

Journey from an On-line Farmers Market to a Regional Food-hub



www.highplainsfood.org

We Bring the Family Farm to You!

High Plains
Food Coop



HPFC Background

1. Mission and Values

1. Producers and consumers uniting interests in locally grown food
2. To be environmentally sustainable, economically viable, and socially just
3. Cultivate farmer-consumer relationships
4. **Enhancing overall rural sustainability**

2. Producer and Consumer For Profit Co-op \$100 / Lifetime Voting or \$40 / 1 Yr Non-Voting
3. Began as an on-line Farmers Market direct current transition to regional food-hub aggregator for nearly 50 producers from 3 States and around 400 customers
4. HPFC utilizes an on-line ordering system with 21 hub / pick-up points CO and NW Kansas
5. Distributing over 1000 locally grown food or value added products 2 X per month and 5-10 core items weekly to restaurants, corner stores and other co-ops.
6. Margins 18% volume and 25% to 36% direct retail - CSA Bundles
7. Experiencing growth of nearly 40% annually 2008-14 and 60% 2015-16
8. A five-year expansion plan was completed to manage anticipated growth.
9. Start-up and expansion support from Rocky Mountain and Kansas Farmers Unions, USDA, KDA, KDHE, KHF, KSU, CSU, UNL, SARE and local economic development.

