

In this newsletter, we put the spotlight on local food distribution channels. While the concept of a middleman who takes a lion's share of the profits is worrisome, people involved in the local food movement are realizing that some central distribution capacity might be necessary to make local food systems function efficiently on a larger scale. Here is information about a few Minnesota programs addressing distribution issues.

Overview of Local Food Distribution

Local food is going mainstream, and the variety of potential buyers might surprise you! Currently, many local food sales involve farmers delivering directly to their customers. This gives farmers greater profits than using a middleman, but the delivery schedule can be burdensome. It takes farmers away from their work on the farm, or requires them to hire a delivery person, and fuel and vehicle maintenance are costly. So local food system distribution channels are receiving more attention, and new options are emerging for farmers to sell locally through channels that require less road-time on the farmers' part:

Conventional distributors, like Bix Produce and Sysco Minnesota. Both are members of the Heartland Food Network, and as such have made commitments to increase the amount of locally grown food that they handle each year.

Specialty distributors carry a particular line of product or serve a particular market. Co-op Partners is an example of a certified organic distributor based in St. Paul. It buys some products locally and serves the Twin Cities area food co-ops, among other clients.

Brokers: Focused on just a few products, brokers work closely with farmers to market their products. Thousand Hills Cattle Company (beef sales) and Big River Foods (produce sales) are two examples.

Farmer co-ops: These organizations may operate like a distributor, or like a broker, or may have some features of both. PastureLand Co-op, Whole Farm Co-op and the Southeast Minnesota Food Network are examples.

Farmers' Markets: No licensing is needed

for a farmer to sell fresh, raw products from her or his farm to a grocery store, restaurant, or food service. Farmers' markets can be a meeting place for farmers and potential wholesale buyers.

Big River Foods

New immigrant agriculture has been an important component of the Minnesota Food Association for nearly a decade. Farmers from all quarters of the globe arriving in Minnesota have been assisted to find land, translate unfamiliar terms, learn about Minnesota's climate, and navigate the process of marketing their products. In the past year this new immigrant program has gone a step further with the launch of Big River Foods to assist the farmers in marketing their products to retail grocery stores and restaurants.

Teresa Cuperus, coordinator of Big River Foods, handles all of the orders and relations with the buyers. Currently the list of buyers includes the Lund's and Byerly's grocery chains, Cub Foods, Kowalski's Markets, and the Wedge Co-op. Produce managers at the grocery chains are eager to find locally grown vegetables. The demand is greater than the supply, and they are willing to work around seasonal availability of produce from Big River member farmers. Pricing has been a challenge because the locally grown vegetables are more expensive. Big River was able to provide farmer stories and other information that the grocery stores could display with the products to justify the higher prices. Frequent communication with buyers is essential to the success of Big River.

The farmers of Big River Foods grew all of their produce for the 2007 season on the

Minnesota Food Association's 200-acre farm. All of the farmers are growing the same crops—tomatoes, peppers, and herbs this year—so that their production can be combined to fill large orders. Future plans for Big River include transitioning from grant money support to self-supporting, bringing in more farmers, finding a permanent land base for the vegetable production, and adding season extension structures such as high tunnels. For more information go to www.mnfoodassociation.org or call 651.433.3676 ext.17

Heartland Food Network Expands Membership, Scope

A program of the Minnesota Project, Heartland Food Network (HFN) facilitates connections between farmers and chefs in order to increase the amount of locally grown foods served at Minnesota restaurants. Membership recently expanded to 20 members and now includes a variety of restaurants and cafés, caterers, distributors and farmer cooperatives.

Program Manager Trish Johnson notes that the diversity of membership helps to move the whole local food system forward. Members meet monthly to share resources and help each other find local suppliers of the products they want. Distributors and farmer cooperatives send out regular notices to the chefs in the Network about fresh products they have coming available. Access to markets, access to suppliers, and advertising provided by the Network are some of the things that make HFN membership valuable.

(Continued from page 1)

Heartland Food Network is structured to support farmers by organizing buyers of local food. Currently an annual HFN membership fee is paid by chefs and distributors, not by farmers. Eventually farmers will likely be asked to contribute a modest membership fee to be listed on the Homegrown Heartland Marketplace website, a new online database which will be used by HFN members to help them source local products. Farmers who would like to supply HFN members are invited to try out the database and provide feedback to the developers. If you would like to try the online database, contact Kara Ferguson by telephone at 651-645-6159, ext 9; or by email at kferguson@mnproject.org.

