

Food Hub Development in Iowa

Lessons learned from a study of food hub managers and regional food coordinators

What is a Food Hub?

According to the National Food Hub Collaboration, a 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.”

Food hubs are a critical link in bringing local foods from the farm to high-volume, mainstream outlets such as grocery stores, restaurants, and institutions. As such, food hubs are the local food movement’s answer to bringing high quality food to families of all income levels.

Food hubs also offer education and training to farmers to increase their capacity to meet high-volume demand. In addition, they provide healthy, locally grown food in places where people of all backgrounds live, shop, work and play.

About this Study

In 2014, Ag Ventures Alliance, a group of agricultural investors based in north central Iowa, awarded a small group of local and regional food leaders and researchers funding to conduct a study of food hubs in Iowa. The goal was to better understand the current state of food hub development, and create recommendations that would support further development, if warranted.

A steering committee guided the study, with representation from farmers, the U.S. Department of Agriculture (USDA), the Iowa Department of Agriculture and Land Stewardship (IDALS), university researchers and grassroots local food systems leaders. Two related surveys were conducted: Iowa food hub manager (n=13) and regional food coordinators (n=11), that had a combined response rate of 83 percent and a total of 24 completed surveys.

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The first coordinated study of food hub development in Iowa shows that food hubs play a significant role in Iowa’s local and regional food economy by supporting 58 jobs and purchasing \$4.5 million in food from more than 450 Iowa farmers.

Surveys of food hub managers and regional food systems leaders throughout the state identified 31 food hubs or centers of food hub related activity in Iowa (see map below).

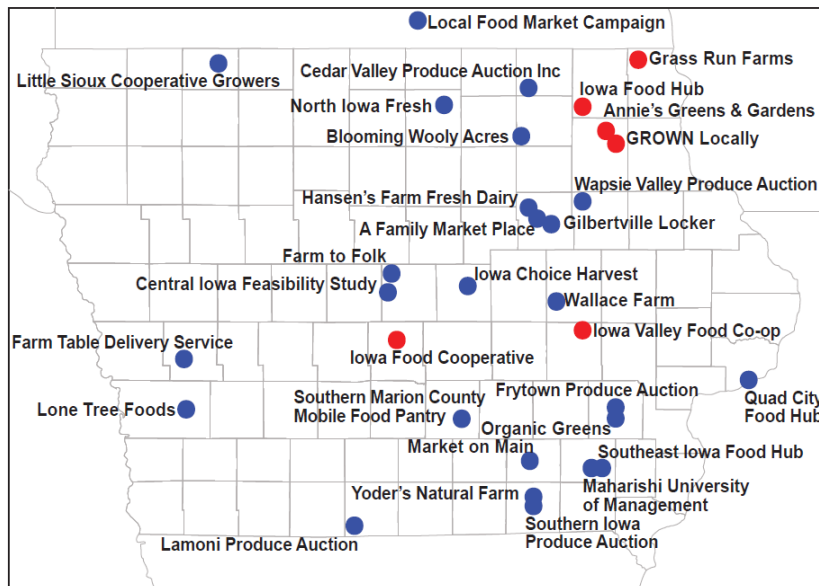
The study recommends steps for further development of food hubs in the state (see summary on back).

Work was funded by a grant from Ag Ventures Alliance, the USDA’s Sustainable Agriculture Research and Education (SARE) program and in-kind support from the Leopold Center for Sustainable Agriculture.

Find the full report:
www.leopold.iastate.edu/food-hubs



Above, the Quad Cities Food Hub operates a Veggie Mobile that delivers fresh produce. The map shows food hubs and centers of food hub related activity serving Iowa markets (red are hubs from a 2014 USDA report; blue are additional hubs or centers of food hub related activity identified by this study).



What Did We Learn about Food Hub Activity in Iowa?

In April 2014, the USDA had identified six food hubs in Iowa. The team initially identified an additional 10 food hubs for an interim total of 16. However, an additional 15 food hubs or food hub related efforts were identified by responding food hub managers and regional food coordinators, for a total of 31 food hubs or centers of food hub related activity in Iowa.

Results based on data collected from 13 food hubs show that:

- Activity is clustered in the central and eastern part of the state around the Des Moines metro and along major arterials serving the Cedar Falls, Cedar Rapids and Iowa City urban markets.
- Rural regions also support food hub activity. Farmers in northeast Iowa near Decorah and southeast Iowa near Fairfield provide product that is both distributed locally and beyond to urban markets eager for Iowa-grown food.
- The primary goal of Iowa food hubs is to serve farmers, especially small or beginning farmers.
- Total gross revenue reported by nine food hubs for the 2013 season was \$4.5 million.
- Thirteen food hubs employ 58 people, four of which hold full-time, year-round positions.
- Twelve food hubs reported 459 farmers supply them with product.
- A variety of financial resources support food hub activity, including product sales, membership fees, the organization/founders' own capital, income from food hub programs, private investment, bank loans, business loans, donations, in-kind support, foundation grants, and government funding including federal, state, and local grants.
- Half of the study's food hubs are for profit, one in four is organized as a cooperative, 15 percent are non-profits, and the rest are informally organized.
- Two in five (38 percent) are selling exclusively to wholesale markets.
- Only 1 in 4 is freezing food while none are cutting or canning products.
- Participating food hubs depend on seasonally grown crops. Nearly 60 percent of food sales for participating food hubs were fruit and vegetable sales. Only 17 percent of sales were for meat and eggs, 11 percent for dairy products, and six percent for processed foods or grains and legumes.

Key Recommendations:

- Form a food hub manager's working group to address challenges food hubs face and to share resources and best practices
- Form a larger network of hub operators and advocates working toward business goals
- Develop an inventory of available infrastructure and services for local food aggregation and distribution
- Develop a specific plan for Iowa public/private investments in food hub development
- Recruit and promote expanded educational opportunities focusing on preparing farmers for food hub markets
- Educate key stakeholders on the survey results, paired National Good Food Network Benchmarking Study and recommendations prepared by the working group.



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