Summary Report

A REPORT BY THE IOWA FOOD HUB MANAGERS WORKING GROUP ON THE IMPACTS OF THE PRODUCE AND PROTEIN PROGRAM

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Introduction

In August 2020, the Iowa Department of Agriculture and Land Stewardship (IDALS) announced a CARES-funded grant to support local food systems and farm to school and early care (F2SEC) in Iowa. Local Produce and Protein Program (LPPP) grants were available to fruit and vegetable farmers (equipment grants), schools (equipment and local food grants), and food hubs (equipment). Eligible schools included early care and education sites (ECEs), K-12 schools, and colleges/universities. Throughout this report, the word “school” encompasses these three types of educational institutions. The words “farm to school and early care” (F2SEC) are used to refer to sales from local farmers to these three types of educational institutions.

Originally, a total of $490,000 was available in grants and an additional $250,000 was later allocated, for a total of $740,000. As of January 7, 2021, $603,000 of those funds had been spent, $101,000 had been reimbursed for school kitchen equipment, $277,000 for producer equipment, and $225,000 for school food.

The Iowa Food Hub Managers Working Group (FHMWG) is a collaboration of 10 food hubs in Iowa. In Iowa FHMWG has been collaborating since 2015 to coordinate aggregation and delivery, strategize, and team together. The group is currently coordinated by Iowa Valley Resource Conservation and Development and Iowa State University Extension and Outreach.

Seven food hubs involved in the FHMWG sold local food to schools through the LPPP. Several of the food hubs also received an equipment grant. This summary report details the impact of this grant program on Iowa’s Food Hub Managers Working Group.

Territories of LPPP Participating Hubs

The image to the left (Figure 1) is a map displaying the sales territory of the seven food hubs involved in the FHMWG that sold local foods to schools through the LPPP.

Grant Impact: Iowa Food Hub

In 2020, support from the Local Produce and Protein Program strengthened commitments from existing customers, inspired new customers to participate in farm to school, and made it possible for the Iowa Food Hub (IFH) to support a consistent fall route to Dubuque. IFH had previously built infrequent deliveries around large orders to Dubuque Community School District. Joann Franck at Dubuque CSD committed to large deliveries throughout October, allowing IFH to plan a consistent weekly route. Other schools, engaged by IDALS funding, wanted to participate in farm to school, and with weekly deliveries already planned to the area they were able to easily integrate into logistics and ordering. The success of the route was self-reinforcing, and IDALS funding catalyzed an increase in sales and a reduction of risk that kept the Iowa Food Hub truck on the road to Dubuque through the fall. **IFH sold $27,019 in local food sales to Dubuque-area schools from March 1 through Dec 2, 2020, more than quadrupling Dubuque-area sales from $6,498 in 2019.**
Grant Impact: Iowa Food Cooperative

Iowa Food Cooperative (IFC) plays a critical infrastructure role in local food sales and farm to school throughout the state, acting as a base for cross-docking wholesale quantities of product for other hubs, farms, and food businesses. As a result, Iowa growers are able to market their products across the state. Thanks to an equipment grant from the Local Produce and Protein Program, IFC was able to strengthen their infrastructure to better serve farm to school customers and to support increased flow of wholesale products at their site. Jennifer Miller, IFC Co-Director, estimates that $5,000 to $10,000 worth of local food products are cross-docked in their facility each month—at least $60,000 each year.

Grant Impact: North Iowa Fresh

Though North Iowa Fresh (NIF) has been building markets for local food in the Clear Lake and Mason City region since 2016, 2020 was a breakthrough year in farm to school for their food hub and their region. The Local Produce and Protein Program helped schools get engaged for the first time, including many who had been interested before but didn’t know where to begin or that a local food hub was available to help. Nine schools (6 K-12 schools and 3 ECEs) sourced $25,000 worth of local farm products from NIF from March 1 through December 1, 2020, a dramatic increase from 2019, when they worked with three school districts in the area and sold $1,700 of local food to schools.

To fill the increased demand, North Iowa Fresh worked with four new farmers. They found that schools were also able to utilize the local food grants because some received processing grants to acquire equipment that helped them process and store fresh produce. Farmers were better prepared to sell to schools because of the equipment grants they received.

Grant Impact: Field to Family

Support helped Field to Family connect with three schools who were new to farm to school, expand delivery to Williamsburg, and increase farm to school sales. Williamsburg Early Childcare, Williamsburg Lutheran Interparish, and Williamsburg Community School District all used grant funds to buy a variety of local foods.

The experience helped the schools learn what products best fit their needs and helped Field to Family establish relationships, ordering, and logistics with the schools to support them in the future. In addition to adding new schools, existing Farm to School customers ramped up purchasing. Field to Family sold over $60,000 in local food to schools from March 1st through December 1, 2020, an increase of 50 percent over the $41,000 sold and brokered in 2019.
Food hubs are critical infrastructure for facilitating procurement by Iowa schools.