St. Paul Year-Round Indoor Farmers' Market

The ground breaking was September 15th for "Farmers Market Flats," a five-story building that will feature a 15,000 square foot indoor portion of the St. Paul Farmers' Market on the first floor and condominiums on floors above. The new building will be across the street from the existing St. Paul Farmers' Market, and is planned to open for the 2008 summer season. As it has been for 152 years, the Market will continue to be a partnership between the City of St. Paul, which owns the market property; and the St. Paul Growers Association (SPGA), the organization of vendors that operates the market and offers products for sale.

Historically the St. Paul Farmers' Market was a major distribution point for wholesaling of fresh produce. These days the sales at the market are almost all direct to consumers, but many of the farmers have their own wholesale contracts that they

New (or Newly Revised) Resources

The Sustainable Agriculture Network's popular "Managing Cover Crops Profitably" explores how and why cover crops work and provides all the information needed to build cover crops into any farming operation. Revised and updated in 2007, the 3rd edition includes new chapters on brassicas and mustards, six new farm profiles, as well as a comprehensive chapter on the use of cover crops in conservation tillage systems. Available online:

service outside of the market. The new indoor market space will facilitate more of those connections by providing a storage area with cooler, freezer, and shelf space. Farmers will be able to bring in products that have been pre-ordered and have the indoor market serve as a drop-off and pick-up point.

Plans are to have a "market within a market" where farmers could bring products that could be sold out of an indoor retail area all week long. Jim Sipe, market vendor, notes that this retail area may use more of a group marketing or cooperative model than the market has used in the past. The new indoor space will offer expanded market stall space and will improve the climate for the winter market. The Market has a 50-mile travel limit for fresh produce, but has widened the circle for meat products and shelf-stable value-added products. Minnesota farmers interested in selling at the market are invited to contact manager Jack Gerten; spmkweb@aol.com

Vendors at the St. Paul Farmers' Market have to produce what they sell. Patty Brand, executive director of Friends of the Market, says that customers appreciate the local, farm-direct character of it. That is something the Market will strive to hold on to as it moves forward.

Farmers' Market Flats:
www.farmersmarketflats.com/index.html

St. Paul Farmers' Market:
www.stpaulfarmersmarket.com/

Vision for Distribution/Value Added Processing Facility

Lenny Russo, head chef and owner of Heartland Restaurant in St. Paul, says that Minnesota produces the best food ingredients in the world; but this is a largely untapped resource for Minnesota food

establishments due to inadequate local distribution systems. Farmers and chefs have had to forge their own connections resulting in farmers making many stops at the back doors of restaurants—a drain on farmers' time and costly in terms of fossil fuel use.

Lenny's goal is a wholesale distribution business that would return 60 percent to farmers. He envisions a food market where farmers could deliver product any day of the week. Close cooperation among departments would ensure minimal waste. Unsold fresh product from any department would go to the food processing area to be converted to jams, jellies, canned vegetables, soups, and so on. Processed foods would then return to the retail or wholesale sales areas. Lenny notes that chefs' direct contact with farmers will remain just a phone call away.

Lenny worked with the St. Paul Growers Association on their indoor market plans (see related story, this issue). A business plan for an additional phase of the indoor St. Paul Farmers' Market was developed based on Lenny's vision for a wholesale and distributing business, but market members felt at this time when they are just launching the year-round indoor market they need to focus on their tried-and-true model of direct farmer to customer contact. Lenny is convinced that a wholesale market is needed and that the timing is good, so he will continue to reach out to potential partners to make it happen. For more information, you may contact Lenny Russo at heartland@heartlandrestaurant.com

www.sare.org/publications/covercrops/covercrops.pdf, or to order (\$19) from SAN: www.sare.org/publications/order.htm or call 301-374-9696. Minnesota educators can contact Beth Nelson, 612-625-8217 or schre002@umn.edu for a copy to use in their programming.

SAN has also issued a new free bulletin, "Rangeland Management Strategies". The 16-page publication features innovative

SARE-funded research on creating and sustaining a healthy range. Throughout, researchers and ranchers share goals and successes in winter and multi-species grazing, managing forage and other vegetation and protecting riparian areas. Available online: www.sare.org/publications/range/rangeland.pdf or order from SAN, 301-504-5411

Organic Price Reporting Service Launched

A new organic price reporting service, developed in collaboration by the Agricultural Marketing Service (AMS) and the University of Minnesota's Endowed Chair in Agricultural Systems Program, consists of a searchable database and a bi-weekly price report called the *Upper Midwest Organic Grain and Feedstuffs Report*. The report was launched in February 2007 to make public timely prices for certified organic grain, bean, oilseed, and hay crops. It is available as a download from the AMS website: www.ams.usda.gov/mnreports/nw_gr113.txt.

