

# A FOOD HUB CHALLENGE

By USDA Deputy Secretary Kathleen Merrigan

**“MUCH OF AMERICA’S FOOD INFRASTRUCTURE DOESN’T WORK FOR LOCAL AND REGIONAL FOOD PRODUCERS, WHICH IS ONE REASON WHY FOOD HUB DEVELOPMENT OFFERS SUCH OPPORTUNITY.”**

**O**n a rainy Friday in late April, I addressed a Chicago conference room filled with over 150 entrepreneurs, funders, advisors, and local government officials. They were all there for one reason: they were all interested in food hubs, an innovative business model that is playing a strong role in regional food system development across the country. It was the first-ever dedicated national gathering of food hub stakeholders, organized by the Wallace Center at Winrock International, USDA, and other members of the National Good Food Network.

Over the last decade, local and regional food has grown into a multi-billion dollar industry. A National Grocers Association poll last year found that 85% of consumers choose a grocery store in part based on whether it stocks food from local producers. Yet we run the risk of hitting a plateau in the market before we have developed the systems and infrastructure needed to make it work financially over the long term.

That’s why, in my remarks in Chicago, I did something that may not have made the audience happy. I challenged them – and now I challenge you – to do more.

I realize that food hubs are already doing a lot. They aggregate products from small and mid-sized farms; many provide packing and processing services, market the products to regional

buyers, and even coordinate local or regional distribution. Access to the infrastructure that it takes to carry out these functions can open up tremendous opportunities for the local economy. Infrastructure can include things like a warehouse and cold storage facility to sort, grade and store food, and keep it fresh; processing operations to prepare products for schools, grocers or other buyers; and refrigerated trucks to transport local food. Access to refrigerated storage space means that a farmer can wait for a competitive price for his or her product rather than having to sell immediately after harvest. Buyers can more easily source from many small farms without the burden of additional paperwork if the farmers have a warehouse in which to aggregate and cooperatively market their products.

Much of America’s existing food infrastructure doesn’t work for local and regional producers, which is one reason why food hub development offers such opportunity. It is difficult for producers to thrive when their only marketing options are too large to accept small amounts of product, too far away for smaller transportation networks to reach, or unable to preserve the local identity of the food.

That is why, as part of USDA’s Know Your Farmer, Know Your Food initiative launched in 2009, we convened a working group on food hubs. As part of the National Food Hub



PICTURED: AS A FOOD HUB, GREEN B.E.A.N COORDINATES DELIVERY FROM 56 REGIONAL PRODUCERS TO CUSTOMERS IN OHIO, KENTUCKY, AND INDIANA. SINCE 2007, GREEN B.E.A.N HAS INVESTED MORE THAN \$2 MILLION INTO THE LOCAL FOODS ECONOMY AND CREATED MORE THAN 100 JOBS.

Collaboration, USDA has identified over 170 food hubs nationwide, mapped them, and analyzed and disseminated information about different business models. We have seen some truly innovative operations. They are filling a critical niche for farmers and ranchers whose operations are too big to subsist solely on direct-to-consumer markets, but too small to compete in traditional wholesale markets. These are producers who would like to sell to larger buyers such as institutions and grocery stores, but who lack the capacity to pack and process the products to meet buyer specifications. They also lack the time and infrastructure to market and distribute the products.

Food hubs are making it possible for small and midsized farmers to reach commercial markets they could never reach alone. Even more impressive, they are doing it in a way that generates jobs and keeps more of the retail food dollar in the pockets of those farmers and ranchers.

So why am I issuing a challenge?

Because we still have a long way to go. We cannot stop making the case that local and regional food systems matter – to farmers and ranchers, to communities that lack access to healthy food, and to our local economies – and we can't stop thinking big.

Many of us are involved in this work because we believe in what local and regional food systems have to offer: a decent return to the farmer; opportunities to develop new businesses and jobs all along the supply chain, and a way to bring healthy food to communities that lack it. We are not there yet. That's why I challenge you to reach out to new communities and bring them into the conversation, and to continue to make the case to yourselves and your constituents that these goals are worth working for.

I also challenge you to think about how to leverage available federal resources to support your work. Learn more about USDA programs that might apply to you; this information is available in a new narrative and interactive map that we released in late February called the Know Your Farmer; Know Your Food Compass. Available at [www.usda.gov/kyfcompass](http://www.usda.gov/kyfcompass), it is a digital guide to USDA support for local and regional food systems. Food hubs figure prominently in the infrastructure section of the narrative and are peppered across the map. These are excellent tools to help you identify others engaged in this work and learn about how they used USDA resources to further their efforts. I urge you to explore the KYF Compass, share it, and find ways to use it in your communities.

Another challenge is to redouble our efforts to develop strong regional supply chain infrastructure. While some links in the chain must be built from the ground up, there are also opportunities to use existing infrastructure in new ways. For example, USDA's Agricultural Marketing Service partnered with the Wallace Center and the National Association of Produce Market Managers to survey available space at wholesale markets that could potentially be used for food hub activities. Other infrastructure, such as short rail – traditionally

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used to transport products between ports and cross-country rail or trucking lines – also holds promise for local food distribution.

Using this and other infrastructure in new ways, or building new infrastructure, brings economic activity and jobs to a community. As Allison Gunter and Dawn Thilmany find in their study in this issue, it is this kind of job-generating activity that bumps up the economic impact of local food systems from moderate to massive.

In this issue, you'll read about many different efforts geared toward a common goal. From the work of Healthy Communities in Nevada – also profiled in the KYF Compass – to the ongoing research of Rich Pirog, Corry Bregendahl, and their team at Michigan State University to support “agriculture of the middle,” to the case studies from USDA's new Regional Food Hub Resource Guide profiled in this issue by Jim Barham, these are examples of entrepreneurial innovation at its best.

But our innovation cannot stop here. Read and learn from the stories in this issue – and then let's take it to the next level. ●



PICTURED: DAYTON, NEVADA, STUDENTS HARVEST POTATOES FROM THEIR ORGANIC GARDEN. THE GARDEN, PART OF A FOOD HUB IN THE REGION, WAS LATER FEATURED IN THE USDA'S NEW PUBLICATION "KNOW YOUR FARMER, KNOW YOUR FOOD COMPASS." PHOTO BY KELLY CLARK OF USDA RURAL DEVELOPMENT. USED WITH PERMISSION.