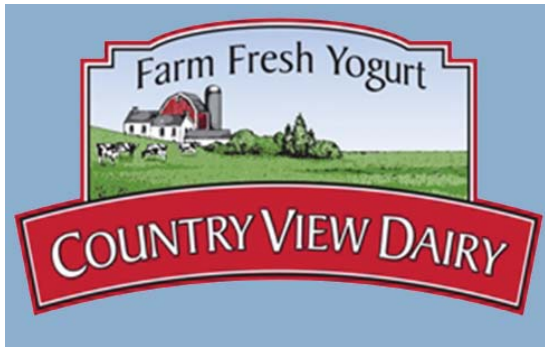
Iowa Food Hub and Farm to School

Howard highlights how helpful it has been to have Iowa Food Hub connect the dairy to public schools in northeast Iowa. He says that some schools are really good about promoting local farmers. When he conducts taste tests in local grocery stores, for example, shoppers recognize the brand and regularly comment on how their children enjoy the local yogurt in their school cafeteria.

Hearing positive feedback from parents is also a major incentive for food service directors to use products from Iowa Food Hub. After students in Turkey Valley Community Schools taste-tested Country View Dairy’s local yogurt, “a parent emailed me and asked me where I got it from because her children came home and wanted to know where to get it,” says Food Service Director Diane Shileny. This all-too-rare appreciation for school food is motivating food service directors to continue to provide quality local products via Iowa Food Hub.



*Oelwein Community School’s food service director Frank Stammeyer offers samples of Country View Dairy products at a parent-teacher night.
Photo: Courtesy of Marlie Wilson*



Country View Dairy's business has expanded, thanks to increased sales and visibility that have come from being part of Iowa Food Hub's Farm to School Pilot program. Photo: Courtesy of Country View Dairy

Iowa Food Hub and its partners make it much easier for farmers like the Rapsons to access schools than if they were to sell directly to this market. Since 2007, the Northeast Iowa Food & Fitness Initiative (FFI) has been building strong relationships with food service staff and creating systems to increase demand and handle the complicated logistics of sourcing food locally.

In 2009, FFI worked with school districts on Home Grown School Lunch Week, an initiative to feature locally produced items on school menus, coupled with in-classroom food education. Since then, FFI has developed multiple tools to facilitate the local procurement process, including an online directory of farmers wishing to sell to schools, a bid facilitation process between schools and farms, and a "Seasonal Cycle Menu," which provides schools with a cafeteria meal schedule aligned with the growing season. Currently, four school districts use this Seasonal Cycle Menu, which meets the requirements of the Healthy, Hunger-Free Kids Act and positions schools to apply for the Gold Level of the Healthier US Schools Challenge. The menu ensures that schools will have a demand for Iowa-grown produce when those products are in season, which allows farmers to plan their crops in advance to meet districts' needs.

The Seasonal Cycle Menu was developed to specifically feature 15 fruits and vegetables that are generally more cost-competitive with conventional sources when the items are in season in northeast Iowa (see box on page 12 for list).

Iowa Food Hub's Farm to School Pilot Project, conducted in the fall of 2013, delivered local food items to seven participating school districts. Food

service directors purchased over 8,000 pounds of food through the hub, including 640 pounds of locally processed pork roast, 940 pounds of winter squash and 1,950 pounds of watermelon (see box on page 12). With multiple districts utilizing the same Seasonal Cycle Menu, school food service directors were all purchasing the same items on a synchronized schedule and could leverage their collective purchasing power through Iowa Food Hub, allowing the districts to stay within their tight budgets. With the help of the easy delivery schedule, food service directors reported increasing their local food purchasing 50 to 100% from the previous school year.

"When it comes time to plan a menu, it's sometimes easier to just order from [the broadline distributor] than perhaps try and call someone up, track down a farmer, and get something ordered," reported Chad Elliott of Decorah Community Schools' Food Service. "The Iowa Food Hub has taken care of everything for us."

