

North Central Regional Center for Rural Development

Funding and Sustaining Local Food Systems in Midwest Communities

2014 Policy Project Grant - Alternative Funding Food Systems Development

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North Central Regional Center
for Rural Development

IOWA STATE UNIVERSITY
Extension and Outreach

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Introduction

Demand for locally produced food has increased sharply in recent years across the country. That growth is particularly visible with the growth in direct marketing and greater public awareness driven by non-profit organizations, such as “Buy Fresh, Buy Local.” Throughout the Midwest, local food systems are incorporated into numerous community programs designed to reduce food insecurity, support small farmers and rural economies, encourage more healthful eating habits, educate youth, and foster closer connections between farmers and consumers. These programs are being funded through a number of innovative ways using public and private support. These programs and efforts are stimulated by government programs and policies, such as the “Know Your Farmer, Know Your Food” initiative, which supports the development of local and regional food systems.

Around the country, farmers, entrepreneurs, parents, students, community organizers, and activists are coming up with novel ways to develop and fund food systems that are economically, environmentally, and socially sustainable. There are many local and national funding sources that can be tapped to develop community programs. The U.S. Department of Agriculture (USDA) has many grant programs that are increasingly being used to support this kind of work. When ideas are shared among like-minded groups, the scope, goals, and diversity of existing local food systems and programs can be used as models replicated and improved upon by other rural communities.

“An American people that are more engaged with their food supply will create new income opportunities for American agriculture. Reconnecting consumers and institutions with local producers will stimulate economies in rural communities, improve access to healthy, nutritious food for our families, and decrease the amount of resources to transport our food.”

Tom Vilsack

U.S. Secretary of Agriculture

Project Goal

Increase awareness of how various funding opportunities are available and used to support sustainable local food systems in rural communities.

- Objective 1. Develop case studies of various funding sources for local food system programs or projects in eight rural Midwest communities and make them available to the public through Extension resources.
- Objective 2. Write a 2-page document that presents “best practices” for funding and sustaining local food systems in rural communities.
- Objective 3. Develop and conduct a webinar presentation on the findings of this study.
- Objective 4. Give at least one presentation on the findings of this study at a local/regional food systems conference.

Methods

Investigators identified eight community-based, local food systems programs, policies, or projects that were funded by various government and non-government organizations and agencies in Iowa and surrounding states. The programs selected for case studies each offered a unique organizational system, direct focus, or funding source that included consumers, residents, producers, food hubs, youth, or an underserved population in the community. They represented both successful and failed attempts. The communities to study were selected and contacted between November 2013 and January 2014.

A specific set of questions were developed to gain insight across the different community structures profiled. These questions were reviewed by Craig Chase, Marketing and Food Systems Initiative at the Leopold Center for Sustainable Agriculture and Andy Larson, former Iowa State University Extension and Outreach Small Farms Program Director. Questions included:

- History of the program/project
- Funding source(s)
- Difficulty seeking funding sources
- Uses of the funding
- Key leaders in the community
- Benefits to the community
- Effect on the overall program/project goals
- Sustainability of the program/project
- Strengths of the program as a result of the funding source
- Challenges of the funded project

Investigators contacted and set up appointments with leaders or directors of the selected agencies and organizations to discuss their programs or projects. Two interviews were held through face-to-face meetings and others were held by teleconference. After the interviews, case studies were written using a template so that all case studies could be reviewed at a glance. Information gained from interviews with the leaders of the seven programs/projects profiled in the case studies was used to develop a two-page fact sheet of 10 “Best Practices” for seeking and using funds to support local food systems projects and programs.

Results

All but one of the groups identified and interviewed were very willing to share their information and were transparent in discussing their funding sources, successes and challenges. After several months and late into the project, the investigators came to the conclusion that one program selected to be featured was not willing to provide the necessary information. By that time it was too late for another program to be identified and researched. Thus, case studies were prepared for seven, rather than the desired eight programs.

Project Outputs

Objective 1. *Develop case studies of various funding sources for local food system programs or projects in eight rural Midwest communities and make them available to the public through Extension resources.*

Seven, rather than eight, case studies were written and included in a 15-page document titled “Case Studies of Various Funding Support for Sustainable Local Food Systems in Midwest Communities.” This document is available for the public to download from the Iowa State University Extension Value Added Agriculture website, <http://www.extension.iastate.edu/valueaddedag>, and the Agricultural Marketing Resource Center website, http://www.agmrc.org/markets_industries/food/local-regional-foods/. (Accompanying document)

Objective 2. *Write a two-page document that presents “best practices” for funding and sustaining local food systems in rural communities.*

A two-page document titled “Best Practices of Various Funding Support for Sustainable Local Food Systems in Midwest Communities” was developed from information gather through interviews for the case studies. The factsheet contains 10 best practices learned from this study and is intended to help local food groups make decisions when seeking funding sources and how to sustain those programs and projects. It is available for download at <http://www.extension.iastate.edu/valueaddedag> or http://www.agmrc.org/markets_industries/food/local-regional-foods/. (Accompanying document)

Objective 3. *Develop and conduct a webinar presentation on the findings of this study.*

Two webinars were presented on the results of this projects:

- September 16, 2014. North Central Region Center for Rural Development webinar series. The presentation was recorded and archived at http://ncrcrd.msu.edu/ncrcrd/chronological_archive. Approximately 125 people watched the live webinar.
- September 26, 2014. Iowa State University Extension and Outreach “ANR at Noon” webinar series. This presentation was recorded and archived at <http://www.extension.iastate.edu/ag/staff/anratnoon.html>. Approximately 26 people watched the live webinar.

Objective 4. *Give at least one presentation on the findings of this study at a local/regional food systems conference.*

The investigators of projects were invited to present their results at the National Conference of the Community Development Society on July 21, 2014 in Dubuque, Iowa. The case studies and best practices were completed and reported during a concurrent session at the conference. Copies these reports were made available to conference attendees.

