Food Hubs: improving market access

Consumer demand for fresh, locally-grown food is at an all-time high. Increasingly, more and more people are making an effort to choose the local option.

This desire for farm fresh food has meant an increase in marketplace demand. The downside to that equation is that as demand grows, the small-scale, independent farmer may find it difficult, if not impossible, to keep up the supply.

The Food Hub Solution
A food hub is a collective of farmers who pool their resources to deliver their product directly to market in much greater quantities than a single farmer could do on his own.

Food hubs are not a new idea, but the concept has recently been applied to the farm direct industry as more consumers look to buy local food from a variety of mainstream market sources.

Is this the future of farming?
“Food hubs are certainly part of the future of farming,” says Marlene Abrams, local market specialist with Alberta Agriculture and Rural Development’s Explore Local.

“Sometimes it’s a matter of not having enough product of their own to meet the demands of a larger buyer, says Abrams, “but by collaborating with others, those doors could be opened for them.”

Producers are always looking to diversify their operations to reduce risk and increase profit. A food hub simply offers them one more option in their toolbox.

Growing Globally
In a 2011 Explore Local workshop, Anthony Flaccavento, author of Healthy Food Systems Value Chain Tool Kit, founder of SCALE (Sequestering Carbon, Accelerating Local Economies), and a certified organic fruit and vegetable farmer, shared these statistics:

- Local food sales in 2008 were estimated to be $4.8 billion and were projected to climb to $7 billion in 2011,

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Food Hubs

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• In a 2011 National Grocers Association survey, 83 percent of consumers said the presence of local food was “very” or “somewhat important” in their choice of food store (up from 79 percent in 2009).

• 89 percent of fine dining restaurants surveyed by the National Restaurant Association in 2008 reported serving locally sourced items.

Clearly, the global demand for local food is gaining momentum. Here in Alberta, the opportunities are no less optimistic.

Growing Locally

At the same Explore Local workshop, Erin Gowriluk of Alberta Agriculture discussed the pros and cons of the food hub model.

Making the decision to become part of a food hub is a big one. Working with friends and neighbours can have its pitfalls, but the benefits are obvious: working with others in a shared environment increases product offerings, decreases operational costs, and expands market access.

“Collaboration is vital,” says Erin. “Clear and open communication and trust are essential for growth. A side benefit of working together means individuals don’t have to do everything themselves and can focus on those aspects that they do best.”

A food hub can really be as simple as collaborating with the producers in your area. Getting together to pool your product and resources is a simple way to work together to access larger market channels. From there you can grow as demand increases and as your business allows. It’s less about the physical structure of a hub and more about a collaborative mindset.

From the consumer’s viewpoint, a food hub creates trust in the marketplace by providing a consistent supply of local product.

Ensuring you can meet increased demand on a regular basis means becoming involved in other aspects of the food industry as well. Aspects like proper food storage, large-scale processing, province-wide distribution and marketing of your product. All of these factors will — and should — impact your decision to become involved in a food hub.

Explore Local offers a variety of courses and workshops that may help you decide if establishing a food hub is the right decision for you. Visit www.explorelocal.ca and click on the “Resources” tab, or check out page four of this newsletter to browse some of the many learning options available.
Is collaboration in your future?

Working collaboratively with multiple producers is an effective way to increase your product offering and expand your access to markets.

Collaborating with others in one of these market channels may be right for you.

**Farmers’ Markets**
The most common avenue for delivering fresh food to the consumer, farmers’ markets allow the consumer to directly access community-based producers who make, bake, or grow the products they sell.

An active farmers’ market is a natural location for a food hub aggregation and distribution centre. The market based food hub could involve both market vendors and other producers.

**CSAs**
Community Supported Agriculture or Community Shared Agriculture (CSA) is part of a growing social movement that encourages urban and rural citizens to share responsibility for the food that is grown.

Consumers purchase shares in the farm operation where the farmers and consumers share the risks and benefits of food production. The arrangement can be as formal or informal as the producers wish.

**Home Delivery Service**
An old-fashioned model that is regaining its popularity, home delivery service is a market channel where farmers sell their products to a “middle man” who then delivers multiple farmers’ products directly to the consumers’ homes or to a specific drop-off point.

