

Revealing the Secrets of the All-Iowa Meal

The Local Food Brokering Project of Practical
Farmers of Iowa



A Case Study

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Small Farm Profitability

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Ninety percent of Iowa's land is used agriculturally, but 90 percent of the food consumed in Iowa is grown someplace else. Nationally, the average food item travels 1,300 miles before it is eaten—there has to be a better way. Practical Farmers of Iowa's (PFI) Local Food Brokering Project provides one example of a better way.

The All-Iowa Meal

The All-Iowa Meal is a meal where almost everything—from the heirloom tomatoes in the marinated vegetable salad to the organic gooseberries poured over the Wells-Blue Bunny ice cream—was grown or made in Iowa. The All-Iowa Meal supports local farmers and keeps money in the local community, all while featuring locally grown food that is produced organically or with reduced chemical inputs. Most animal items are antibiotic and hormone-free. And because the fruits and vegetables have been allowed to ripen fully and weren't developed to stand up to hundreds of miles of bumpy roads, they taste better. But until 1999 All-Iowa Meals were a well-kept secret, enjoyed by only a handful of environmental groups at their annual conferences.

Tastiest Secret in Town—Origins of the All-Iowa Meal

In 1997, the Leopold Center for Sustainable Agriculture contacted PFI to help organize an All-Iowa Meal for its annual conference. Practical Farmers of

Iowa was founded as a farmer-led non-profit in 1985, dedicated to the development of sustainable farming practices. Based in Ames, the group began with a focus on production systems research and development. In 1996, PFI initiated its Food Systems Program to help farmer members market their products, as well

as help its growing number of non-farmer members connect with local foods and the people who produce them. That work led to the Leopold Center's request for Practical Farmers of Iowa to arrange a meal showcasing local foods.

"That was the beginning of the Local Food Brokering Project," according to Gary Huber, PFI's Food Systems Coordinator. "We had funding to work on developing new, premium markets for local farmers. Our assumption was that an increase in market options for local farm products would help small-farm profitability, create a more sustainable food system in the region, and address a number of quality of life issues, including nutrition and community cohesiveness."

The Leopold Center request initiated participation of Iowa State Center's Scheman Building, the site of the Leopold Center's annual conference. Part of ISU, Scheman is a major conference venue. "We were intrigued by the potential of working with institutions like the Scheman Center," Huber said, "and when doors began to open in this direction, we pursued it."

After the success of the All-Iowa Meal at the Leopold Center's conference, PFI was asked to broker a second All-Iowa Meal for a local food systems conference at Scheman later in 1997.

"Both meals met with much appreciation," Huber said, "and shortly after, PFI asked the food service director at Scheman about doing these kinds of meals on a regular basis. The answer was an enthusiastic yes, with the reasons being



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the quality of the local foods served at these two meals and the idea that these kinds of meals gave Scheman a market advantage over other conference centers."

A Secret No More

In 1998 Practical Farmers of Iowa worked to move from the ad hoc brokering system used the previous year to a more formalized process. PFI was able to use grant funds to dedicate staff time toward the work of brokering All-Iowa Meals. Grant money from the USDA Community Food Projects Program funded some staff time and expenses. Gary Huber and PFI Executive Director Robert Karp developed and managed the fledgling network, with Huber acting as the broker. His efforts helped supply food for six conferences in 1998, including PFI's own annual conference, serving meals to 360 people.

In the fall and winter of 1998-99, PFI staff worked with Scheman and with local farmers to streamline the food brokering process further. Meetings with Scheman staff resulted in the creation of a priced menu that conference coordinators were enlisted to sell to conference organizers. The menu was organized into three seasonal menus to focus attention on the freshness of locally grown food. The early summer menu featured asparagus and peas, the mid-to-late summer menu showcased Iowa's tomatoes and sweet corn, while the fall-to-early-winter menu featured carrots and fall squash.

On the producer end, local farmers and PFI staff met to create a supply network and establish procedures for ordering, delivery and payment. Farmers also discussed what kinds of produce they could make available in the coming year and what the price should be. To meet Scheman's needs, the network sought farmers to supply meat products. Recruiting these farmers to the supply network meant looking beyond the immediate local area to find small farmers in other parts of the state.

