

Expanding Small and Medium-sized Farms' Participation in the Specialty Food Industry

Shermain Hardesty & Gail Feenstra, UC Davis
Larry Lev and Laurie Houston, Oregon State U.
Rob King, University of Minnesota
Jan Joannides, Renewing the Countryside

Policy Implications

- USDA grant programs – AFRI, VAPG, AMS, LFPP, FMPP
 - USDA and local rural development linkages
 - Outreach support
 - Regional/local policy – Food policy councils

Problem/ Methods

- Small and medium-sized farms need additional market outlets
- We explored whether supplying ingredients and/or processed products to the rapidly-growing specialty food marketplace represents an additional attractive outlet for small and midscale farms
- Our methods
 - Survey of specialty food manufacturers across 3 regions about their ingredient sourcing, relationship type, key attributes for choosing suppliers, and challenges
 - In-depth interviews with manufacturers and farmers regarding the nature of business relationships, supply networks and communication strategies.

~ 50% purchase
direct from farms

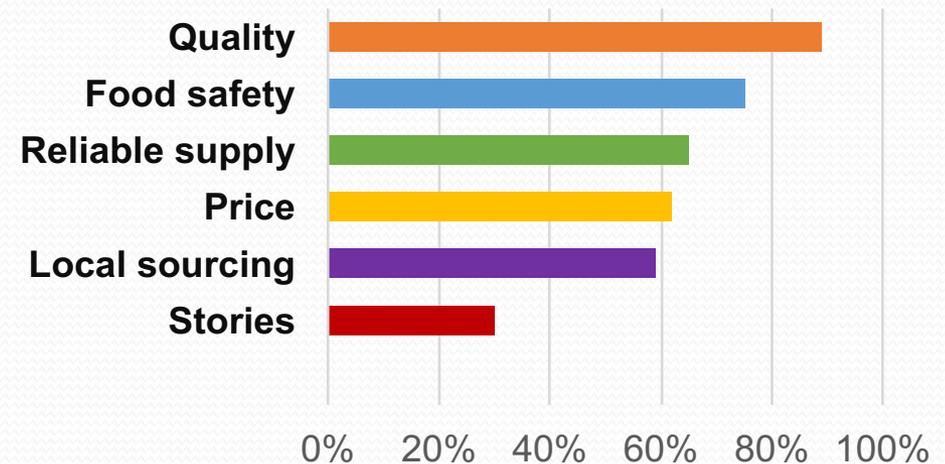
Findings

Five key areas:

1. Making a match
2. Criteria for buyers
3. Sourcing from local farms
4. Quality assurance
5. Vertical integration



Important Criteria in Choosing Suppliers



Findings-Quality Assurance

- Quality has many dimensions
 - Taste and freshness
 - Food safety
 - Values-based criteria, i.e. organic, nonGMO, humane animal treatment
- Food safety certification requirements
 - Can close off opportunities for some farms
- NonGMO & humane animal treatment requirements are often very compatible with small and medium-sized farmers' values



Findings—Vertical Integration

- Some farmers decide to add value to their crops by processing them into specialty foods
- One of our Fact Sheets spells out key issues for farms to consider when making this decision
 - Talent
 - Markets
 - Equipment, Infrastructure & Financing
 - Regulations



Policy Implications

- Expand USDA grant programs: AFRI research; LFPP, FMPP, VAPG, SARE to build capacity for producers, researchers, community food businesses
- Support extension for training, technical assistance
- Build linkages with community economic and rural development organizations
- Strengthen opportunities for local policies, policy advocates, food policy councils

This project was supported by Agriculture and Food Research Initiative Competitive Grant no. 2015-68006-22906 from the USDA National Institute of Food and Agriculture.



United States
Department of
Agriculture

National Institute
of Food and
Agriculture

Thank You!

Gail Feenstra

gwfeenstra@ucdavis.edu

Shermain Hardesty

shermain@primal.ucdavis.edu

UCDAVIS
**AGRICULTURAL
SUSTAINABILITY INSTITUTE**
College of Agricultural and Environmental Sciences



University of California
Agriculture and Natural Resources