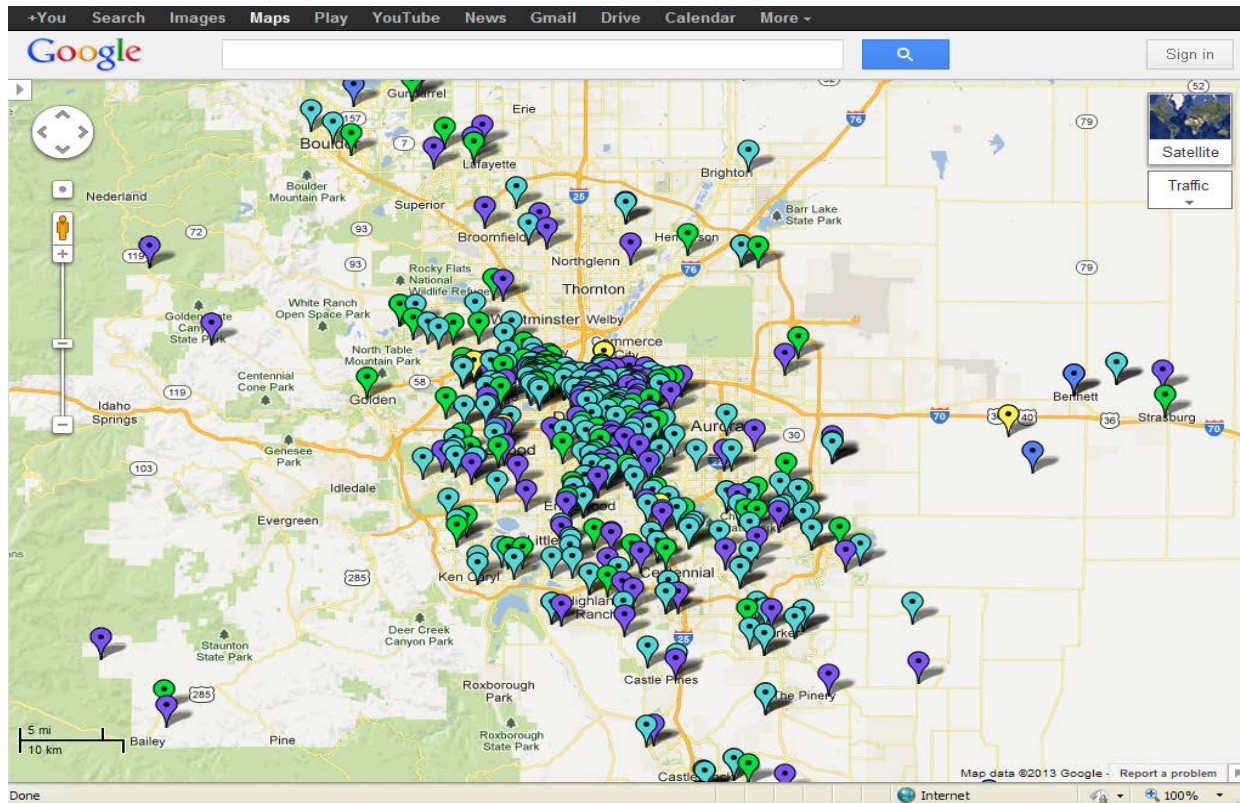




HPFC's Conservative Start

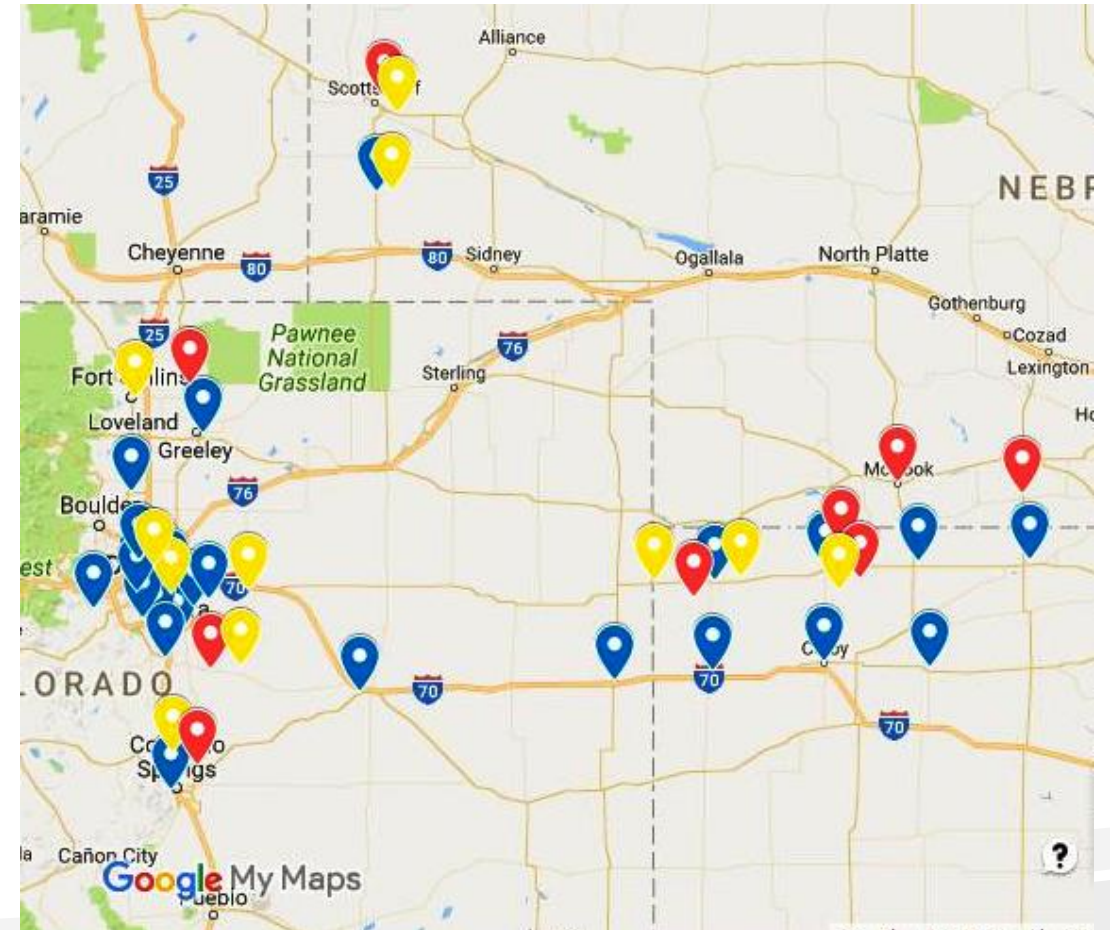
- March 23, 2005 – Lindsborg, KS, Bob Waldrop, spoke at gathering **sponsored by *Kansas Farmers Union (KFU)*** about OFC attended by Chris and Sherri Schmidt.
- April 1, 2006 – Atwood, KS, Bob Waldrop, OFC, **Darryl Birkenfeld & Kim Barker, Ogallala Commons and Bob Mailander, RMFU spoke** at *A Real Deal..Building Local & Regional Businesses in Entrepreneurial Agriculture*.
- October 10, 2007 - Atwood, KS, Darryl, Kim & Bob presented HPFC at **Ogallala Commons Fall Conference**.
- November 2007 – Yuma, CO, HPFC was awarded a **\$40,000 USDA RBEG grant** , **hosted by RMFU** for business plan and market study and connecting consumer groups with producers.
- March 29, 2008 – Atwood, KS, HPFC Producers Workshop; **Organized by Suzanne Mikkelson** with **RMFU**, OC, **KFU**, and 30+ producers from CO, KS and NE; Organizing steering committee was formed.
- 1st delivery May 15, 2008 has **21 orders and \$785.39 in total sales**.

