

2015 National Food Hub Survey Share Kit

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MICHIGAN STATE
UNIVERSITY | Center for
Regional Food Systems

 WALLACE CENTER
WINROCK INTERNATIONAL

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Overview of the 2015 National Food Hub Survey

Overall, the 2015 National Food Hub Survey indicates that the food hub model can be financially successful across a variety of legal structures and geographic or customer markets.

Food hubs are businesses that aggregate and distribute source-identified food products. As consumer interest in local and regional foods grows, the market for food hub services also grows.

The findings of this, the second national food hub survey, together with the 2013 National Food Hub Survey, are the beginning of a longitudinal data set that tracks what food hubs look like and what impacts they are having across the United States.

Second National Food Hub Survey: Key Findings

New food hubs continue to open for business and established food hubs continue to thrive.

- 75 percent of food hubs are breaking even or better, an increase of 7% in 2 years.
- Almost all food hubs surveyed expect their business to continue to grow.

Food hub suppliers and customers are almost entirely regional.

- More than 9 out of 10 food hub farm or ranch suppliers are located within 400 miles of the hub.
- 3 out of 4 food hub customers are located within 400 miles of the hub.

Food hubs are good for small and medium sized agricultural operations.

- More than 9 out of 10 food hubs source exclusively or mostly from farms and ranches with gross sales less than \$500,000.
- Food hubs average nearly 80 farmer and food business suppliers.

Food hubs actively work to increase community food access and improve health outcomes.

- More than 87% of food hubs work to increase access to healthy or fresh food as part of daily operations and programs.
- More than 95% of food hubs work to improve human health in their communities or region as part of daily operations and programs.

Compliance with the Food Safety and Modernization Act (FSMA) is a challenge that food hubs must address.

- 66 percent of hubs either prefer or require GAP certification.
- The percent of hubs requiring Good Agricultural Practices (GAP) certification increased 8% since 2013.

Food hubs are concerned about maintaining product supply and keeping up with business growth.

- Securing more supply is a concern for more than 50% of hubs. Less than half of these hubs think they can address this problem within the next year.
- For at least 40% of hubs, growing could be a liability because of barriers to adequate capital and delivery, staff and warehouse capacity.

Communities of practice and informal networks are important information sources for food hubs.

- Formal communities of practice are the most highly ranked information source.
- Almost 50% of hubs rely on informal networks, formal networks, and communities of practice to learn and share business ideas.

Help us get the word out

- **Share on social media:** Use hashtag #FoodHubSurvey and handles @MSUCRFS and @ngfn
- **Share the webpage:** The report is posted online at <http://foodsystems.msu.edu/resources/2015-food-hub-survey>
- **Tell your story:** Tell your colleagues, friends, and family on social media, in person, or via email how a food hub has helped or could help you buy or sell local food.
- **Share this information with food or ag leaders in your community:** Help people to understand how food hubs can strengthen local economies and communities, promote food access, and what challenges and barriers food hubs are facing.

Sample content for social media

Food hubs as a business opportunity

- Food hubs total gross sales revenue was >\$333 million in 2014 for the 107 reporting hubs #FoodHubSurvey by @MSUCRFS @ngfn
- Food hub sales increasing more rapidly than operating expenses says national #FoodHubSurvey by @MSUCRFS and @ngfn
- 98% of food hubs expect that demand for local products will increase in the next 2 years says #FoodHubSurvey by @MSUCRFS @ngfn
- Food hubs average 80 farmer and food business suppliers per hub according to national #FoodHubSurvey by @MSUCRFS @ngfn
- Food hubs increased their number of suppliers by 60% from 2012- 2014, on average says national #FoodHubSurvey by @MSUCRFS @ngfn

Food hubs as community assets

- Increasing market access for small & medium farms/ranches is part of daily operations for 90% of hubs says #FoodHubSurvey by @MSUCRFS & @ngfn
- Promoting community health, environment & animal welfare practices, &/or paying fair wages is a priority for 66% of food hubs #FoodHubSurvey

Challenges facing food hubs

- Capacity to respond to the FSMA was a concern for 83% of food hubs says national #FoodHubSurvey by @MSUCRFS& @ngfn
- Top food hub challenges: 1) securing capital, 2) securing more product, 3) responding to opportunity to grow #FoodHubSurvey @MSUCRFS @ngfn

Official Media Release

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“Food hubs” emerge as a viable solution to meet consumer demand for local food

East Lansing, MI – The “food hub” model is proving to be financially successful across a variety of legal structures and markets, according to a newly published report from the Michigan State University Center for Regional Food Systems and the Wallace Center at Winrock International.

