Presentation Outline

- Technical Orientation
- Welcome / Introduction
  - John Fisk
    Wallace Center at Winrock International
  - Jeff Farbman
    Wallace Center at Winrock International
- The Survey: Motivation
- The Survey: Findings
- The Survey: Implications
- Questions and Answers
- Upcoming Opportunities, etc.

Wallace Center at Winrock International

- Market based solutions to a 21st Century food system
- Work with multiple sectors – business, philanthropy, government
- Healthy, Green, Affordable, Fair Food
- Scaling up Good Food
NATIONAL GOOD FOOD NETWORK: VISION

Supply Meets Demand
• There is abundant good food (healthy, green, fair and affordable) to meet demands at the regional level.

Information Hub
• The National Good Food Network (NGFN) is the go to place for regional food systems stories, methods and outcomes.

Policy Change
• Policy makers are informed by the results and outcomes of the NGFN and have enacted laws or regulation which further the Network goals.

http://ngfn.org | contact@ngfn.org

NATIONAL GOOD FOOD NETWORK: GOALS

- Community of Practice
- Technical Assistance
- Strengthen Food Hubs
- StudyHubs
- Regional Networks
- Networking
- Webinars
- Peer to Peer
- Research
- NewInfo
- Audiences

WALLACE CENTER
Presentation Outline

- Technical Orientation
- Welcome / Introduction
- The Survey: Motivation
  Rich Pirog
  Center for Regional Food Systems,
  Michigan State University
- The Survey: Findings
- The Survey: Implications
- Questions and Answers
- Upcoming Opportunities, etc.

THE 2013 NATIONAL FOOD HUB SURVEY

WHY THE SURVEY? WHY THE PARTNERSHIP?

Rich Pirog – Senior Associate Director
MSU Center for Regional Food Systems

WHY A NATIONAL SURVEY OF FOOD HUBS?

“Learn from the past, live in the present, plan for the future”
Audrey Farrell

“If you don’t know where you are going, any road will get you there”
Lewis Carroll
## WHY THE SURVEY?

- Growing number of food hubs across U.S.
- Lack of information on characteristics and overall performance
- Need reliable information to inform investment, policy
- Baseline of time series data set on food hub operations
- Help inform local networks (such as MI Food Hub Network)

## THE PARTNERSHIP

- MSU Center for Regional Food Systems
- Wallace Center at Winrock International
- USDA’s key role
- NGFN Food Hub Collaboration

### Presentation Outline

- Technical Orientation
- Welcome / Introduction
- The Survey: Motivation
- The Survey: Findings
  - Micaela Fischer
  - Center for Regional Food Systems, Michigan State University
- The Survey: Implications
- Questions and Answers
- Upcoming Opportunities, etc.

### FINDINGS OF THE 2013 NATIONAL FOOD HUB SURVEY

- Micaela Fischer
- Graduate Affiliate, CRFS
- fisch208@msu.edu
ABOUT THE SURVEY

What: A national survey of food hubs conducted by MSU Center for Regional Food Systems in association with the Wallace Center. USDA assisted in the development of the survey.

Purpose: Investigation into food hub financial viability, economic impact, healthy food access, challenges faced, and emerging market opportunities.

When: Conducted during February and March 2013. Collected data from food hubs on 2012 calendar year operations.

Who Was Surveyed:

- Hubs from NGFN’s Food Hub Collaboration’s list of food hubs (totaled 222 hubs in early 2013)
- Any other, self identified food hubs
- Used the Collaboration’s (USDA’s) working definition of a food hub in the survey:
  - “A business or organization that actively manages the aggregation, distribution, and marketing of source-identified food products primarily from local and regional producers to strengthen their ability to satisfy wholesale, retail, and institutional demand.”
- 125 food hubs responded to the survey, 107 response sets were useable.
THANK YOU!

…To the 125 food hubs that submitted responses
…To the 5 food hubs that pilot tested the survey
…To all who provided input during the development of the survey
…To all who helped recruit participants
…To the expert peer reviewers
…To NGFN for this webinar!