Food service directors are also developing trust in Iowa Food Hub's relationships with farmers: "Iowa Food Hub has all the contact information, they're familiar with the farmers, they know who to rely on to give a fair price," Elliott explains. Establishing this level of trust with food service staff only came after years of relationship-building between the districts and Iowa Food Hub's nonprofit partners.

Challenges

Iowa Food Hub's Farm to School Program is currently still in its pilot phase and continues to face challenges. One problem cited by food service directors using the hub has been receiving inconsistently sized products, a major concern due to strict federal regulations on school portions. Food service directors recommended the hub provide educational materials about school food regulations for farmers to learn more about why consistency is so important. This issue also illustrates the importance of food hubs making clear, narrow specifications when they request bids from farmers for school meal use.

Another challenge with the Farm to School pilot program is making delivery to schools more profitable for Iowa Food Hub. While both farmers and schools benefit from the focus on 15 affordable fruits and vegetables, the hub itself does not profit from this low-cost transaction. With assistance from the Northeast Iowa Food & Fitness



*Boxes of local watermelon from the Iowa Food Hub being sold to Decorah Community Schools.
Photo: Courtesy of Iowa Food Hub*

Initiative, Iowa Food Hub is researching and analyzing the cost of farm to school distribution in order to craft potential strategies to sustain the service. One idea is to expand its wholesale and Food Box accounts in the communities where Iowa Food Hub supplies school districts, which would distribute the transportation costs across more revenue streams. In the future, increasing the sales of value-added products like fresh-cut or frozen fruits and vegetables, or proteins like pork roast and eggs, could also expand opportunities to make school sales profitable year-round.

For farmers like Dave and Carolee Rapson at Country View Dairy, business through Iowa Food Hub is one reason they have tripled their production in the past year. This has inevitably caused some minor growing pains for their facility. They plan on adding a second pasteurizer in the near future to accommodate the increased demand. Sales and distribution manager, Bob Howard, says that selling to schools and other institutional markets has also increased pressure on the dairy to have a formalized food safety plan in place, which Iowa Food Hub will be helping the Rapsons – and the other farmers they work with – develop and implement.

Tips from the Iowa Food Hub

- Farm to school sales are more successful if strong relationships are built between the school food service directors and the food hub.
- Food hubs selling to schools should make sure farmers understand basic school meal

regulations and policies; bid requests from farmers should be narrow and specific.

- Farmers selling through hubs must expect to let go of some control. For Howard, a major shift with scaling up through the Iowa Food Hub has been relinquishing sales to the hub’s team. “Don’t be afraid to let go of the ordering process and delivery,” advises Howard, even though it might be unnerving to a farm that is used to direct marketing its goods.
- In order for a food hub to be financially sustainable, selling to schools should be just one of several revenue streams.

Seasonal Cycle Menu features 15 fruits and vegetables

1. Apples
2. Bell peppers
3. Broccoli
4. Cabbage
5. Carrots
6. Cauliflower
7. Cucumbers
8. Melon: muskmelon
9. Melon: honeydew
10. Melon: watermelon
11. Radishes
12. Summer squash/zucchini
13. Tomatoes (slicing)
14. Tomatoes (cherry)
15. Winter squash

Local items sold to schools through the Iowa Food Hub (through Fall 2013)

1. Apples: 1420 pounds
 2. Cabbage: 330 pounds
 3. Cantaloupe: 688 pounds
 4. Carrots: 70 pounds
 5. Cauliflower: 20 pounds
 6. Cucumbers: 166 pounds
 7. Honey: 25 pounds
 8. Onions: 25 pounds
 9. Pears: 320 pounds
 10. Peppers: 40 pounds
 11. Pork Roasts: 640 pounds
 12. Potatoes: 375 pounds
 13. Squash: winter, 904 pounds
 14. Sweet corn: 600 ears
 15. Tomatoes: 70 pounds
 16. Watermelon: 1,950 pounds
 17. Yogurt: 420 pounds
- Total= 8,063 pounds

References

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Bon Appétit Management Company. 2014. Personal communications with Bonnie Azab Powell, Bon Appétit Director of Communications, and Peter Abrahamson, Bon Appétit Midwest Forager and General Manager at St. Olaf.