Budget

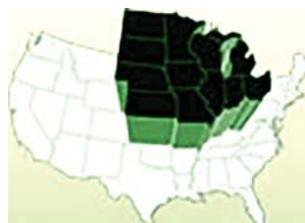
Item		Budget	Amount spent
Salary		\$9,393.00	10,377.50
Benefits		\$3,547	3,474.77
Travel*		\$1,600	408.08
Interviews, 8 trips at \$180	\$1,440		
Presentations	\$ 160		
Total		\$14,530	\$14,260.35
Amount unspent			\$269.65

*Travel was not required to conduct interviews with five of the seven program/project leaders.

Case Studies of Various Funding Support for Sustainable Local Food Systems in Midwest Communities

Linda Naeve and Christa Hartsook
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Value Added Agriculture Program
August 2014

Study funded by



NCRCRD

North Central Regional Center
for Rural Development

This case study is part of a profile series on funding strategies of local food systems in the Midwest. Funding was provided by the North Central Regional Center for Rural Development.

Location

Eastern Iowa, Western Illinois and Southwest Wisconsin

Community Agency

Dubuque Eats Well (DEW), Iowa Regional Food System Working Group

Source of Funding

City of Dubuque
“Sustainable Dubuque Grant”

Amount of Funding

\$2,500

Duration of Funding

6 months

Start of Funding

July 1, 2013

Purpose of Funding

To support the “Driftless Farm Crawl” event

Beneficiaries

Residents of Dubuque County

Website

<http://driftlessfarmcrawl.wordpress.com>

Driftless Farm Crawl and Farm-to-Table Dinner

DUBUQUE EATS WELL is one of 15 groups in Iowa’s Regional Food Systems Working group (RFSWG) network. These groups are comprised of geographically-based practitioners and community leaders with a goal to increase the investment and support for local and region food businesses in Iowa. DEW became part of RFSWG in 2010 with \$6,000 of grant funding support from the Leopold Center for Sustainable. It serves Dubuque, Delaware, Jackson and Jones counties and is currently led and staffed by Iowa State University Extension and Outreach in Dubuque County.

Members of the DEW food group felt they needed to increase consumer awareness of their mission that includes expanding local food production capacity in volume and types of local products, improving food security and increasing regional self-reliance of fresh, seasonal fruits and vegetables. They learned from other RFSWG that Farm tours are often successful events that connect consumers and producers. Brittany Bethel, DEW local foods coordinator with the Dubuque County Extension Office, wrote and received a \$2,500 Sustainable Dubuque grant from the City of Dubuque to support the region’s first “Driftless Farm Crawl.” The proposed event aligned with the City of Dubuque’s healthy local food, regional economy and community knowledge principles within the city’s sustainable initiative. It was appropriately named “Driftless Farm Crawl” because the farms on the tour were located in a unique region called the “driftless area,” due to its deep carved river valleys and scenic terrain that resulted from having escaped glaciation. This area includes the joining corners of Minnesota, Wisconsin, Iowa, and the northwestern corner of Illinois.

The Sustainable Dubuque grant funded road signs, bus rental to transport citizens with limited access to transportation, marketing materials, t-shirts, educational materials and food reimbursement for farm samples. An additional



\$500 was raised through event sponsorships.

The Driftless Farm Crawl, advertised as a free family event, took place on Saturday, September 21, 2014 from 1:00 pm until 5:00 pm at five farms in eastern Iowa and southwestern Wisconsin. The Dubuque Food Co-op sponsored a “Welcome Center” for the Farm Crawl at their future store location where participants picked up a free canvas bag containing the farm tour map, educational information, a local farm directory and brochures from the participating farms. Each farm hosted at least one scheduled tour during the day along with demonstrations and educational information. The farms were encouraged to sell their product on site during the event with the intent to increase the economic viability of local, family farms. The average attendance for each farm site was 50 people, with the total attendees over 250 people. Organizers estimate the cost of hosting the Farm Crawl was approximately \$1,250.

Future Plans

DEW staff plans to make the Driftless Farm Crawl an annual event. They intend to use the money raised from sponsors for the 2013 Farm Crawl to support the next event along with additional sponsorships.

We are particularly excited about this model of fundraising; we feel it connects people to food and farms through a tangible, creative and inspiring process. The food is superb, of course, and the experience truly magic, but our motivation is not profit driven. Our goal is to make our farms and food better through the support of our community. This dinner enables you to uplift local farms with a wine glass in place of a spade.



A “Farm to Table” dinner was also planned to take place the evening of the Farm Crawl. This event was a fund-raiser to support the Dubuque Rescue Mission’s greenhouse project. This community food project provides meaningful work to homeless men who reside there for at least nine months. The greenhouse and garden provides fresh vegetables to the Mission’s free meal program, which serves over 250 citizens each day.

The four-course dinner was prepared by local chefs, featured locally-produced items in each dish and was held at the Tri-State Market Farm in East Dubuque, IL. Tickets sold for \$65 each, with \$20 from each ticket going toward the greenhouse project. The cap for the event was set at 60 guests; however, those tickets were sold out two weeks prior to the event and a total of 86 people were served. Ticket sales along with t-shirt and local beer/wine sales totaled to a donation of \$1,600.00 for greenhouse seeding trays to be installed in summer 2014. Not only was a significant amount of money donated to the mission, but the Rescue Mission residents were vital to the event’s success. They set up plate ware, lighting and decorations for the dinner and served the four-course meal to all of the guests. “They did an amazing job and were thrilled to be immersed in an event that benefited something they love - their garden,” remembers

Brittany. She also says the Farm to Table Dinner will be an annual event. In addition to the donation to the Rescue Mission, the dinner netted \$1,800 that will be used to finance the venue, food, catering, entertainment and marketing costs the following year. The benefit dinner will support different local food initiatives in the Driftless Area.