This channel gives farmers more access to a larger client base as well as allows their customers to get the food they want in a convenient manner.

**Online Sales**
Increasingly, single-farm operations are turning to the internet to sell their product. The online sales model offers a direct marketing channel for businesses to market and sell their products online.

This option also allows consumers increased opportunity to buy products at a time that is convenient for them.

**On-Farm Stores**
On-farm stores is one of the farm direct marketing channels that allows producers to deliver quality agri-food products directly to the consumer at a farm or ranch store. This model can also offer a consumer involvement option such as a learning farm or U-pick orchard.

**Direct Commercial Sales**
The popularity of locally grown food has spread to the commercial food market. Professional chefs and exclusive restaurants understand the value of offering locally grown food in their establishments. In this model, the producers sell directly to restaurants or food establishments.

**Specialty Retail**
Specialty retail is a marketing channel where producers sell directly to specialty retail stores such as health food stores or exclusive delis and boutique food outlets.

You can access more information on any of these agri-business options at www.explorelocal.ca
LEARN, COLLABORATE, CREATE CONFERENCE CALL
This series of informative conference calls provide insight into the emerging food hub opportunity. There is no charge for these calls:

March 5, 9am
Alison Blay-Palmer will share the results of her value-chain and food hub research. To register: explorelocal@gov.ab.ca

February 19, 9am
Heather Stretch from Saanich Organics (www.saanichorganics.com), a BC food hub example, and who we spoke with last May, will update us on their recent expansion.

March 19, 9am
Leona Staples from Innisfail Growers (www.innisfailgrowers.com), an Alberta food hub example, will speak about their operations and answer all of your questions. We will find out what makes them successful.

EXPLORE LOCAL WEBINAR SERIES
This series of interactive on-line sessions gives producers the opportunity to learn and connect with practitioners and experts:

EXPLORE HORTICULTURE WORKSHOPS
February 7, 8:30am - registration and coffee, 9am - start
Highwood Memorial Centre
High River
This is an introductory session which focuses on opportunities in the horticulture industry, more specifically direct market fruit and/or vegetables.

Agriculture Acts and Regulations
February 20, 1pm
Learn which Acts and Regulations enforced by Alberta Agriculture and Rural Development (ARD) may impact your farm direct business. To register: go to www.explorelocal.ca under the Events tab to find the link to register.

Chefs’ Market
Feb. 25, Mar.4, Mar. 11, 10am to 12pm, Edmonton
A three-week pilot project for Edmonton area chefs and caterers to shop and network with local producers in a wholesale market setting.

If you are a producer who sells/wants to sell your products directly to restaurants contact Marlene at 780-968-3519 or marlene.abrams@gov.ab.ca.

CanadaGAP Workshop
February 11 - 12, 8:30am - 5pm
1st Floor Conference Room
Provincial Building
4920 51 Street, Red Deer
Do you produce, store or pack fresh fruits and vegetables? Are you interested in accessing new local, domestic and international markets? Join us for this two-day workshop to learn how to build the On Farm Food Safety (OFFS) program for your farm.

To register:info@albertafarmfresh.com, or call Krista Miller 800.661.2642

ALBERTA FARM FRESH SCHOOL
February 28, 8am - 5:30pm
March 1, 8am - 4:30pm
Best Western Westwood Inn
18035 Stony Plain Road, Edmonton
Formerly Berry and Vegetable School, this two day workshop offers a broad variety of production and marketing sessions for introductory and advanced fruit, vegetable and livestock producers.

To register:info@albertafarmfresh.com, or call Krista Miller 800.661.2642

For more information on any of these events, visit www.explorelocal.ca and click on the “Events” tab.

It’s the law!
A regular Field Notes feature highlighting government regulations which may affect your local market business.

All dairy production and processing facilities in Alberta, regardless of volume, must be inspected and licensed.

For more information about this and other government regulations that may affect you, visit the Resources section at www.explorelocal.ca.

Field Notes is published three times per year and is available online at www.explorelocal.ca. For further information about anything you’ve read here, or to be included on our email list, please contact Ordella Knopf at ordella.knopf@gov.ab.ca.

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