ABOUT THE RESPONDENTS

Geographic Distribution:

<table>
<thead>
<tr>
<th>N</th>
<th>Percent of hubs</th>
<th>County Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>51</td>
<td>48%</td>
<td>In metro areas of 1 million population or more</td>
</tr>
<tr>
<td>18</td>
<td>17%</td>
<td>In metro areas of 250,000 to 1 million population</td>
</tr>
<tr>
<td>11</td>
<td>10%</td>
<td>In metro areas of fewer than 250,000 population</td>
</tr>
<tr>
<td>8</td>
<td>7%</td>
<td>In metro areas of 2,500 to 19,999, adjacent to a metro area</td>
</tr>
<tr>
<td>6</td>
<td>6%</td>
<td>In metro areas of 2,500 to 19,999, not adjacent to a metro area</td>
</tr>
<tr>
<td>2</td>
<td>2%</td>
<td>Completely rural or less than 2,500 urban population, adjacent to a metro area</td>
</tr>
<tr>
<td>0</td>
<td>0%</td>
<td>Completely rural or less than 2,500 urban population, not adjacent to a metro area</td>
</tr>
</tbody>
</table>
ABOUT THE RESPONDENTS

Operational Structure (N=107)

- Publicly Owned: 4%
- Non-Profit: 34%
- For-Profit: 47%
- Cooperative: 13%
- Other: 2%

Non-Profit 34%
Cooperative 13%
For-Profit 47%
Other 2%
Publicly Owned 4%

ABOUT THE RESPONDENTS

Years in Operation (N=106)

- 0-2 Years: 32%
- 3-5 Years: 30%
- 6-10 Years: 13%
- 11-15 Years: 10%
- 16-20 Years: 4%
- Over 20 Years: 11%

Average: 11 years
Median: 4 years
Range: Less than 1 year to 142 years

ABOUT THE RESPONDENTS

Types of products sold (N=81)

- Fresh produce and herbs: 90%
- Meat and poultry: 65%
- Eggs: 60%
- Other processed or value-added food products: 52%
- Milk and other dairy products: 50%
- Baked goods/bread: 41%
- Processed produce: 38%
- Grains, beans and/or flours: 37%
- Non-food items: 29%
- Coffee/tea: 21%
- Fish: 13%

Average percent of total gross sales • Percent of food hubs that carry
ABOUT THE RESPONDENTS

Employees

- The 82 food hubs that responded to the question about numbers of employees had, in sum, 787 full-time, year-round workers.

<table>
<thead>
<tr>
<th></th>
<th>Full-time</th>
<th>Part-time</th>
<th>Seasonal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>11</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Median</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Range</td>
<td>0 to 155</td>
<td>0 to 15</td>
<td>0 to 59</td>
</tr>
</tbody>
</table>

- 58 hubs had at least one part-time employee and 33 hubs at least one seasonal employee.

ABOUT THE RESPONDENTS

Management Skills (N=91)

<table>
<thead>
<tr>
<th>Strategic planning</th>
<th>Less than 1 year</th>
<th>1-2 years</th>
<th>3-5 years</th>
<th>6-10 years</th>
<th>Over 10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food marketing and sales</td>
<td>14%</td>
<td>28%</td>
<td>25%</td>
<td>18%</td>
<td>31%</td>
</tr>
<tr>
<td>Warehousing/ distribution of food</td>
<td>5%</td>
<td>28%</td>
<td>35%</td>
<td>15%</td>
<td>24%</td>
</tr>
<tr>
<td>Food processing</td>
<td>40%</td>
<td>22%</td>
<td>11%</td>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>Food retail</td>
<td>17%</td>
<td>22%</td>
<td>19%</td>
<td>22%</td>
<td>18%</td>
</tr>
<tr>
<td>Management</td>
<td>12%</td>
<td>18%</td>
<td>15%</td>
<td>16%</td>
<td>41%</td>
</tr>
<tr>
<td>Production</td>
<td>23%</td>
<td>17%</td>
<td>15%</td>
<td>16%</td>
<td>33%</td>
</tr>
<tr>
<td>Less than 1 year</td>
<td>23%</td>
<td>19%</td>
<td>18%</td>
<td>17%</td>
<td>13%</td>
</tr>
<tr>
<td>1-2 years</td>
<td>40%</td>
<td>22%</td>
<td>11%</td>
<td>16%</td>
<td>13%</td>
</tr>
<tr>
<td>3-5 years</td>
<td>19%</td>
<td>25%</td>
<td>28%</td>
<td>31%</td>
<td>33%</td>
</tr>
<tr>
<td>6-10 years</td>
<td>17%</td>
<td>19%</td>
<td>22%</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>Over 10 years</td>
<td>11%</td>
<td>13%</td>
<td>16%</td>
<td>18%</td>
<td>16%</td>
</tr>
</tbody>
</table>