Iowa Food Hub. 2014. Personal communications with Nick Mabe, IFH coordinator, and Nick McCann, IFH board chair; Bob Howard, Country View Dairy sales and distribution manager; Teresa Wiemerslage, Iowa State University Extension and Outreach Region 4 program coordinator; and Chad Elliott, Decorah Public Schools food service director. www.iowafoodhub.com

Open Hands Farm. 2014. Personal communications with Open Hands Farm owner Ben Doherty. <http://openhandsfarm.wordpress.com>

Pollan, Michael. 2002. Power Steer. New York Times Magazine. March 31, pages 44-77. www.nytimes.com/2002/03/31/magazine/power-steer.html

Thousand Hills Cattle Company. 2014. Personal communications with Thousand Hills Cattle Company founding owner and CEO Todd Churchill. www.thousandhillscattleco.com

Further Resources

Publications and Articles

Bringing Local Food to Local Institutions: A Resource Guide for Farm to Institution Programs. ATTRA publication. 2013 (Updated). By Barbara C. Bellows, Rex Dufour, and Janet Bachmann; updated by Camille Green and Nancy Moore. National Center for Appropriate Technology, Butte, MT. <https://attra.ncat.org/attra-pub/summaries/summary.php?pub=261>

Provides a good overview of local food benefits and challenges for producers and institutions to consider, with several short case studies.

Checklist for Retail Purchasing of Local Produce. 2011. Iowa State University Extension and Outreach, Ames, IA. Prepared by Amy Casselman, graduate student; Catherine Strohhahn, PhD, RD, CP-FS, HRIM extension specialist; Sam Beattie, PhD, extension food safety specialist. www.extension.iastate.edu/Publications/PM2046A.pdf

This practical checklist outlines different facets of production and handling for produce, including transportation, facilities, and worker hygiene.

Eating Our Peas & Carrots: Strategies for Expanding K-12 Access to Fruits and Vegetables Through Supply Chain Innovation and Investment. 2014. By JoAnne Berkenkamp. School Food FOCUS, New York, NY.

www.schoolfoodfocus.org/wp-content/uploads/2014/01/Eating-Our-Peas-and-Carrots_FINAL2.pdf

Includes a wealth of information from research and analysis on the dynamics that influence use of fruits and vegetables in K-12 settings, the nature of supply chains that currently provide produce to selected large urban school districts in the Upper Midwest, and strategies that could expand these schools' access to affordable, quality produce.

Federal Conservation Resources for Sustainable Farming and Ranching. ATTRA publication. 2014 (updated). By Jeff Schahczenski. National Center for Appropriate Technology, Butte, MT. <https://attra.ncat.org/attra-pub/summaries/summary.php?pub=280>

This guide gives an excellent introduction to the major federal conservation programs that provide resources for farmers and ranchers to enhance and maintain sustainable farming and ranching practices.

Food Hubs: A Producer Guide. ATTRA publication. 2013. By Andy Pressman and Chris Lent. National Center for Appropriate Technology, Butte, MT. <https://attra.ncat.org/attra-pub/summaries/summary.php?pub=450>

Provides producer-oriented information, resources, and case studies that explain food hubs and describe how they can be a valuable "middleman" between producers and large, institutional buyers.

Scaling Up Your Vegetable Farm for Regional Markets. ATTRA publication. 2014. By Tammy Howard. National Center for Appropriate Technology, Butte, MT. <https://attra.ncat.org/attra-pub/summaries/summary.php?pub=469>

Emphasizes the importance of planning to help producers meet the challenges involved in scaling up, addressing considerations such as land, labor, food safety, marketing, and insurance.

Wholesale Success: A Farmer's Guide to Food Safety, Selling, Postharvest Handling, and Packing Produce. 2013. 4th edition. Edited by Jim Slama and Attina Duffley. www.familyfarmed.org/publications/wholesalesuccess

This manual is a thorough resource on wholesale production, sales, and marketing. It includes in-depth information on a variety of practical topics, such as calculating returns on investment, maintaining the cold chain, food safety, traceability, and much more. It can be purchased alone, and is also the guide for a training course offered by FamilyFarmed.