The attention given to the project paid off in the number of people served locally grown food; 6690 were served at 37 meals in 1999, more than 18 times the number of people served the previous year. All-Iowa Meals were a secret no more!

Spreading the Word

The years 2000 to 2002 were a time of growth and evolution for the PFI Local Food Brokering Project. In 2000, 5638 individual meals were served at 47 events, and in 2001, 5969 individual meals were served at 48 events. The

number of locations serving All-Iowa Meals brokered through the network jumped from 8 in 1999 to 20 in 2001. In 2002, the number of events serving meals brokered through the network dropped to 17 as relationships that were initially formed through the network began to flourish on their own.

In the end, people were willing to pay a premium for the All-Iowa Meal because it supported local farmers, tasted better and was raised in a manner that promotes health and environmental stewardship.

Brokering an All-Iowa Meal

A large part of the work of the PFI Local Food Brokering Project was figuring out how to efficiently supply food for conference meals. This is the process that finally developed: when a conference organizer wanted to provide an All-Iowa meal, the PFI broker would be contacted. This communication usually came as an email that included the types and specific amounts of food required as well as the place and time the food should be delivered. Generally a meal was created from the seasonal menu mentioned above, but sometimes, special menus were created in consultation with the network.

Once the PFI broker received the order, it was forwarded simultaneously by email to the growers network. Each grower replied with an email detailing what items and in what quantities they had available. In the case of food items that more than one producer had available, growers were selected in a way to distribute business among growers over the season. In the case of food items that no producer could provide, a reasonable effort was made to find an Iowa source from outside the network. Deliveries and billings were the responsibility of the farmers, although PFI staff often augmented delivery, and payments were sent directly to the farmers.

The PFI Food Brokering Project developed at a time when email was first gaining popularity as an alternative form of communication. Developing a system that relied almost exclusively on email had more than a little to do with the system's success. "It eliminated the need to play phone tag with farmers," Huber

said, "a group of people who are notoriously hard to reach by phone. It also served to level the playing field in that everyone had an equal opportunity to respond. If we had used a phone system, we probably would have first called the person we thought would most likely be able to fill the order for a particular item or items."

Testing Profitability

The work done by PFI to broker All-Iowa Meals in 1998 and 1999 was funded entirely by grant money. In 2000, staff decided to test whether food brokering of this type could become a self-supporting endeavor.

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After meeting with farmers and other stakeholders, a fee system was developed that had three sources of revenue: the farmers involved in the growers network, the conference facility and the clients being served the meals. Growers agreed to join PFI at its annual membership fee of \$25 if they were not already members. They also agreed to pay an annual fee of \$10 as membership in the growers network. In addition, the growers agreed to remit five percent of

their sales made through the brokering service back to PFI at the end of the year. They also agreed that growers outside the network could supply food for the project a minimum of two times before being required to join the network. The Scheman Center agreed to pay an annual fee of \$100, and add a 60-cent surcharge to the cost of each meal, to be paid to PFI by Scheman at the end of the season.

The test determined that funds generated fell far short of funding the brokering service. The fee system raised only \$1,766, while the cost of running the brokering system was seven times that in employee time alone.

"The experiment indicated that generating sufficient revenues, based on fees that are tied to sales, requires larger volumes than we had been able to reach," Huber said. "Although generating enough fees to sustain the effort was difficult, the educational impact of the project was worth the costs. Farmers used their experience to market their products confidently and successfully to other institutional markets. Chefs became familiar with local seasonal products, and they built relationships with farmers in their communities. And consumers, through experiences so tangible they immediately recognized the importance of knowing where their food came from, were made aware of the freshness, taste and variety of local foods while learning the social, economic and ecological benefits. The ripple effect was clear; groups from across the state had been calling for help with All-Iowa Meals, but then these meals began happening all over Iowa on their own."

Lessons Learned

Connecting farmers directly to institutional food service kitchens resulted in some culture shock. On the one hand there were institutions accustomed to operating under a set of standardized procedures; on the other were farmers who were each used to operating largely by their own rules. Creating a system that was standardized enough for the institutions and casual enough for the farmers was a tall order.

