

Notes from CFA Presentation
Dairy Parlor at Fox Haven Learning Center
3/18/2015, 6:30-8:30pm

The meeting started with introductions and thank yous to Fox Haven staff and Advising Committee.

Janice Wiles, Fox Haven Learning Center

FH received 55 respondents to the questionnaire. It was sent out to at least 220 farms/farmers. Majority of the respondents were located in Frederick County and were over 50 years of age.

Findings:

- 52% claimed that >25% of their income came from farming, 26% said that <75% of their income came from farming
- 20% of the respondents were Certified Organic. The majority of respondents used a combination of organic and conventional practices.
- 1000+ acres of land could be utilized if there were higher demand for the product
- The majority of respondents were interested in learning more about or producing value-added products
- 45 mile radius was the average distance respondents were drive for a processing center
- 30% of respondents do not have sufficient cold storage. Of those, 50% could increase production if they had access to more cold storage.
- 60% of respondents are somewhat interested or very interested in a local aggregation/distribution center
- Majority of respondents are interested in assistance with marketing
- Majority of respondents thought a listserv would be helpful
- Business planning/marketing is the biggest impediment to higher profits

William Gray, The Wallace Center at Winrock

Presentation: Growing Market Opportunity for Maryland Agriculture

The Wallace Center supports organizations working on food systems

Why people buy locally: Freshness, Support Local Economy, Taste, Desire to know sources/practices, Nutritional Value

“If you’ve seen one food hub, you’ve seen one food hub”

Food Hubs fill a market function that is not currently being filled. They also advocate for sustainable, regional food systems. They tend to have four things in common: 1. Mission-driven social enterprises, 2. Producers as partners, not costs, 3. High-trust relationships, 4. Responsive to the community

There were 301 Food Hubs in 2014, up from only 42 in 1995. Local Food market is growing – up by 27% from 2008 to 2012. More opportunities to sell locally have increased as well; these include farmers markets, food hubs, farm to school, etc. They are well suited for selling to large vendors such as schools, prisons, food deserts, wal-marts, etc.

Sales range from \$3,000 to \$75m. Only about half are dependent on grants. Food Hub business model: 47% for profit, 34% nonprofit, 13% co-ops.

Some funding opportunities: Farmers Market Promotion Program, Local Food Promotion Program, Farm to School Grant Program, Specialty Crop Block Grant

Lititia Nichols, USDA Rural Development

USDA's is involved with local and regional food distribution. Their mission is to create economic opportunities for rural communities. They define local as 400 radius miles.

They have a new focus on rural areas because of their importance as food producers to urban areas.

Several grant opportunities: 1. Value Added Produce Grant Program, 2. Rural Business Development Program, 3. Community Facilities Program, and other grant opportunities. Some grants have a 50/50 matching requirement.

These grants have been used to establish co-use commercial kitchens, processing facilities, solar systems for commercial kitchens, and more.

Janice Wiles presented for Maryland H2E Program, Hospitals for a Healthy Environment

This program encourages hospitals and other healthcare facilities to buy from local producers. They involve the facilities in events such as Buy Local, Food Day, etc.

Hospitals currently spend 8% of their food budget on local food. If they spend just 20% it would create \$19m in revenue for local farms.

Barriers are current contracts and consistent distribution.

Bob Black of Catocin Mountain Orchard

He started several years ago with the Farm to School program selling apples to FCPS. The business grew year after year. The kids loved the apples and consequently brought the parents and grandparents to his farm stand. He also believes the kids will be future customers for the farm when his own children and grandchildren are running the farm.

Andrew of Capital Sustainability

Holistic sustainability business focuses on triple bottom line solutions. They want to fill the gap between small scale startups and large scale food production companies.

They are interested in creating a state of the art, net zero, net waste facility for food production. They would like to work with other companies and organizations that are like minded.

James Lambrose of Coastal Sunbelt Produce in Savage, MD

Coastal Sunbelt is a local aggregation business that sells to the four-state region. They mainly sell produce but also some dairy products. They produce value added products that sell up and down the coast. As an aggregating distribution company, they normalize a dynamic industry so that their customers can get what they want when they want it. He said they need to work on educating their customers on why buying local and seasonal gives you better quality.

The presentation ended with a wrap-up discussion lead by Dick Stoner

A food hub structure depends on the energy of the people involved. It needs to fill a niche that is not currently being filled in the community.