Challenges

Finding new farms and activities to include on the tour.

Acquiring sponsors to sustain the events.

Finding and maintaining dedicated volunteers.

Best Practices/ Lessons Learned

Partnering with non-profit organizations, like the Rescue Mission, can increase program visibility and volunteer base.

In addition to financial support, in-kind and human resources are vital to the success of many programs. In this case, the success of the events was credited to Dubuque’s Sustainability Coordinator and residents and staff at the Rescue Mission who enthusiastically supported the events and donated their time.

Small-scale funding support can provide seed money that can grow and sustain projects.

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Location

Supporting the food system in Dallas, Marion and Polk Counties

Community Agency

primarily the Des Moines Area Religious Council (DMARC)

Source of Funding

United Way of Central Iowa (Health Cabinet) and the Des Moines Area Religious Council

Amount of Funding

\$60,000 from United Way; \$45,000 from DMARC

Duration of Funding

2 years

Start of Funding

January 2009 as the Healthy Urban Food and Farming Working Group; adopted current name and structure in September 2012

Beneficiaries

entire food system

Website

www.eatgreaterdesmoines.org

Eat Greater Des Moines

If someone asks you to define a healthy local foods system, you might say it connects local producers with local consumers. Those connections enable local consumers to purchase healthy foods, form relationships with producers growing the food and reduce carbon footprints.

Those connections were just a starting point for Eat Greater Des Moines. Eat Greater Des Moines was organized in January 2009 as the Healthy Urban Food and Farming Work Group (HUFF), to collaborate on a planning grant for a community food project. Although the grant was not funded, the stakeholders involved recognized the positive connections formed and continued to meet, working closely with Healthy Polk 2020, a widespread effort focusing on health and wellness in Polk County.

Eventually, the group put together a proposal to the health cabinet of the United Way to fund a local food coordinator, supporting efforts in community gardens through the development of a community garden start-up guide and mapping community gardens and Community Supported Agriculture (CSAs) available in the Polk and surrounding areas.

The group became an official member of the Regional Food Systems Working Group through the Leopold Center for Sustainable Agriculture at Iowa State University. The 15 Regional Food Systems Working Groups work to increase the investment in and support for local and regional food businesses in Iowa. In September of 2012, the group adopted its current name, Eat Greater Des Moines and the mission statement “To identify, develop, and connect resources with the broader community to support the entire food lifecycle in central Iowa.”



Current membership consists of more than 20 organizations and individuals from a wide cross section of the community. Five focus areas direct the group through Policy, Health and Nutrition, Access and Hunger, Community Outreach and Business Development.

The funding for one position was expanded into 1.5 positions and a community foundation grant enabled a strategic planning session for the organization, as well as a formalized structure.

Eat Greater Des Moines has been making connections ever since. Meeting with all organizations and entities working in local foods in Polk County led to new connections in food rescue, food waste systems, overall visibility of the project and increased communications among all stakeholders. According to director Aubrey Martinez, Eat Greater Des Moines sees their role as the connecting piece. "We're convening groups quarterly with 45-50 people in attendance and new connections are made each time," Martinez said. "This group finds out what this group over here is working on and suddenly both realize they could partner together to advance the project."

One example of a partnership at work involves the Mickle Neighborhood Resource Center, located on Pleasant Street in downtown Des Moines. One group is working to develop the facility into a commercial kitchen but ran into a stumbling block with the costs of renovation and new kitchen equipment. Eat Greater Des Moines was able to make a connection from the Neighborhood Investment Corporation to the owner of multiple locations of a restaurant chain for commercial grade kitchen equipment.



"We hope to be a bridge to the business community," Martinez said. "We want to be a conduit for local foods – that makes us successful if others are having success. We are cheerleaders for all the groups."

Challenges

A continual challenge for Eat Greater Des Moines is constant communication. Initial concerns on the role of Eat Greater Des Moines vs. other stakeholders involved in local foods led to confusion. Continual communication from Eat Greater Des Moines to groups has helped with much of that.

It was a challenge at first to not be program-based. Eat Greater Des Moines continually has a focus on relationships and not programs.

There are additional needs in communications and technology to help with current and future connections.

Funding for Eat Greater Des Moines has come from a variety of sources. However, a consistent funding stream secures the continuity of their connections within the entire local food systems, from producers to consumers to food rescue to food waste.

Best Practices

A focus on stakeholders gives over-all guidance to the program. Wait for them to express a need. Eat Greater Des Moines then engages different people and partnerships to focus on all aspects of food systems.

Best Practices/ Lessons Learned

Don't assume you know it all.

ASK. And ask a lot of people.

What are the needs? What's missing? Engage different people at all levels to form partnerships focusing on all aspects of the food systems, Martinez advised.

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Location

Madison, Wisconsin

Community Agency

University of Wisconsin

Source of Funding

philanthropic gifts

Amount of Funding

varies

Duration of Funding

ongoing

Start of Funding

started in 2009

Beneficiaries

Entire food system, growers in the Willy Street Co-op

Food and Finance Institute/Willy Street Co-op

The local foods scene in Madison, Wisconsin, has long been a model for communities throughout the United States. Consumers in the area are committed to purchasing local and producers of local food are continually expanding operations and sourcing new marketing avenues.

One such opportunity for growth is found through the Willy Street Co-op. The Willy Street Co-op is a large natural foods co-op with stores in Madison and Middleton. In 2013, the Co-op had \$38.6 million in actual sales. In a recent survey of current vendors, the Co-op found growers had an interest in expanding operations and providing additional products to the Co-op, but capital was a limiting factor.

Enter the Slow Money Wisconsin movement. Slow money is a national movement to organize investors and donors to steer new sources of capital to small food enterprises. The slow money chapter fueled the local foods movement and additional growth in the industry.