FINDINGS: FOOD HUB PRODUCERS

- Numbers of Producers/Suppliers (N=79)

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>80</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Median</td>
<td>36</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Range</td>
<td>5 to 2000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- On average, food hubs reported that:
  - 29% of their producers were women
  - 21% of their producers were people of color
  - 26% had been in operation for less than 10 years
**FINDINGS: FOOD HUB PRODUCERS**

**Small and Mid-Sized Producers (N=79)**

Generally speaking, farms and ranches with gross annual sales less than $500,000.

- **On average, 60% of a food hub’s total gross sales**

**Producer Practices (N=74)**

- **Became GAP certified**
  - All or Most: 11%  
  - Some: 31%  
  - Few or None: 31%  
  - Unsure: 35%

- **Increased acreage**
  - All or Most: 45%  
  - Some: 37%  
  - Few or None: 18%  
  - Unsure: 2%

- **Hired additional people**
  - All or Most: 40%  
  - Some: 37%  
  - Few or None: 20%  
  - Unsure: 19%

- **Increased financial literacy and/or business acumen**
  - All or Most: 35%  
  - Some: 40%  
  - Few or None: 19%  
  - Unsure: 26%

- **Adopted more sustainable production methods**
  - All or Most: 35%  
  - Some: 40%  
  - Few or None: 19%  
  - Unsure: 26%

- **Extended their growing season**
  - All or Most: 35%  
  - Some: 40%  
  - Few or None: 19%  
  - Unsure: 26%

- **Diversified their product offerings**
  - All or Most: 51%  
  - Some: 48%  
  - Few or None: 15%  
  - Unsure: 2%

- **Adopted more sustainable production methods**
  - All or Most: 35%  
  - Some: 40%  
  - Few or None: 19%  
  - Unsure: 26%

- **Increased financial literacy and/or business acumen**
  - All or Most: 35%  
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- **Diversified their product offerings**
  - All or Most: 51%  
  - Some: 48%  
  - Few or None: 15%  
  - Unsure: 2%
<table>
<thead>
<tr>
<th>Food Hub Customers (N=82)</th>
<th>Percent of Hubs that Sell to</th>
<th>Average Percent of Total Gross Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hub's Own Storefront Retail</td>
<td>20%</td>
<td>58%</td>
</tr>
<tr>
<td>Online Store</td>
<td>16%</td>
<td>51%</td>
</tr>
<tr>
<td>CSA</td>
<td>29%</td>
<td>49%</td>
</tr>
<tr>
<td>Restaurants, Caterers or Bakeries</td>
<td>58%</td>
<td>33%</td>
</tr>
<tr>
<td>Farmers Markets</td>
<td>18%</td>
<td>32%</td>
</tr>
<tr>
<td>Large Supermarkets or Supercenters</td>
<td>27%</td>
<td>29%</td>
</tr>
<tr>
<td>Food Cooperatives</td>
<td>24%</td>
<td>27%</td>
</tr>
<tr>
<td>Distributors</td>
<td>24%</td>
<td>18%</td>
</tr>
<tr>
<td>Corner Stores/Small Grocery Stores</td>
<td>39%</td>
<td>14%</td>
</tr>
<tr>
<td>K-12 School Food Service</td>
<td>35%</td>
<td>11%</td>
</tr>
<tr>
<td>Colleges/Universities</td>
<td>27%</td>
<td>9%</td>
</tr>
<tr>
<td>Buying Clubs</td>
<td>24%</td>
<td>7%</td>
</tr>
<tr>
<td>Hospitals</td>
<td>22%</td>
<td>7%</td>
</tr>
</tbody>
</table>
FINDINGS: FOOD HUB FINANCES