Organizations and Internet Resources

Bon Appétit Management Company contact form.

www.bamco.com/contact-us/contact-us-form

Producers can use this form to contact Bon Appétit. The form will be routed to a company Farm to Fork “forager,” whose job it is to follow up if more vendors are needed in that area.

Grassfed Exchange

www.grassfedexchange.com

Thousand Hills Cattle Company CEO Todd Churchill recommends the Grassfed Exchange as a terrific resource for ranchers and buyers interested in the business of producing high-quality, grass-fed beef.

National Good Food Network

<http://ngfn.org>

NGFN is sponsored by the Wallace Center at Winrock International. Its focus is on advancing regional, collaborative efforts to move healthy, green, fair, affordable food beyond the direct marketing realm into larger-scale markets. The website offers comprehensive information on food hubs, including webinars, feasibility studies, and funding opportunities.

National Farm to School Network

www.farmtoschool.org

NFSN is the national leader supporting and promoting farm to school programs. Its website offers a wealth of resources, including policy, news, webinars and evaluation information, and features a map to search farm to school programs by state.

Niche Meat Processor Assistance Network

www.nichemeatprocessing.org

NMPAN is an information hub for those who want small meat processors to thrive. The website offers information and resources for small processors and farmers, marketers, and meat buyers.

University of Minnesota Department of Entomology,
College of Food, Agricultural and Natural Resource Sciences:
VegEdge: Vegetable IPM Resource for the Midwest

www.vegedge.umn.edu

This website provides science-based Integrated Pest Management information and resources for Midwestern growers, processors, and crop consultants.

U.S. Department of Agriculture, Food and Nutrition
Service Farm to School Program

www.fns.usda.gov/farmtoschool/farm-school

USDA’s Farm to School Program provides a variety of helpful and practical farm to school resources, including fact sheets, news, information about funding opportunities, and webinars. It includes updated information on the latest Farm to School Census by state and a free e-newsletter.

Videos, Webinars, and Tutorials

Food Hubs & Farm to School Webinar. 2014. National Good Food Network. www.ngfn.org/resources/ngfn-cluster-calls/food-hubs-and-farm-to-school

This webinar features Chicago’s Gourmet Guerilla and Michigan’s Cherry Capitol Foods sharing how they are helping to supply school districts with local food. 72 minutes.

Guidelines for Selling Local Foods to Schools. 2014.

ATTRA. National Center for Appropriate Technology, Butte, MT. www.youtube.com/watch?v=67vVWU9YdhI&feature=youtu.be

This video features Aubree Roth, Farm to School Coordinator with Montana Team Nutrition, giving a good, short overview of USDA requirements and procedures for selling local food to schools during the April 2014 conference, Entering the Institutional Food Market. 13 minutes.

Montana Beef to School Video. 2013. FoodCorps Montana. National Center for Appropriate Technology, Butte, MT.

www.youtube.com/watch?v=rjegxUN45z4&feature=youtu.be
Excellent short video about efforts to connect schools with local beef from the view of a rancher and school food service representatives, emphasizing benefits and logistics. 7 minutes.

Scaling Up for Institutional Markets Tutorials. 2015.

ATTRA. National Center for Appropriate Technology. Butte, MT. <https://attra.ncat.org/tutorials/scalingup>

An online training tutorial that includes lessons on planning, marketing, land access, labor, equipment, wholesale readiness, marketing, processing, and several case studies.

U.S. Department of Agriculture. Food and Nutrition Service Farm to School Program. Videos and Webinars.

www.fns.usda.gov/farmtoschool/videos-and-webinars

USDA Farm to School has a series of webinars with helpful information on geographic preference, local food sourcing guidelines, and local food promotion in schools.

By Ann Y. Robinson, NCAT Agriculture Specialist,
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