As a result of their grower survey, Willy Street Co-op owners had an idea to create a revolving loan fund. Willy Street Co-op's new \$100,000 Local Vendor Loan Fund (LVLV) will support sustainable growth of local food companies, starting with a pilot program this winter.

“Supporting local suppliers is part of our mission,” said David Waisman, finance director of the natural foods cooperative, which operates stores in Madison and Middleton. “We’ve made a few vendor loans in the past, but we didn’t have the structure or the financial resources to do it on this scale.”

An average loan likely will range from \$25,000 to \$30,000, in contrast to the typical microloan of less than \$10,000 from other local foods funds. The pilot program this winter will include up to four loans.

“We’ve identified a small pool of local farmers and vendors from which the group will select the loan recipients in this pilot program,” Waisman said. “If all goes well, we plan to open the next opportunity to get a LVLV loan to all Co-op vendors whose products we sell in our stores.”

The LVLV idea was developed with support from Forward Community Invest-



ments and assistance from the University of Wisconsin-Extension.

Having participated in the full arc of creating the successful investor-financed company, Teraswhey, Tera Johnson founded the Food and Finance Institute at UW Extension. The Institute's work focuses on providing business consulting to sustainable food and farming businesses, and the emerging social venture funds that are providing the capital they need to grow. The Center also helps its clients successfully package non-traditional and traditional sources of debt and equity financing. The Institute runs an annual Food Finance Accelerator that teaches finance professionals, investors, and entrepreneurs about the attractiveness of the sector, business models that work, and how to combine emerging non-traditional and traditional financing sources to start and grow local food businesses.

Tera Johnson provides technical assistance to loan candidates and companies that receive loans. She is a food and finance specialty consultant who served as a technical advisor to the fund partners.

"We want to make sure that we are giving these companies all the help that we can so that they can be successful," Johnson said, noting that Wisconsin farms and agricultural businesses generate more than \$59.6 billion in economic activity and provide jobs for 353,991 people.

Scaling the fund, Waisman said, could include allowing Co-op members to invest in the fund, expanding the amount of money available, increasing the number of loan recipients and offering other Wisconsin-based grocery co-ops in the state the opportunity to join or replicate the fund. He noted that the model is unique in the country



The Primrose Farm delivery vehicle doesn't travel further than 20 miles from their farm, a testament to Cassie & Mike's commitment to feeding people locally.



and has the potential to connect consumers and borrowers in a mutually beneficial way.

Challenges

Getting farmers to think beyond Madison, Wisconsin. Their market needs to be bigger than their immediate local area.

Bringing a sense of pragmatism to models.

Best Practices/ Lessons Learned

Tremendous growth in the area of local foods in Madison. We have the biggest farmers market in the country.

In addition to the technical assistance, we established a peer group for peer mentoring. This gets everyone understanding the full realm of business.

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Location

Southwest Iowa, Omaha and Lincoln

Community Agency

Golden Hills Resource Conservation and Development

Source of Funding

Rural Community Development Initiative, Specialty Crop Block Grant, the Clif Bar Family Foundation, Pottawattamie County, the Leopold Center for Sustainable Agriculture and a Rural Business Opportunity Grant (RBOG) from USDA Rural Development

Amount of Funding

RCDI 1 - \$83,485; RCDI 2 - \$53,010; SCBG - \$17,984; Clif Bar Foundation - \$4,000

Duration of Funding

October 2011 to September 2014

Beneficiaries

entire food system

Website

www.lonetreefoods.com

Lone Tree Foods

Golden Hills Resource Conservation and Development (RC&D) held conversations with specialty crop producers in southwest Iowa, beginning in 2010-2011. Producers had an interest in aggregation and distribution to wholesale accounts and a local food coordinator at the time, Bahia Nightengale, applied for, and received, a Rural Community Development Initiative grant, a Specialty Crop Block Grant from the Iowa Department of Agriculture and Land Stewardship and a Clif Bar Family Foundation grant.

With initial funding, Lori Tatreau was hired on a part-time basis to form and manage a local food producers group, with the original mission of assisting producers in southwest Iowa and southeast Nebraska to meet the demands of wholesale accounts, increase local food consumption in the Council Bluffs/Omaha/Lincoln areas and establish connections between producers and wholesale buyers.

The group took the name Lone Tree Foods, after the Lone Tree Ferry, originally the crossing of the Missouri River at Council Bluffs, Iowa, and Omaha, Nebraska, and so named for a lone tree on the Nebraska bank of the river. The Ferry became central to the founding and development of the city of Omaha. Five original producers met on a monthly basis and created info sheets for buyers with seasonal availability. The group originally decided on an unincorporated network with the goal of forming an LLC by the end of the grant funding period.

The grant from the Leopold Center for Sustainable Agriculture paid for Anthony Flaccavento, a consultant and public speaker, to meet with the growers in February 2012. Flaccavento is a consultant and organic farmer from Virginia. He has been working on community environmental and economic development for the past 27 years.

The producers toured with Flaccavento and hosted public town hall meetings



on local foods. During the growing season of 2012, leadership meetings became difficult to schedule and wholesale sales were difficult to track because they were not aggregated through Lone Tree Foods, but made to individual producers. Tatreau focused on developing classes for producers through Iowa Western Community College, focusing on developing wholesale sales, direct marketing, crop and business planning and food safety. She developed buyer outreach materials, gathered detailed purchasing requirements and conducted farm site visits.

Consultations with Flaccavento continued. He worked with the group answering questions, re-designing the affidavit to a statement of commitment and member applications. Member applications were created and the statement of commitment for buyers was formally established. The group held the first annual farm to chef fall planning meeting, developed delivery guidelines and met with more producers.