Revenue (N=104)

<table>
<thead>
<tr>
<th>Revenue for 2012</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>$3,284,632</td>
</tr>
<tr>
<td>Median</td>
<td>$450,000</td>
</tr>
<tr>
<td>Range</td>
<td>$1,500 to $75 million</td>
</tr>
</tbody>
</table>

Revenue was significantly correlated with years in operation, with older hubs tending to have larger total revenue than younger hubs.

MSU Center for Regional Food Systems & The Wallace Center at Winrock International

FINDINGS: FOOD HUB FINANCES

Business Efficiency Ratio = Expenses / Revenue

On average, the business efficiency ratio was 1.07 and the median was 1.00 for all hubs. (Range was .04 to 6.79)

MSU Center for Regional Food Systems & The Wallace Center at Winrock International

FINDINGS: FOOD HUB FINANCES

Business efficiency ratios by Operational Structure

<table>
<thead>
<tr>
<th>By Operational Structure</th>
<th>N</th>
<th>Avg</th>
<th>Median</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>All hubs</td>
<td>75</td>
<td>1.09</td>
<td>1.00</td>
<td>0.04 – 6.79</td>
</tr>
<tr>
<td>Non-profits</td>
<td>29</td>
<td>1.20</td>
<td>1.00</td>
<td>0.04 – 6.79</td>
</tr>
<tr>
<td>Cooperatives</td>
<td>12</td>
<td>0.94</td>
<td>1.00</td>
<td>0.11 – 1.86</td>
</tr>
<tr>
<td>For-profits</td>
<td>34</td>
<td>1.06</td>
<td>1.00</td>
<td>0.33 – 3.53</td>
</tr>
</tbody>
</table>
FINDINGS: FOOD HUB FINANCES

Business efficiency ratios

By Years in Operation

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Avg.</th>
<th>Median</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>All hubs</td>
<td>77</td>
<td>1.09</td>
<td>1.00</td>
<td>0.04 – 6.79</td>
</tr>
<tr>
<td>0-2 Years</td>
<td>24</td>
<td>1.14</td>
<td>1.00</td>
<td>0.11 – 4.21</td>
</tr>
<tr>
<td>3-5 Years</td>
<td>24</td>
<td>1.03</td>
<td>1.00</td>
<td>0.04 – 3.53</td>
</tr>
<tr>
<td>6-10 Years</td>
<td>8</td>
<td>1.68</td>
<td>1.05</td>
<td>0.29 – 6.79</td>
</tr>
<tr>
<td>11-15 Years</td>
<td>7</td>
<td>0.89</td>
<td>1.00</td>
<td>0.09 – 1.10</td>
</tr>
<tr>
<td>16-20 Years</td>
<td>4</td>
<td>0.82</td>
<td>0.96</td>
<td>0.33 – 1.01</td>
</tr>
<tr>
<td>Over 20 Years</td>
<td>10</td>
<td>0.74</td>
<td>0.94</td>
<td>0.17 – 1.00</td>
</tr>
</tbody>
</table>

FINDINGS: RELIANCE ON GRANT FUNDING

How dependent are food hubs on grant funding from public and/or private sources to carry out core food hub functions (aggregation, distribution and marketing of local food products) (N=88)?