HPFC Service Area



Customers

Aggregation, Distribution & Processing



Food Hub Defined

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**.

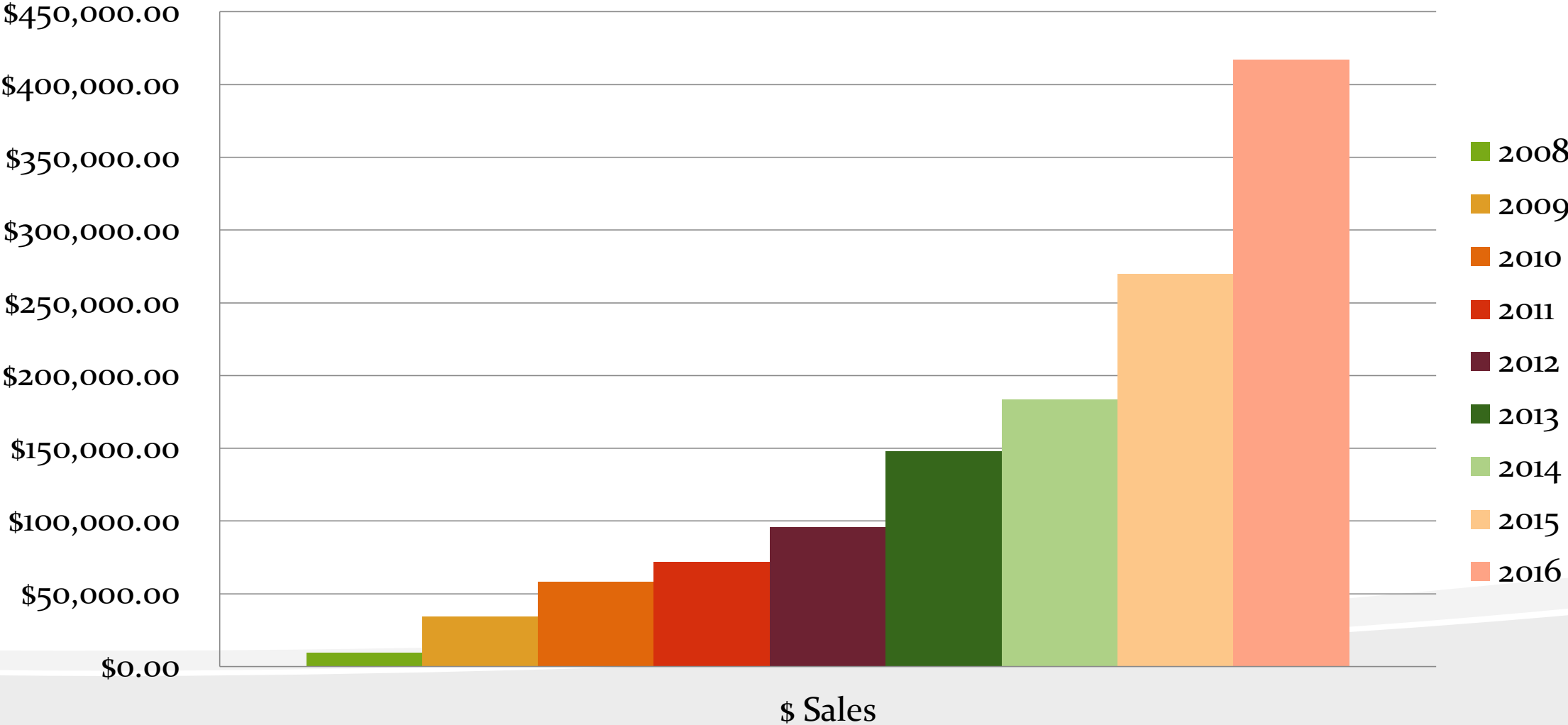


Food Aggregator

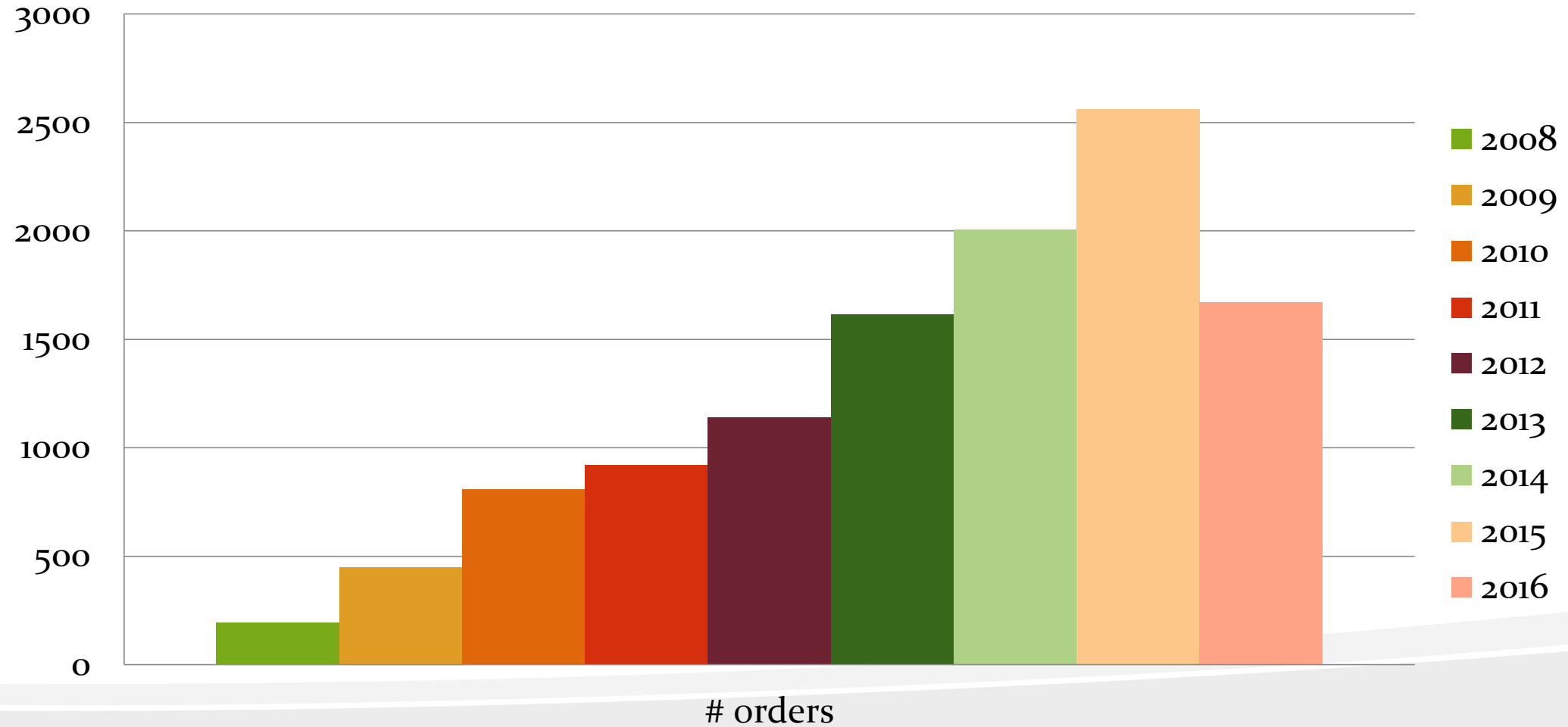
- Develops producer connections, relationships and provides support
- Then sources food products
- Links production with market need
- Provides logistics and coordination
 - Drop sites
 - Labeling/tracking
 - Pick up and delivery
 - Sorting and distribution
 - Establish *values* chain



