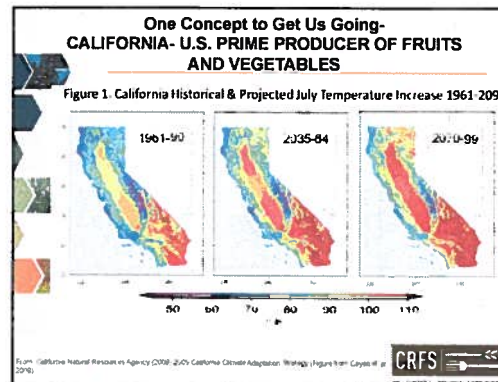


UPDATE ON MICHIGAN'S REGIONAL FOOD SYSTEM AND THE MICHIGAN FOOD HUB NETWORK

Michael W. Hamm
 C.S. Mott Professor of Sustainable Agriculture
 Director, Center for Regional Food Systems
 AND
Reh Pirog, Senior Associate Director
 Center for Regional Food Systems



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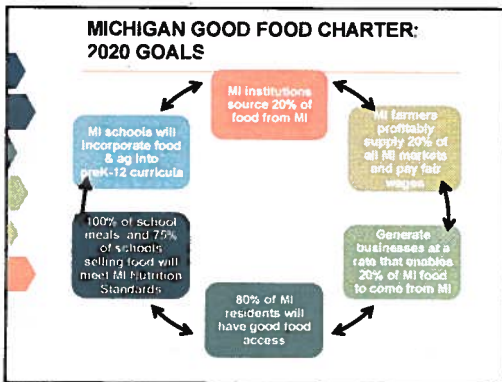


OUR RESPONSE

- Co-lead development of the Michigan Good Food Charter
- Create the MSU Center for Regional Food Systems




FIND AT michiganfood.org



PROGRESS TO DATE

- Leveraged funding
- Engaged new stakeholders
- Catalyzed research, work groups, and networks
- Facilitated learning and connections
- Progress on 21 of 25 agenda priorities

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CATALYZE INSTITUTIONAL PURCHASES AS BASE OF FARM MARKET SUPPORT - FARM TO INSTITUTION IN MICHIGAN


- 44% of Michigan school food service directors purchased local foods through vendor contracts
- 117 of Michigan's 143 acute care hospitals have committed to locally source 20% of their food by 2020
- Of Michigan vegetable farmers who hadn't already sold to institutions, 50% were interested in seeking to at least one more year type

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MI FARM TO SCHOOL GRANT PROGRAM

Increase Farm to School programs and good food access to vulnerable children

- Mini-grants for planning and implementation
- Training, education and technical assistance
- Statewide network for learning and sharing



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MICHIGAN FARM TO INSTITUTION NETWORK

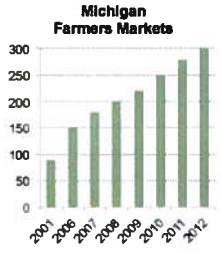

PURPOSE
Cultivate a statewide learning and practice network that supports institutions' efforts to increase local food purchases toward the 20% by 2020 goal of the Michigan Good Food Charter

GOALS

- Provide a forum for meaningful learning and sharing to build our collective knowledge and capacity and develop strategic solutions to challenges
- Launch and further develop a statewide local food purchasing initiative

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EXPANDING DIRECT MARKET SALES - MICHIGAN FARMERS MARKETS

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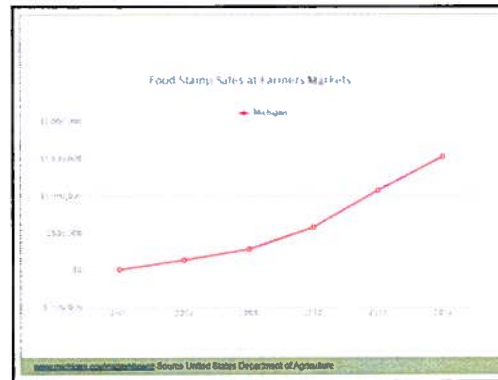
GROWTH OF SNAP ACCEPTANCE IN MICHIGAN

Number of Farmers Markets Accepting Bridge Cards Compared to the Total Number of Farmers Markets in Michigan from 2006 to 2012


Opportunity to Increase Access

Year	Number Accepting SNAP	Total Number
2006	3	150
2007	11	180
2008	24	200
2009	30	217
2010	52	220
2011	82	280
2012	103	300

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NATIONAL SURVEY OF FOOD HUBS



FIND AT <http://foodsystems.msu.edu/news/articles/read/2013-food-hub-survey>

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WHAT IS A FOOD HUB?

National Food Hub Collaboration's definition of a food hub:
 "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"



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FINDINGS: FOOD HUB FINANCES

Business efficiency ratio

An efficiency ratio measures the proportion that total expenses are of total revenue. Operations with an efficiency ratio < 1.00 have revenues that exceed their expenses (in other words, are profitable) while operations with an efficiency ratio > 1.00 have expenses that exceed their revenues

On average, the business efficiency ratio was 1.07 and the median was 1.00 for all hubs.