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly dependent</td>
<td>17%</td>
</tr>
<tr>
<td>Somewhat dependent</td>
<td>32%</td>
</tr>
<tr>
<td>Not at all dependent</td>
<td>51%</td>
</tr>
</tbody>
</table>

Factors with significant relationship to reliance on grants:

Operational Structure – Nonprofits more likely to be highly reliant on grant funding than other types of hubs.

Number of producers – Hubs with more producers tended to be less reliant on grants.
FINDINGS: RELIANCE ON GRANT FUNDING

Factors with significant relationship to reliance on grants (cont’d)

Some Activities -
• Employment opportunities for youth
• Accepting and/or matching SNAP benefits
• Nutrition or cooking education
• Mobile market
• Food safety and/or GAP training
• Production and post-harvest handling training
• Branding or labeling products
• Demonstration or incubator farm
• Brokering services

FINDINGS: CHALLENGES & BARRIERS TO GROWTH

Top Challenges (N=79)

Managing growth
Balancing supply and demand
Access to capital
Finding appropriate technology
Negotiating prices
Meeting regulatory requirements
Meeting other buyer specifications
Finding reliable seasonal and/or PT staff

Greatest Challenge  Second Greatest Challenge  Third Greatest Challenge

20 hubs
FINDINGS: CHALLENGES & BARRIERS TO GROWTH

Barrier to Growth (N=76)

- Increasing staff: 49%
- Securing more product supply: 47%
- Increasing truck/delivery capacity: 43%
- Increasing warehouse/storage space: 41%
- Securing capital: 33%
- Consumer education: 27%
- Business development assistance: 24%
- Increase availability of processing: 20%
- No Barriers: 4%

CONCLUDING THOUGHTS

- FOOD HUBS ARE FINANCIALLY VIABLE BUSINESSES
  - Food hubs with varying years of service and operational structures (including nonprofits) were observed generating a positive cash flow.
  - Almost all food hubs believe that the demand for their products and services is growing.

- BUT CHALLENGES STILL EXIST
  - Hubs faced barriers that kept them from meeting this demand.
    - Managing growth
    - Balancing supply and demand
CONCLUDING THOUGHTS

More Research Needed:

• On less successful food hubs
• On food hub partnerships with other/parent organizations
• On the impacts that food hubs are having on producers
• On the impact that management skills have on food hub success

FULL REPORT

The full report of survey findings is available in 2 places:

CRFS website: www.foodsystems.msu.edu
NFGN’s food hub website: www.foodhub.info

Other topics covered in full report include:

• Food hubs values and mission statement analysis
• Exploration of local and regional aspects of food hubs infrastructure use
• Food hub expenses
• Revenue sources used to begin and continue operations
• Services and activities of food hubs
• Comparisons of some of our findings with a 2011 survey from the Collaboration

2013 NATIONAL FOOD HUB SURVEY – INITIAL FINDINGS

Micaela Fischer
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John Fisk
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- Questions and Answers
- Upcoming Opportunities, etc.

---

NATIONAL FOOD HUB CONFERENCE

Save the date!
March 26-28
Raleigh/Durham, NC

Pre-conference tours, panels, networking, technical assistance opportunities, more...

Details soon.

---

Questions and Answers

Rich Pirog
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Webinars are Archived

TOPICS!

http://ngfn.org/webinars

NGFN Webinars

- 3rd Thursday of each month
  3:30p EST (12:30p PST)

http://ngfn.org/webinars

- Oct 17 - Food Hubs and Farm to School
- Nov 21 - Tools for Improving Farmer Financial Skills
- Dec 12 – Food Banks as Regional "Good Food" Partners
Two Notable Websites

- **www.FoodHub.info**
  - Food Hub “hub”
  - Research, case studies, list and map of hubs across the country, much more.

- **www.FoodshedGuide.org**
  - Case study-based business and financial training
  - Includes a “One Page Business Plan” and a “One Page Financial Plan”

Get Connected, Stay Connected

- [http://ngfn.org/database](http://ngfn.org/database)
- [http://ngfn.org](http://ngfn.org)
- [contact@ngfn.org](mailto:contact@ngfn.org)