One of the problems encountered in brokering local food for these institutions was lead-time. "People in food service are used to getting product the next day after they order it," Huber said. "So we had to work toward them giving us enough lead time." This meant encouraging the chefs or conference organizers to contact PFI as soon as they knew local food would be needed. Sufficient lead time often proved to be a luxury, however, and PFI staff often were forced to scramble at the last minute to pull the items together for a meal and make sure it got delivered on time.

"We wanted to give business to our growers whenever we could so we usually wound up trying to make it work even though it made our job more unpredictable and stressful," Huber said.

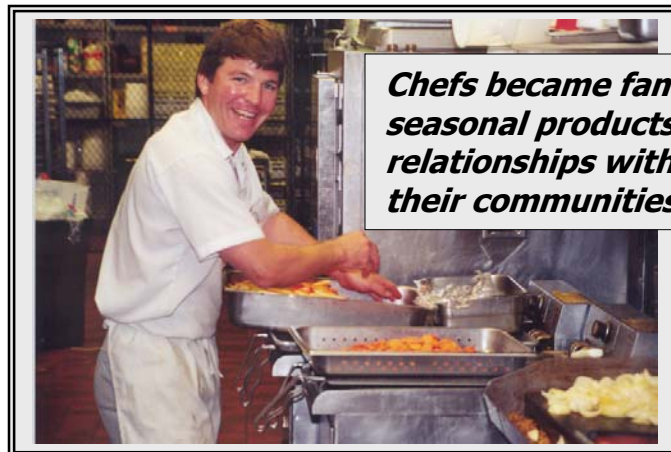
Another challenge lay in arriving at sufficient uniformity of pre-washing and packaging of the produce. While no institution had set forth strict rules for packaging of produce and meat, growers understood early on that pre-washing and boxing products in the way institutional buyers were used to handling them would increase their satisfaction with the product. Educating and organizing network farmers to follow these standards, however minimal, was an effort that required consistent effort and follow-up, but one that paid off in the long run.

Finally, pricing was a big concern. Food that is raised locally and sustainably, if not organically, tends to be higher priced than the food provided to institutions by large distributors. While some items, like lettuce, are priced below usual wholesale rates, most are priced higher.

During the first year of the project, network growers were asked to indicate their likely range of prices for each product for the coming season. This information was then merged to create a low and high price range for each product and growers were asked to keep their prices in that range for the upcoming season. Scheman was then told the price range and from that they determined how much to charge for an All-Iowa Meal. The next season, PFI simplified the system by determining how much more on average it would cost Scheman to buy food for an All-Iowa Meal versus a typical meal. Scheman then set a price for the meals and the growers simply billed at the prices they felt they needed to charge

Price sensitivity was addressed by creating table tents for each meal listing the farmers who supplied food for the meal. "When people see this information, they realize the connection between what they are eating and the names and places on the list," Huber said. "They suddenly realize how important it is to support farmers through the food choices they make." In the end, people were willing to pay a premium for the All-Iowa Meal because it

supported local farmers, tasted better and was raised in a manner that promotes health and environmental stewardship.



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Growing the Future

Practical Farmers of Iowa was uniquely positioned to build on its existing assets in

making this project successful. As a farmer-led sustainable agriculture organization, PFI was able to draw from an existing group of farmers who had the products needed for All-Iowa Meals. PFI was also able to draw from existing grant money to fund the brokering portion of the project. The educational component of the project, which is in keeping with PFI's overall mission, was strong enough to justify the use of grant funds.

Food brokering by Practical Farmers of Iowa as described in this case study has come to an end. PFI worked with a new business, Eat Iowa, to transition out of the Local Food Brokering Project. Eat Iowa provided food brokering between local farmers and retail and food service outlets on an on-going basis, rather than exclusively for special events built around the All-Iowa Meal.

During 2003, Rick Hartmann, a PFI staff-member, provided administrative support to local entrepreneur Glenn Sandler in the operation of Eat Iowa. Eat Iowa supplied locally grown food to local restaurants, nursing homes and grocery stores and worked with Iowa State University's catering service to supply All-Iowa Meals on campus.

"The demand is there for local produce," Sandler said. "It's a matter of developing the supply network." There are not enough farmers raising fruits and vegetables to supply institutions interested in buying local food. This problem of supply is an opportunity for local farmers to diversify their farms and help rebuild the strength of Iowa communities.