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FINDINGS: FOOD HUB FINANCES

Revenue (N=104)

Revenue	\$3,284,632
Average	\$450,000
Median	\$1,500 to \$75 million
Range	

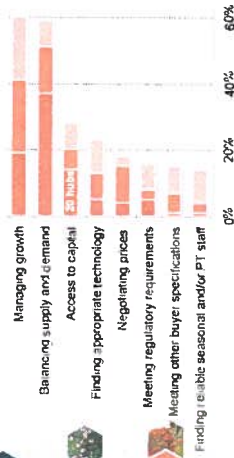
Revenue was significantly correlated with years in operation, with older hubs tending to have larger total revenue than younger hubs

There was a revenue breakpoint of about \$500,000 for financial viability

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FINDINGS: CHALLENGES & BARRIERS TO GROWTH

Top Challenges (N=78)



• Greatest Challenge • Second Greatest Challenge • Third Greatest Challenge

FOOD HUBS AND THE MICHIGAN FOOD HUB NETWORK

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



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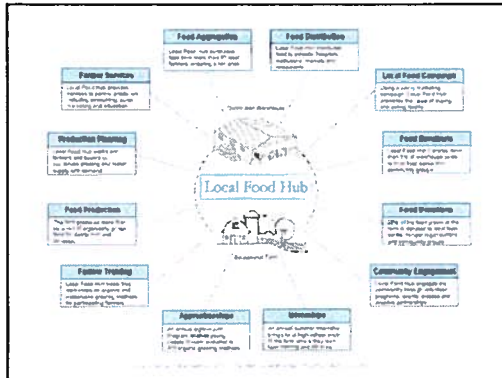
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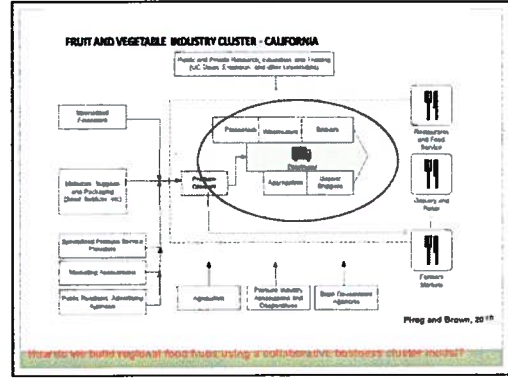
REGIONAL BUSINESS CLUSTERS

Business Clusters
 Geographic concentrations of interconnected companies, specialized suppliers, service providers, and associated institutions in a particular sector present within a region (From Michael Porter, Harvard University Business School)
 Found at: <http://www.fsc.hbs.edu/econ-clusters.htm>

Examples in Michigan

- Automotive
- Agriculture – various
- Office Furniture (Howard Miller)
- Clocks
- Lithium-ion batteries

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MICHIGAN FOOD HUB NETWORK

- Learning community of hubs and those that support or supply or do research with hubs
- Accelerate innovation and adoption of best practices
- Strong partnership with MDARD at state level and through field coordinators
- All MDARD-funded projects actively participate
- Increase capacity of food hubs to supply healthy foods to low-income communities

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MICHIGAN FOOD HUB NETWORK

- Co-Conveners: Rich Progg, MSU Center for Regional Food Systems and Marty Gerencer, Morse Marketing Connections LLC
- 9 local food hub facilitators
- List serv and recurring webinars
- Quarterly statewide convenings (March 5, 2014)
- <http://foodsystems.msu.edu/activities/food-hub-network>
- Kresge and Kellogg Foundations

MSU Center for Regional Food Systems & Morse Marketing Connections LLC

FOOD HUBS IN MICHIGAN - 2014

Possible new food hubs in Flint, SE Michigan, Muskegon, Albion, Jackson

MICHIGAN FOOD HUB NETWORK – LOCAL FOOD HUB FACILITATOR MAP

2013 - 2014 Michigan Food Hub Network Coordinators

- Ann Arbor: Scott R. Pirog, Michigan Business Hall, 48106-1400, scotpirog@msu.edu
- East Lansing: Marty Gerencer, Michigan State University, 48824-1115, martygerencer@gmail.com
- Grand Rapids: Marty Gerencer, Michigan State University, 49506-1115, martygerencer@gmail.com
- Marquette: Marjorie Minner, Statewide, 49701-0000, marjorie.minner@statewide.com
- Port Huron: Cheryl Taylor, Michigan Sea Grant, 48132-1000, cheryl.taylor@msu.edu
- East Troy: David D'Annunzio, Michigan State University, 48132-1000, dannunzio@msu.edu
- East Lansing: Marty Gerencer, Michigan State University, 48824-1115, martygerencer@gmail.com
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MSU Extension is very active in assisting food hub development in the UP, NW Michigan, Grand Rapids, Lansing, Battle Creek and Detroit

MSU Center for Regional Food Systems and Market Marketing Connections | LLC

MI FOOD HUB NETWORK - LINKS

- **USDA and National Food Hub Collaboration – Wallace Center**
- **Helping food hub networks across U.S.**
- **Michigan Healthy Food Financing Initiative (to be launched later in 2014)**

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BENEFITS – MI FOOD HUB NETWORK

- **Provides coordinated support, technical and financial assistance, and R&D**
- **Provides opportunities for Michigan farmers to access new markets**
- **Increases business to business cooperation**
- **Helps address anticipated challenges with FSMA to keep small producers competitive in various markets**
- **Leverages state investments with private and federal investments (grants, loans)**

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FOR MORE INFORMATION MICHIGAN FOOD HUB NETWORK

[HTTP://FOODSYSTEMS.MSU.EDU/ACTIVITIES/FOOD-HUB-NETWORK](http://foodsystems.msu.edu/activities/food-hub-network)

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MSU Center for Regional Food Systems



The End



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