Funding will expire in September 2014. For the 2014 growing season, a 10% fee on all sales will be collected by the Lone Tree Foods manager for costs. Meetings with legal advisors are underway to formalize the structure. The group is working on new connections with new grocery stores in the Omaha area. A new brochure and website will be updated this year. In 2014, Lone Tree Foods has a goal of \$160,000 in sales.

Challenges

Farmers need a sense of where they are at – pricing their products, costs of production and whether or not wholesale is for them personally. The group has changed over the past few years as producers determine whether or not it's a good fit



for their operation.

The group has moved slow and that's been good and bad. It has allowed for the right people to be involved who have a passion and desire to be part of the group, but did hold momentum back in the beginning.

Best Practices/ Lessons Learned

Small groups. In the beginning, trying to please all voices was very difficult. Switching to a smaller producer leadership team helped

make decisions faster. Lone Tree Foods kept majority rule on bigger issues.

Focus on the buyer. Lone Tree Foods first “romanced” chefs. However, they found too many established relationships and not enough services for individual restaurants. Instead, the focus was redirected to grocery stores.

Organization. The manager needs support, a stable team and structure to the group to thrive and avoid burnout.

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Location

Boone County, Iowa

Community Agency

The City of Ogden, Iowa

Source of Funding

Rural Business Enterprise Grant and Boone County Endowment Fund Grant Application

Amount of Funding

\$49,975 and \$2,180

Duration of Funding

1.5 years

Start of Funding

2011

Beneficiaries

Producers, camps, restaurants and communities

Northeast Iowa Food & Fitness Initiative

Local community leaders in Northeast Iowa recognized the importance of agriculture and local food systems before “local foods” became a household word. Farmers observed that even in the rural heartland of America, there was a disconnect between the farm community and downtown businesses and community leaders. Like elsewhere in the United States, many of the children in the area did not know where their food comes from. Iowa State University Extension was asked to facilitate discussions around the current state of agriculture in Northeast Iowa. The Northeast Iowa Food and Farm (NIFF) Coalition was formed from those discussions. It was guided by group of stakeholders and community members, including staff from Iowa State University Extension and Outreach.

The three initial goals of NIFF coalition were to provide an opportunity for existing and new producers to diversify, to explore development of regional processing and storage facilities to add value to all agricultural products in the area, and to increase the consumption and sale of locally grown crops. The NIFF Coalition became the first pilot community selected in 2006 by the Leopold Center for Sustainable Agriculture’s Regional Food System Working Group. The Leopold Center suggested the group go through a strategic planning process to identify the assets, strengths and opportunities of the area as well as the barriers and challenges. The strategic plan was instrumental in their first proposal to the W.K. Kellogg Foundation (WWKF). In 2008, northeast Iowa was named as one of nine WWKF Food and Fitness initiatives across the United States and received a two year planning grant of \$650,000. The work of the NIFF Coalition was integrated into the Northeast Iowa Food & Fitness Initiative (FFI) to become a collaborative of community members and organizations working together to serve approximately 95,300 residents (2013 census) in six counties in Northeast Iowa increase access to healthy, locally grown foods and provide active living opportunities with the goal to transform their food and fitness systems through policy and system change projects.

In 2011, the WWKF affirmed its support of their work with a 3-year implementation grant of \$1.2 M. This grant provided the opportunity to leverage and secured grants from other sources including the Leopold Center for Sustainable Agriculture, Wellmark Foundation, USDA, and the Iowa Department of Transportation.

The Northeast Iowa FFI is not only working to increase the sales of locally grown foods, but also increase the number of farmers in the area to keep the sales numbers growing. In the beginning only a few farmers were selling pro-



duce to schools; by 2012 the number increased to 21 local farmers. The Iowa Regional Food Systems Working Group economic impact surveys¹ collected and reported the impact of IFF programs through expanded economic development opportunities in the six counties in Northeast Iowa.

Schools are often the hubs in rural communities and the Northeast Iowa Food and Fitness Initiative has focused on school wellness by providing technical, educational and financial support for school programs and policies. It helped bring wellness activities to schools through teacher workshops and direct nutrition education, support for food service staff, planting gardens, and assist schools in securing mini-grant funds for wellness projects. FFI has facilitated the establishment of wellness teams in 18 of 20 public and private school districts throughout the region to implement Farm-to-School and fitness activities. FFI formed “walking school buses” as part of its Safe Routes to School program to encourage more children to walk to school safely and boost their activity level. They reported that during the 2013-2014 school year, 19 Walking School Buses in nine communities in Northeast Iowa walked to school, reaching over 275 students and 50 volunteers. This was a significant increase from four years ago when just a few families in one community walked one route.

FFI leaders believe that youth involvement is a key ingredient in its success in the schools. Their actions have led to system changes in the schools and communities. The students have worked to establish salad bars in lunch programs and to get healthier food options on food lines and in the concession stands.

New or Expanded Economic Development Opportunities Associated with NE Iowa Food & Fitness, 2009-2014						
Economic Opportunity	Year 1 (2009)	Year 2 (2010)	Year 3 (2011)	Year 4 (2012)	Year 5 (2013)	Total
New Job Creation, FTE						
Farm-level and value added jobs (FTE)	2	17	8	10	18	37
Institutional Buyer-created jobs (FTE)	0	0	4	3	6	7
FFI Jobs	2.5	2.5	0	0.7	0	5.7
New AmeriCorps/Food Corps members	2	2	1	1	0	6
Total number of new jobs created	6.5	21.5	13	14.7	24	79.7
Number of new local food producers/food	8	12	14	14	15	
Number of expanded jobs	0	0.5	2.5	6	3	
TOTAL NUMBER of new or expanded economic opportunities	14.5	34	29.5	34.7	42	154.7

In 2013, the W. K. Kellogg Foundation awarded \$900,000 to the Northeast Iowa FFI to be used in the next four years to fund current strategies related to school wellness, food systems and active living with an additional focus on the caregivers of children from birth to age five in Northeast Iowa.