Schools heavily relied on food hubs to source local foods for the LPPP. Of the $225,000 reimbursed to schools for local food purchases, 51 percent was spent at food hubs and 51 percent (41 of 80) of grantees were served by food hubs.

Food Hubs also leveraged substantial school purchasing beyond the LPPP, supporting an additional $110,301 in farm to school sales that were separate from grant-incentivized purchases. From March 1 to December 1, 2020, food hubs sold a total of $224,008 in local food to schools. Food hub sales to schools using grant funds were about equal to sales to schools which paid with their own funds.

Food hubs leverage more local food purchases by reducing the challenges of sourcing and delivery for schools.

The majority of farm to school sales from food hubs were to K-12 institutions, with a total of $185,339 in sales. This is followed by colleges and universities, who purchased $33,234 in local food from food hubs. ECEs spent $5,435 on local food from food hubs.

Existing food hub customers spent more on local food than new customers on average. Median purchases of existing customers were approximately $2,500, and median purchases of new customers were $1,370. Why? Existing customers had already determined what local products fit their needs, built relationships with hubs, and knew how to order, enabling more purchasing. New customers, reliant on grant funds, were likely more impacted by grant timing and award constraints. See the full report for more explanation.

Once schools are established with a food hub, they may be able to make larger, more frequent local food purchases and spend their own funds on local food.
The LPPP was crucial to introducing schools to local food purchasing, and bringing new farm to school customers to food hubs.

In total, food hubs served 52 unique farm to school customers between March 1 and December 1, 2020. Of these customers, 27 (52 percent) had never purchased from a food hub. All the new farm to school customers were grant funded, demonstrating how the Local Produce and Protein Program grant incentivized schools to purchase local food for the first time.

For the most part, new customers spent only grant funds on local food, funding 98 percent of their purchases with grant funds. In contrast, established customers funded less than half (34 percent) of their local food purchases with grant funds. This demonstrates that once schools are established as customers, they are less reliant on grant funding and more able to spend their own funds on local food.

**Additional Findings**

Originally, 108 schools were awarded a grant to purchase local food, but only 80 fulfilled the grant and were reimbursed for local food purchases. Reasons for not fulfilling the grant included difficulty finding local food products, difficulty of arranging delivery of local product, and school staffing problems due to the COVID-19 pandemic. Schools that worked with a food hub were able to avoid the challenges of locating product and delivery, because those are tasks food hubs fulfill.

ECEs were the least likely to spend their own funds on local food and the most reliant on grant funds to purchase local food. ECEs were also most likely to be new food hub customers. Colleges/universities were not as reliant on the grant; however, their dining services were dramatically impacted by students leaving campus during the COVID-19 pandemic, so it’s difficult to draw conclusions about how incentives might shape their purchases under normal circumstances.

**Recommendations**

» Invest in aggregation and distribution infrastructure at Iowa food hubs and key geographic locations to support access to markets for farmers.

» Facilitate relationships between schools and food hubs, so food hubs can help overcome the challenges of locating product and arranging delivery.

» Explore ways to continue the LPPP or a similar grant program in 2021 and beyond to help more ECEs, K-12 schools, and colleges/universities get started with local food procurement.

» Any future incentives should be timed for schools, farms, and food hubs to plan menus and local purchases in advance, and for purchasing periods to encompass peak harvest season to help schools access volume and variety of local foods.

» Continue to financially support food producers as they build infrastructure to harvest, clean, store, and distribute food products to sell to ECEs, K-12 schools, and colleges/universities. This will create ripple effects in the private marketplace. When serviced by food hubs, farmers can increase production, and private institutional markets—like restaurants—can participate in the local food economy, supporting farmers and food hubs alike.

» Look for the results of the Local Food Makes Cents for Iowa’s Kids and Farmers pilot program that will be conducted in 2021. This program is exploring how to incentivize and support local food procurement by ECEs.
Summary

This report summarizes the impact of the Iowa Department of Agriculture and Land Stewardship’s 2020 Local Produce and Protein Program (LPPP) grants on food hubs in Iowa. Seven food hubs sold local food to schools through the LPPP, and several also received an equipment grant. This report found that food hubs are critical infrastructure for farm to school in Iowa, and the LPPP was crucial to introducing schools to local food purchasing and bringing new farm to school customers to food hubs. Future recommendations include investing in aggregation and distribution infrastructure at Iowa food hubs, facilitating relationships between schools and food hubs, and exploring ways to continue the LPPP or a similar grant program in 2021 and beyond. Farm to School has an economic ripple effect; when schools work with food hubs to generate institutional demand for local food, farmers can increase production, and private institutional markets—like restaurants—can participate in the local food economy, supporting farmers and food hubs alike.

Full Report

A full report can be found at:

https://www.extension.iastate.edu/ffed/food-hubs/

Special thank you to all contributors and reviewers for their participation in writing and reviewing this report. See full report for a complete list.

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