“Food hubs are responding to increasing consumer interest in local and regional foods, and our findings show that a majority of them are doing so in a viable way” said Rich Pirog, Director of the MSU Center for Regional Food Systems.

Food hubs are businesses that aggregate and distribute source-identified food products. Established food hubs are thriving and new food hubs continue to open for business:

- **75 percent of food hubs are breaking even or better**, an increase of 7% in two years.
- **Almost all food hubs expect their business to continue to grow.**

“This is the first time that national ongoing data of this caliber is available on food hubs,” said Dr. Michael Hamm, C.S. Mott Professor of Sustainable Agriculture at Michigan State University. “The 2015 National Food Hub Survey findings are novel because they build on the 2013 National Food Hub Survey.”

In addition to revealing a promising business environment, the survey suggests that food hubs benefit local communities, local economies, and small and medium-sized local and regional producers:

- **Food hub suppliers and customers are almost entirely regional.** More than 9 out of 10 food hub farm or ranch suppliers are located within 400 miles of the hub, and 3 out of 4 food hub customers are located within 400 miles of the hub.
- **Food hubs average nearly 80 farmer and food business suppliers each** and more than 9 out of 10 food hubs source exclusively or mostly from farms and ranches with gross sales less than \$500,000.
- **Food hubs invest in community health and healthy food access.** In their daily operations and programs, more than 87% work to increase access to healthy or fresh food and more than 95% work to improve human health.

But despite strong demand for their services and their positive impact on communities, food hubs are facing challenges. In particular, they expressed concern about maintaining product supply and keeping up with business growth.

“Food hubs bring great opportunity, but they face unique challenges that will require investment and innovation to overcome,” said Dr. John Fisk, Director of the Wallace Center at Winrock International.

“More than 50% of hubs are concerned about securing more supply – and growth could be a liability for at least 40% of hubs because of barriers to adequate capital and limited delivery, warehouse and staff capacity.”

The full report, *Findings of the 2015 National Food Hub Survey*, and a sharing toolkit with topline findings is available online at: <http://foodsystems.msu.edu/resources/2015-food-hub-survey>. A fall 2015 webinar recording of key findings is available at: <http://www.ngfn.org/resources/ngfn-cluster-calls/food-hub-survey-2015>.

The Web-administered survey was conducted in March, April, and May of 2015. One hundred fifty-one completed and partial surveys were used in analysis. The 2013 National Food Hub Survey data were used for comparative analyses. Details regarding sampling, data collection, analysis, and response rate are included in the 2015 report.

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About the Michigan State University Center for Regional Food Systems

The Michigan State University Center for Regional Food Systems (CRFS) works toward a thriving economy, equity, and sustainability for Michigan, the nation, and the planet. CRFS unites the expertise of community partners with that of MSU faculty and staff to cultivate regionally-rooted local food systems that yield Good Food: food that is healthy, green, fair, and affordable. Learn more at <http://foodsystems.msu.edu> and connect on Twitter and Facebook @MSUCRFS

About The Wallace Center at Winrock International

The Wallace Center at Winrock International serves the growing community of civic, business, and philanthropic organizations involved in building a new, good food system in the United States. The Center is focused on developing market-based strategies to expand the supply, distribution and consumption of healthy food. Working through collaborative partnerships, research, networking, and model development the Center positively impacts farmers, communities and the environment. Learn more about the Wallace Center, its National Good Food Network and The Food Hub Collaboration at <http://wallacecenter.org> and at <http://ngfn.org/>.