The list of impacts and outcomes of the Northeast FFI is long and impressive and wide reaching. Their programs have become models for other Food Systems Working Groups and communities in Iowa. Core FFI leaders say that probably the most valuable impact of the project has been building relationships and sharing knowledge within and between communities.

“Demand for locally produced food, including fruits and vegetables as well as livestock products, has shown substantial growth. Buying and selling locally produced food revitalizes neighborhoods by creating and keeping jobs and money in the community,” said Teresa Wiemerslage, leader for the Northeast Iowa Food and Farm Coalition and ISU Extension and Outreach program coordinator.

Challenges

Although the Northeast Iowa Food and Fitness Initiative and the Northeast Iowa Food and Farm Coalition have been very successful in obtaining outside funding to

support their project, the challenge may be to maintain and sustain the vast number of programs and projects they have established after funding sources diminish. Will they become more independent, privatize or let other agencies operate specific projects, or will they continue to seek new sources of funding through grants and community assistance?

Best Practices/ Lessons Learned

Success and sustainability of a project of this size and scope requires a diverse group working to create a common vision.

The establishment of local and regional food systems requires a good deal of local effort, coordination and strong partnerships with community organizations and institutions.

Engage youth in the planning and implementation of the work. They provide insight and enthusiasm for the changes that will directly impact their generation.

When several communities are involved in a visionary project together, a trusting and inclusionary atmosphere must be created at the beginning. Small rural communities that are often in competition for resources can greatly benefit by working together.

This case study is part of a profile series on funding strategies of local food systems in the Midwest. Funding was provided by the North Central Regional Center for Rural Development.

Location

Boone County, Iowa

Community Agency

The City of Ogden, Iowa

Source of Funding

Rural Business Enterprise Grant and Boone County Endowment Fund Grant Application

Amount of Funding

\$49,975 and \$2,180

Duration of Funding

1.5 years

Start of Funding

2011

Beneficiaries

Producers, camps, restaurants and communities

Scenic Valley Produce Aggregation

Interest in and demand for local foods has increased in recent years. The freshness, flavor, and benefit to the local economy are a few reasons consumers are looking for local products. Nutrition specialists continue to emphasize the need for children and adults to consume more fresh fruits and vegetables and encourage school cooks to serve more fresh produce. Unfortunately, the fresh fruit and vegetable season in the Midwest spans only four to five months, most of which is during the summer. This makes it challenging for growers to grow a variety of fresh produce to schools. Also, many growers have difficulty providing a steady supply of large volumes of specific crops.

Community leaders in Boone County, Iowa, and Iowa State University Extension staff saw an opportunity to increase the use local foods by this audience through the ten youth/family camps located in the county along the Des Moines River Valley and an opportunity for local producers to get into the wholesale/institution market by aggregating their product.

The local camps serve more than 200,000 meals to youth/family campers, staff and guests during the 10-week peak summer season. By purchasing and serving fresh local produce, the camps could add nutritional value to their meals, strengthen the local rural economy and include locally-sourced foods in promotional materials. The planning team received positive feedback and input when they met with several camp directors. They used that information to write a Rural Business Enterprise Grant (RBEG) offered through the USDA Rural Development program in Iowa and received \$56,000 to support the development of a food hub to aggregate produce for the camps and other local institutions. A Boone County Endowment Fund grant provided \$2,180 to support branding Scenic Valley Produce and Good Agricultural Practices (GAPs) food safety training for the farmers and ServSafe® training for the camp cooks. A local vegetable farmer with several years of wholesale purchasing experience agreed to serve as the “aggregator” for Scenic Valley Produce. He had verbal agreements from seven camps to participate in the pilot/model project and identified four small-scale vegetable farmers within a 20-mile radius to grow product for the hubs. During the winter months the aggregator met with camp directors to determine crops and estimate the volume they will need. He also coordinated production from farmers.

The funding support provided the base for the group to work through the planning and production season where there was a steep learning curve for all the stakeholders. It provided each participating camp with a stipend to cover the additional costs associated with serving local produce, such as additional



**SCENIC VALLEY
PRODUCE**

labor and equipment to clean, chop or process the produce. The stipend also supplemented the additional higher cost for local as compared to food service product. This allowed them to stay within their food budget the first year and determine price increases in future years. Posters with photos of the participating farmers were developed and made available to all camps to display in their cafeterias to build awareness that they were serving locally-grown produce.

A facility for collection, short term storage, and distribution was essential for the operation of the food hub. An empty convenience store in Ogden was rented on a monthly basis. It was centrally located within 10 miles of most of the camps. This was convenient the first year, however, the food hub could not afford to pay rent and utilities year round when there was no business six to seven months of the year.

Challenges

Tight budgets and simple, limited menus at youth camps narrows the type of fresh produce the camps are willing to purchase. For example, it is very economical for the camps to purchase large bags of pre-chopped iceberg lettuce that can go directly from bag to salad bar. A few camps that tried the locally-grown lettuce received positive feedback from their campers on the high quality and flavor of the lettuce, but others said “children won’t eat dark leafy greens.” Also, their menus did not require as many fresh fruits and vegetables as projected.

The production season in the Midwest is quite variable and may only overlap with camps’ produce needs for four or five weeks. Warm season crops, such as cucumbers, peppers, onions, and tomatoes, are typically ready for harvest in mid-June to early July. Camps are usually winding down the season



in early August, just when production of these crops peak.

Aggregation requires a middleman or aggregator who charges a percentage for labor, facilities and transportation costs associated with handling and marketing the product, as well as loss due to shrinkage. The grant provided the aggregator a stipend for his efforts during the first year, however, that was not long enough to grow the business to the volume and sales required to make it profitable. Funding for a local foods aggregation project should be for at least two or three years to build relationships between the aggregator, producer and customer.

