

Food Hubs: What They Are and How They Work

The effort to get more locally produced food onto dinner tables in Kansas is taking hold. The Kansas Rural Center (KRC) has been working to promote a food system, which will increase the amount of produce grown in Kansas, citing the dismal statistic that the state imports well over 90% of its fruits and vegetables. A workshop at the KRC annual meeting last fall gave an update on some of the food hubs operating in the state, including how they operate and function.

According to the USDA Marketing Service, ‘A regional food hub is a business or organization that actively manages the aggregation, distribution, and marketing of source-identified food products primarily from local and regional producers to strengthen their ability to satisfy wholesale, retail, and institutional demand. Regional food hubs are key mechanisms for creating large, consistent, reliable supplies of mostly locally or regionally produced foods’.

“Food hubs can play a role no matter what stage a local food system is in”, Marlin Bates told the Kansas Rural Center workshop attendees. He serves as the Horticulture Agent with K-State Research and Extension in Douglas County, where he focuses on increasing the local food supply by working with new and existing specialty crop producers. Supporting growers includes expanding markets for their products, which means attracting new customers.

The University of Wisconsin Center for Integrated Ag Systems identified five Tiers, or relationships, between food producers and consumers. Tier 1 represents the personal production of food, like backyard and community gardens, fishing, hunting and gathering. At the opposite end, Tier 5 is multi-national food conglomerates like ADM and Cargill, who distribute on a global scale. Food Hubs function primarily in Tier 3, by taking food grown by Tier 1 farm direct food producers, to larger outlets. It serves as an aggregator so that produce from many sources can be pooled and marketed to outlets unavailable to individual growers. By marketing as a bloc, like a cooperative, the Tier 1 value is retained as much as possible.

While the idea and term food hub is currently very popular, it is not new. For instance, Rolling Prairie Farmers Alliance, a cooperative CSA (Community Supported Agriculture) subscription service started with support from KRC in 1993 is a food hub, even if they were started before the term became common. The Kansas Rural Center helped lay some of the beginning strategies for this group, which aggregated the produce from multiple farms and sold directly to consumers through a CSA model.

Several studies completed in northeast Kansas between 2011 and 2014 showed a large unmet demand existed for local foods in northeast Kansas and the Kansas City area. “Building a Deep-Rooted Local Food System: A Food System Analysis for Douglas County, Jefferson County & Leavenworth County in Kansas”, published in 2011, outlined a plan to address identified key issues of obesity, lack of food access and land devoted to growing fruits and vegetables. To address this demand two groups, the Douglas County Food Policy Council and the Food Policy Coalition of Greater Kansas City, conducted feasibility studies to see if the establishment of a food hub was feasible. These studies surveyed 96 growers and 16 buyers from small stores up to SYSCO sized companies. Both studies concluded a food hub could be a valuable tool to address demand for local products.

Inspired by this assessment, five farmers formed Farm Fresh HQ (farmfreshhq.com), a growers cooperative, working to aggregate and distribute produce to markets in the KC Metro area. Tom Buller, a fruit and vegetable grower, became a founding member of Fresh Farm HQ as he was

looking to move away from retail marketing and into wholesale markets. He discussed the structure of the group in the workshop.

The number of members in the organization has grown to ten, and two of the owner/members operate “sub-hubs”, one in Olathe and one in Odessa, Missouri, where product is co-mingled and readied for markets. The group had support from a USDA Value-Added grant but still faces challenges of supply versus demand, balancing the needs of farmers with those of food buyers, and managing multiple location and delivery schedules. They strive to hold onto the original purpose and values of why they started the effort, while managing the six key components of the Food Hub concept: Marketing and Sales, Aggregation and Delivery, Crop and Stock Planning, Food Safety Planning, Bulk Packing Supplies and Technology Training. The product line is diverse with both organic and conventional, 20 kinds of vegetables, 10 fruits, and meats.

Another food hub operating in Kansas is the High Plains Food Coop, a group of growers in far northwestern Kansas, which started in 2008. Leon Atwell described the evolution of the High Plains Food Coop at the food hub workshop and has provided technical assistance to the group through his company Advancing Rural Prosperity. The coop currently involves 50 producers serving 300 customers in Colorado, Kansas and Nebraska, offering 750 products. This food hub is a “virtual food aggregator: meaning buyers place their orders on- line and then the order is delivered to different locations.

Annual sales have gone from \$10,000 in 2008 to \$400,000 in 2016, with growth on track to reach one million in sales in the near future. Deliveries were originally monthly, and are now weekly. The group’s business model values community, generating revenue for producers, and the cooperative model. They are working with Rocky Mountain Farmers Union Co-op Development Center to link up with other Co-ops from Colorado, New Mexico and Wyoming to increase product supply. The Co-op is a producer co-op required to have 51% of board or voting membership by food producers. There is a high value placed on the trust between customers, producers and the coop. The average order is \$80/month, but there is no minimum order amount.

These food hubs are proving that through cooperation and management it is possible to support growers of fruits and vegetables in Kansas and increase the amount of locally grown food reaching consumers. Growers and consumers will both benefit when these aggregation strategies succeed to increase the amount of local food on tables.

The Kansas Rural Center is a non-profit organization supporting a sustainable farm and food system. Learn more at www.kansasruralcenter.org.