



Southwest Iowa institutional foods survey and producer training program

Abstract: The project determined the demand and value of locally grown foods for use in the institutional market, and attempted to quantify the supply available in southwest Iowa.

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Budget:
\$8,500 for year one
\$10,000 for year two

Q What is the level of interest in local foods by institutional food preparers in southwest Iowa, and are there enough local producers to meet the institutional demand?

A Yes, there is “enough” interest to have a major impact in the target market as well as some overflow to surrounding county institutions. There appears to be enough produce/product to meet the demand of institutions for some items, but additional recruitment of growers and development of additional produce resources is needed.

Background

Agriculture’s future in southwest Iowa is at a crossroads between commodity and small niche agriculture operations. In order to add value for existing or midsize producers, bring new people into niche agricultural production, and brand southwest Iowa as a food corridor, producers need to know what can be grown successfully and how it can be marketed to larger, institutional customers.

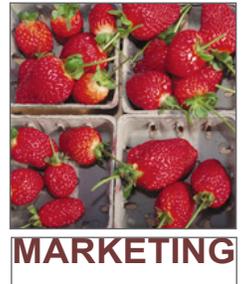
Objectives for the project investigators were to:

- Determine level of interest by local institutional food preparers,
- Create a database for a mailing aimed at a 6 to 10 percent response rate,
- Identify local producers to meet institutional demand, and
- Match existing producers to the institutional demand (i.e., have 50 producers providing food to 100 institutions by the end of the first year and 100 producers supplying to 170 institutions by the end of year three).

Approach and methods

Information for this project was collected through direct mail surveys. Initial mailings with request letters were followed by a second set of reminder cards and letters. Self-addressed, postage-paid envelopes were provided to encourage responses.

Phase I (Institutional Foods Survey) included 1,711 institutional food vendors in 17 southwest Iowa counties (Adair, Adams, Audubon, Cass, Clarke, Decatur, Fremont, Guthrie, Harrison, Mills, Montgomery, Page, Pottawattamie., Ringgold, Shelby, Taylor and Union), selected from government agency lists. Phase II (Producer Survey) required compilation of several existing producer databases from various sources. There were 75 producer surveys mailed and 37 returned for a response rate of 49 percent; 40 percent of those surveys were useable for data collection.



Results and discussion

Return rate for the Phase I (institutional foods survey) was nearly 30 percent. Of those responding, 83 percent would “purchase” local products, with 48 percent considering purchase of either fresh or processed items. The top ten food groups garnering the most interest were tomatoes, peppers/potatoes, onions, lettuce, eggs, strawberries, apples, green beans/carrots, beef, and 2 percent milk. Local institutions indicated an interest in acquiring local food products, but there needs to be a way to link those institutions with local growers.

Phase II sought to help create those links between farmers and buyers. The second survey focused on 75 growers identified as possible institutional sellers. Forty percent returned usable surveys and expressed interest in providing products for a regional food system or institutional markets. The original strategies had to be altered because it became clear that the demand surpassed producer supplies. In order to make a regional food system work well, more information is needed to help distinguish the current or potential inventory of product suitable for the institutional markets.

Conclusions

Phase 1 Survey

For the institutional market, organic products offered no additional perceived value, either in the additional cost or marketability, or that naturally grown products seemed to carry more validity with consumers. Another challenge was to convince the institutional market that locally grown food can be delivered on a basis other than seasonally. Meeting this objection will require education for the market, consumer and producer about extending the typical Iowa growing season and developing facilities that will offer year-round options to use local foods (i.e., commercial kitchens, processing equipment, blast and regular freezers, and inventory packaging and storage facilities).

This survey verified that local institutions have an interest in locally grown foods, giving credence to the move to Phase II. Strategies for Phase II initially were tied to the added value per acre goal, but methods were altered to acknowledge that there were not enough producers to meet the demand for locally grown products.

Phase II aimed to identify existing producers, determine the “critical mass” of either product or producers, and match producers with institutions. Using databases of existing producers from several different groups and agencies, the investigators were able to identify only 75 growers. This is not enough to meet the product demand shown by the institutions in Phase I.

The number of producers willing to participate may be small because efforts of this sort have failed in the past and they are reluctant to commit, or there is no real desire to participate in anything but a very confined local market. However, there may be enough producers of certain items (tomatoes, potatoes, sweet corn, watermelons, apples) to make an initial foray into the Omaha/Council Bluffs institutional market.

Impact of results

Local growers/producers could potentially have access to new markets and increased value per acre of their product. There will be more opportunities to add additional

value by further branding, processing and distributing their products on a year-round basis rather than seasonally.

Some answers to the basic project questions:

- Institutional food preparers in the survey area have enough interest in local food products to have a major impact in target market (Omaha/Council Bluffs) as well as some overflow into surrounding county institutions.
- Databases for institutions and producers have been coded, categorized and cleaned.
- Seventy-five producers have been identified in the eight-county area in southwest Iowa, but additional producers must be recruited and trained to have sufficient numbers to meet market needs.
- The produce/products needed to meet the demands of institutions in some areas are available, but additional growers and produce resources are needed to meet the initial goals.
- Further work must be done on gathering, branding, processing (if applicable), packaging, pricing and distribution of the products.

Consumers enjoy dealing face-to-face with the producers from whom they are purchasing food products. This relates not only to the issues of traceability and accountability, but to the customers' desires to buy and consume local foods as a way to sustain and enrich the local economy.

Education and outreach

Print media coverage of the survey included the Fort Dodge Farm News and Rodale New Farm. Local radio stations (KMA in Shenandoah, KJAN in Atlantic and KCSI in Red Oak) carried reports on the survey. News releases and PowerPoint summaries of the survey will be posted on various web sites and shared with county extension offices in the area covered by the survey.

In 2006-2007, the investigators made five presentations on the project. Audiences included institutions, growers, regulatory agencies and various economic development organizations. Additional outreach on the project will be coordinated through interested Farm Bureau offices and service clubs.

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Data from the project were shared with the Southwest Iowa Food and Farming Initiative (SWIFFI).

Leveraged funds

The Iowa Department of Economic Development through the Value Added Agricultural Process and Products Financial Assistance Program (VAAPPFAP) contributed \$10,000 to the Phase I portion of this program for a total project budget of \$28,500. Many in-kind hours by staff and friends of this project also were committed to this endeavor.