AMS price reporting services will help farmers with production and marketing decisions by creating transparency in the

marketplace—giving all farmers access to the same timely information whether selling oilseeds on contract to a processor or hay to a neighboring dairy producer. More than 40 percent of certified organic grain, livestock and dairy producers surveyed by the Minnesota Department of Agriculture (MDA) in 2007 said organic price reporting services are needed.

Price data for the new service comes from market transactions voluntarily submitted by certified organic buyers (handlers, brokers, processors and manufacturers) and producers in Minnesota, Iowa, North Dakota, South Dakota and Nebraska. Gigi DiGiacomo, Senior Fellow with the University of Minnesota's Endowed Chair

in Agriculture Program, says the involvement of producers in the reporting service is critical, explaining that "AMS reporters in Des Moines are in regular contact with farmers to verify prices reported from buyers; to ensure that the reported prices are an accurate reflection of market transactions." Farmers were invited to participate in the price reporting service through press releases published in newsletters, farm journals and local newspapers; agricultural websites; and post cards distributed at winter farming conferences in 2006-2007.

For more information, contact Gigi DiGiacomo, 612-710-1188 or rgdigiacomo@earthlink.net.

Rob King appointed to Governor's Next Gen Energy Board

Rob King was appointed to Governor Tim Pawlenty's NextGen Energy Board as a representative of the Minnesota Institute for Sustainable Agriculture. King is a professor and department head with the University of Minnesota's Department of Applied Economics, and a member of the MISA Board of Directors. He has conducted research on a range of issues related to farmer cooperative formation and management over the past 20 years. This new board, part of Governor

Pawlenty's Next Generation Energy Initiative, will provide recommendations to the legislature and the Governor about how the state can most efficiently achieve energy independence through agriculture and natural resource sustainability.

The NextGen Energy Board will examine the future of fuels, such as synthetic gases, biobutanol, hydrogen, methanol, biodiesel, and ethanol within Minnesota; develop equity grant programs to assist locally owned

facilities; study the proper role of the state in creating financing and investing and providing incentives; evaluate how state and federal programs, including the Farm Bill, can best work together and leverage resources; work with other entities and committee to develop a clean energy program; and report to the legislature with recommendations as to appropriations and results of past actions and projects. For more information, contact Rob King via email, rking@umn.edu.

NCR-SARE Farmer-Rancher Grant and MDA Sustainable Agriculture Demonstration Grant Calls Issued

Two programs that enable Minnesota farmers and educators to test new and innovative ideas in sustainable agriculture have issued their calls for proposals for the coming year. Examples of projects funded and recently completed through both these programs are in MDA's annual Greenbook online: www.mda.state.mn.us/protecting/sustainable/greenbook2007.htm

NCR-SARE Farmer Rancher Grant

Competitive grants of up to \$6,000 are available for individual farmers and ranchers, and grants up to \$18,000 are available for groups of three or more farmers from separate operations who are interested in exploring sustainable agriculture. Farmers/Ranchers are invited to submit proposals that test, evaluate, and

adapt sustainable agriculture practices for their operations; conduct learning circles, educational events, field days or demonstrations to further disseminate information to farmers/ranchers; develop new technologies; or create or modify equipment. Proposals are due December 3, 2007.

To view the SARE Farmer-Rancher Call for Proposal and supplemental information online, go to: <http://ncr.sare.org/prod.htm> For more information or to receive an application in the mail, contact Joan Benjamin, 402-472-0809 / 800-529-1342 or jbenjamin2@unl.edu

MDA Sustainable Agriculture Demonstration Grants

MDA will award \$150,000 in Sustainable

Agriculture Demonstration Grants to help farmers, researchers and educators implement new sustainable farming systems. The MDA is accepting applications for these grants, which are available for three-year projects that benefit the environment, increase farm net profits through cost reductions or enhanced marketing, and improve the farm family quality of life. Proposals are due January 18, 2008.

To view the 2007-2008 application online, go to: www.mda.state.mn.us/grants/grants/demogrant.htm. For more information or to receive an application in the mail, contact Jeanne Ciborowski at 651-201-6217 or jeanne.ciborowski@state.mn.us

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Save the Date!!

SARE National Conference, March 25-27, 2008, Kansas City, Missouri:

www.sare.org/2008Conference/index.htm

Rural Youth Summit and League of Rural Voters Presidential Forum, October 26-27 Ames, IA

www.iatp.org

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