The project yielded many benefits to the growers and aggregator. It helped build relationships and trust among the growers that resulted in collective purchasing of supplies and transplants and machinery sharing. Although the formal aggregation to supply the camps no longer occurs, one of the largest camps continues to purchase directly from a member of the group who lives near the camp. A few growers in the group still collaborative sell product for each other on the retail and wholesale levels. New markets were developed and expanded for their produce. The project resulted in two new seasonal positions and expanded production among the growers.

Best Practices/ Lessons Learned

Be flexible with your grant timeline. Grant-supported projects can’t always rely on a specific time for funding to be available as written in the grant. Occasionally funders are a few weeks to several months later than planned. The grant for this project was written and funded as a one year project to follow the calendar year; however, funding support for this project came too late into the production/camp season to be effective so it was extended through the following growing season.

Large volume & consistent sales are required for food hub to be profitable & successful. The food hub’s pricing must reflect the cost of the product, expenses and a profit margin yet to remain competitive in the fresh, wholesale food market. With a low profit margin, the food hub must sell a minimum, consistent volume to be profitable.

Partnerships, diversification and an entrepreneurial business plan are essential to sustain the business after funding support ends. A food hub for locally-produce, fresh produce has product for four to six months. It must have an alternative product to sell during those months or share a facility. Partnering or leasing a facility with another business or institution that uses the facility during the other half of the year will be an economic benefit for both.

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Location

Woodbury County, Iowa

Community Agency

Buy Fresh, Buy Local
Siouxland

Source of Funding

USDA Farmers' Market
Promotion Grant

Amount of Funding

\$42,000

Duration of Funding

1 year

Start of Funding

2008

Beneficiaries

Sioux City Farmers'
Market vendors and
residents of Sioux City and
surrounding communities

Website

www.farmersmarketsioux-city.com



Sioux City Farmers' Market

Most community programs and projects require a team of dedicated volunteers to initiate and build them; however, often it takes a paid employee to sustain the programs. That is what a group in Sioux City, Iowa, learned after receiving funding support to start up a farmers' market.

In 2004, a group of citizens met to discuss the possibility of creating a year round organic market in Sioux City. After a year or two of planning, they wrote and received a USDA Farmers Market Promotion Program (FMPP) grant. The group also received over \$200,000 in financial pledges from the City of Sioux City and Woodbury County, as well as the Iowa Great Places program. Throughout the planning process the traditional farmers' market concept was lost and replaced with a farmers' market attached to a cooperative grocery store and restaurant. The Woodbury County Economic Development Office was involved in the project development until the staff member working on it took another job. Although the volunteer group had the financing and passion for the project, there was no community agency or staff to direct the project and serve as the fiscal agent. As a result, the project idea was abandoned.

Fortunately, with some keen thinking and work of a downtown development organization that was still interested in creating a vibrant, downtown farmers market, the \$42,000, one-year FMPP grant was transferred to Buy Fresh Buy Local (BFBL) Siouxland, Inc. (a 501C3 non-profit) in 2009.

Organizers believe that stability and growth are very important to the survival and growth of the Sioux City Farmers' Market. After the initial grant funds were used, they solicited local businesses and community organization for donations. Vendor fees finance a part-time staffer to serve as market manager, maintain a website and recruit sponsor funds to support marketing efforts. All vendors are required to pay association dues and be registered with BFBL Siouxland. BFBL board members estimate the annual cost to operate the farmers' market at approximately \$65,000. Sponsors are vital to promote the Farmers Market. Scheel's Corporation, The Woodbury County Rural Economic Development Office, and additional sponsors funded the purchase and installation of carrot-shaped bike racks, encouraging people to bike in for breakfast or lunch and take home a backpack full of fresh vegetables. Each year, businesses fund 2,600 reusable farmers market bags distributed to patrons.

School groups have attended the Wednesday morning market early in the season to learn more about the farmers market and what makes it a special place to shop.

The market continues to grow with more offerings and more customers. "The market is for the entire population and demographics in the Sioux City area," says Roger Caudron, a volunteer with BFBL Siouxland. The number of vendor grew from 24 to 32 in the first year. The capacity of the site is 58 vendors and they have had to deny requests from new vendors. They limit the number of produce and baked good vendors. They feel this doesn't "dilute" the business and assures vendors a worthwhile profit. They strictly require that all vendors are the grower, producer or manufacturer of the product. Vendors at the

Sioux City Farmers Market sell unprocessed products including eggs, produce, meat, honey and cut flowers. Value-added products include baked goods, jams, jellies, goat candles and soaps, dog treats, bee products, locally roasted coffee, wines from local wineries, flowers, and even locally-raised shrimp from The Gulf of Holstein. The Market does allow vendors to partner with another existing market vendor to market their products. To do so, the partner vendor must pay dues for the year and enter into a written agreement which details the business arrangement between the vendor and the producer including the monetary consideration for the vendors selling such products.

From time to time, non-vendor exhibitors may be allowed to display at the market. Non-vendor exhibits are those that promote or display free non-commercial food or nutrition related information. Examples of non-vendor exhibitors are the WIC Program staff, Department of Health, college and universities, food and nutrition programs, etc. Non-vendor exhibitors cannot sell or exchange money for any service, product or information provided at the Market.

The vendors have been happy with the growth of the Sioux City Farmers Market and many have significantly “grown” their business through the Market. “I started with two high tunnels and now have four in vegetable production,” says Clint Brown, of C. Brown Gardens. “I am able to market 90 percent of what is coming out of the tunnels at the Market.” The Sioux City Farmers Market has served as an incubator market for local entrepreneurs to get their product in the hands of the consumer. Koated Kernels, a specialty popcorn company, started in a home kitchen and first marketed at the Sioux City



Farmers’ Market in 2009. They now have a commercial kitchen and continue to sell at the Market. They have expanded their market to include grocery and specialty stores.