Annual Sales



Total Annual Orders



HPFC 5 Year Expansion Planning





Growth Pains to Expansion Planning

- Outgrowing capacity and business plan
- Expansion concerns
- Set expansion targets – stretch.....\$600 K to \$1 M
- Embarked on extensive, system wide planning to expand capacity in:

Market

Production

Distribution

Organizational



Planning Process

- Recognize and embrace need for planning
- Organize and plan (clear scope & budget)
- Include assessment, analysis, strategy development, recommendations, reporting components
- Engage great sponsor; Raise funding
- Assemble top notch project team (acknowledge)
- Follow work plan
- Regular and frequent team communication
- Facilitate board input in their areas of expertise



Project Team

- Sponsor: Rocky Mountain Farmers Union
- Funding: USDA Rural Development (KS and CO)
- Leadership: HPFC Board of Directors
- Technical team: Food Processing Center - UNL, Phelps Research, Advancing Rural Prosperity,
- Other stakeholders: KSU and CSU Extension, KS Dept. of Ag, Ogallala Commons, Local and regional development entities
- **Most importantly – Producers!!**



Market Expansion

- The market is there; Barriers exist in distribution, production and organizational capacity
- Know your customer – customer surveys, consumer profile analysis, target area analysis
- Target marketing efforts toward the best consumer areas
- Engage in strategic partnerships with likely growth partners



Production Expansion

- Establish system of support to grow producers
- Target and support growth producers; address barriers
- Focus on product growth areas to meet consumer demand
 - Customers ask for more product selection options so we worked on vegetable product expansion concurrently



Distribution Expansion

- Expand current system, improve efficiency
- Establish distribution hubs in target market locations
- Improve product sorting at aggregation sites & expand sites
- Improve transportation scheduling and equipment



Organizational Expansion

- Integrate producer, customer engagement and distribution leadership roles
- Upgrade website and ecommerce capability
- Improve vision alignment and leadership role changes



Barriers and Solutions 2017-18

- New Producers and Supply
 - Land Banks, Local 4-H and FFA, Tech / Jr College Programs
 - Producer Engagement System
 - Colorado Food Hub Network (AVOG, HPFC, VRFH and SW Fresh)
- Improve Processing and Distribution Infrastructure “Food Hubs”
 - Renovate vacant facilities in rural communities and Mobile
 - USDA and State grants, loans and taxing incentives and Investment from Health , Regional and Local Foundations
- Education, Research, Community Mobilization and Sustainability & Food Safety
 - Entrepreneurial Development and Innovation Centers
 - Create Food Policy Councils
 - Work with Department of Ag for Group GAP Certification and Other Trainings e.g. Egg grading, Cold Chain certification, HCCAP

Question & Answer Session



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