A musician who performs at the market used it as a venue to build exposure. As a result, his winter calendar is filled with events.

Challenges

A major challenge for the BFBL Siouxland is to maintain its high standards of being a farmers market of products grown and produced by the vendors. Limited space and strict rules help them overcome this challenge. Finding and keeping financial and in-kind sponsors can be a challenge because they are vital to fund the marketing and special events that make the Market a fun, family event. Another challenge the Sioux City Farmers Market has undertaken is strengthening the participating vendors as businesses, including hosting training sessions on stall and display design, food safety, and meats. The Market has also worked to help diversify the products offered, such as recruiting a cheese vendor, as well as embracing local cultural diversity by recruiting Latino-owned processed food and on-site consumption vendors. Another challenge that hasn’t been adequately addressed yet is finding ways to recruit fruit producers to further diversify the nutritious

foods available at the Market.

Best Practices/ Lessons Learned

Focus on one event or activity and don’t let it become too large and miss the objective. In this case, organizers limited the farmers market to a venue to showcase locally produced foods and products and avoided the temptation to include other businesses just to increase the size and scope of the market.

Farmers markets should limit the number of vendors and grow the number to meet customer demand. This may sound exclusive, but the Sioux City Farmers’ Market organizers learned that limiting the number of vendors selling the same product leads to better quality and increased profits for those vendors. “The market and the vendors must grow together because vendors are business. Offering diversity of locally-grown and produced products is also important.” Roger emphasizes.

Make the farmers market a weekly event. Entertainment and entrepreneurial vendors keep customers coming back.

Corporate sponsors help sustain and “grow” the market. Outside funding helps finance unique projects and promotions.

Best Practices of Various Funding Support for Sustainable Local Food Systems in Midwest Communities



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Around the country, farmers, entrepreneurs, parents, students, community organizers, and activists are developing unique programs to develop food systems that are economically, environmentally, and socially sustainable. Local food systems are incorporated into numerous community programs designed to reduce food insecurity, support small farmers and rural economies, encourage more healthful eating habits, educate youth, and foster closer connections between farmers and consumers. These programs are being funded through a number of innovative ways using public and private support. These programs and efforts are stimulated by government

programs and policies, such as the “Know Your Farmer, Know Your Food” initiative, which supports the development of local and regional food systems. According to The National Sustainable Agriculture Coalition’s Guide to USDA Funding for Local and Regional Food Systems (2010), successful local and regional food initiatives offer models that can be replicated and lead to large-scale systems change.

There are many local and national funding sources that have been utilized to develop community-based local food systems. The following list of “Best Practices” was developed from a North Central Regional Center for Rural Development Policy project that looked at how seven local food systems programs in the Midwest sought and utilized alternative funding to support their programs and projects. The case studies from this project can be found at: www.extension.iastate.edu/valueaddedag and www.agmrc.org.

Best Practices

- 1. The project or program must align clearly with mission and/or objectives of the funding agency or organization.** Define the goals of your project or program and then seek a funding source that supports the type of program or activity that you are proposing.
- 2. Utilize an experience grant writer for large, competitive grants.** Select someone with grant writing experience and success, whether it is a passionate volunteer or a paid professional grant-writer.

3. Don't overlook USDA grants because they appear overwhelming and competitive. The 2014 Farm Bill has given USDA new tools, resources and authority to support the rural economy. In June, 2014, the USDA introduced a new federal initiative, Local Food, Local Places, which provides direct technical support to rural communities to help them build strong local food systems as part of their community's economic action plans.

4. Small community grants and foundation grants can become a catalyst for more funding or continued support. Look "outside the box" for funding partners through national foundations and within your community. Local business, corporate sponsors, community organizations, and non-profits are often willing to invest in their community.

5. Don't rely on just one grant for single time funding. Nearly all of the community local foods programs that were studied in this project sought multiple funding sources ranging from government, non-profit agencies and organizations to initiative and sustain their programs.

6. Use funding to hire a program manager. Many programs aren't sustainable unless there is leadership and continuity within the program or project. Programs dissolve when they are coordinated by an agency staff member or volunteer who may change jobs or assignments, move or lose interest. Program/project managers need support from a stable, core team and structure for the group to thrive and avoid burnout.

7. Partnerships, diversification and an entrepreneurial business plan are essential to sustain the program/project. Begin a long-term project with the goal of sustaining the program beyond the term of the grant or funding support.

8. Success and sustainability of a project of any size requires a diverse group working to create a common vision. However, don't let the central, decision-making group become too large so that little is accomplished.

9. When several communities are involved in a visionary project together, a trusting and inclusionary atmosphere must be created at the beginning.

Small rural communities that are often in competition for resources can greatly benefit by working together. Discussions, plans, and budgets must be transparent among all key participants.

10. When in the planning stages for a community-based local food system program, begin by focusing on one event or activity and don't let it become too large and miss the objective. One community project failed with its first attempt because the activity became too large to manage and support. The project had to be scaled back and then allowed to grow as more partners invested time and resources.

Resources

Browning, B.A. Tips for Strategic Grant Seeking in 2013. The e-Civic Guide.

<http://www.ecivis.com/news-events/eciv-is-guide/2013-q1/tips-for-strategic-grant-seeking-in-2013.html>

Iowa State University Extension and Outreach. 2009. Grant Seeking: Tips for Success. <https://www.extension.iastate.edu/NR/rdonlyres/A6B79BA4-7D66-4FF1-AB75-B6587779F54B/89147/TipsforSuccess1.pdf>

Slow Money. <https://slowmoney.org/>

USDA Agriculture Marketing Services. Farmers Markets and Local Food Promotion Programs and Services. <http://www.ams.usda.gov>