HIGH SOUTH FOODS

LOCAL FOOD PROMOTION PROGRAM EVALUATION

FEBRUARY 2018

OVERVIEW

Introduction

In Fall 2016, High South Foods was awarded the *Kentucky Regional Food Aggregation Study and Business Plan* funded by the USDA's Local Food Promotion Program (LFPP) planning grant. The scope of this study included ongoing meetings with an external Advisory Board, comprised of many local food and farm stakeholders. In addition, High South Foods and the Kentucky Center for Agriculture and Rural Development (K-CARD) met with former and current subject matter experts and thought leaders in the food system and aggregation space over the course of the study. With funding from the LFPP, High South Foods contracted with Wildflower Consulting to evaluate the reach and effectiveness of stakeholder engagement during the planning process.

Methodology

Members from Wildflower Consulting and High South Foods developed a largely qualitative evaluation plan to measure stakeholder engagement and feedback. This evaluation included two primary tools:

1. A pre and post survey for Advisory Board members
2. Six to ten key informant interviews

Wildflower and High South Foods developed a pre/post survey instrument for the Advisory Board (*see appendix*). In December 2016, High South Foods began passing out paper versions of pre-surveys to members at initial Board meetings. We received a total of five (5) pre-surveys from December to March.[1] Post-surveys were conducted via Survey Monkey using the same questions from the original survey instrument in August/September 2017. We received a total of seven (7) post-surveys.

High South Foods provided Wildflower with a list of key stakeholders in the food and farm community around Kentucky, some of who were Advisory Board members. Wildflower scheduled and conducted six (6) telephone interviews in September 2017 using a key informant interview guide (*see appendix*). Each interview was transcribed, coded and analyzed by Wildflower staff.

[1] High South Foods recruited Advisory Board members on an ongoing basis. New recruits were given a pre-survey during their first meeting, two of which occurred in March 2017.

PRE/POST SURVEY RESULTS

Survey Analysis
Pre/post survey results were analyzed through a spreadsheet that captured individual responses to each of the 25 questions (including open ended). The survey included an identifier that asked respondents to list the last two digits of their primary phone number, as well as their zip code. Using this identifier, we were able to match two (2) of the seven (7) post-surveys with the original post.

Demographics/Background
Age
- 35-44 – 71%
- 25-34 – 29%

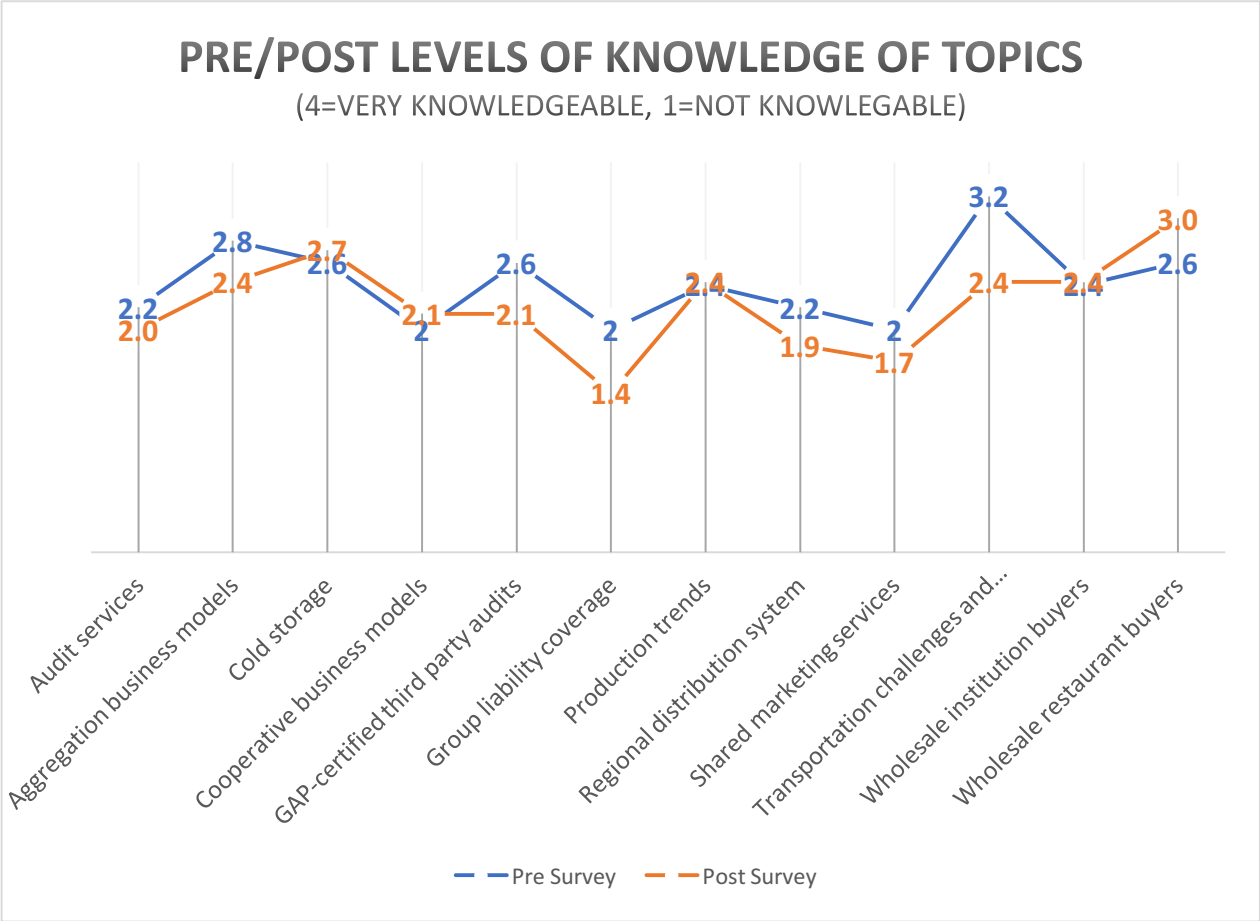
Acres in production
- 5 (x2)
- 10
- 12
- 15
- 27
- 118

Average number of years farming
- 4.8 years

Involvement with producer cooperatives or aggregation business in the past?
- 71% replied "yes"
- Of those who responded "yes", they listed:
  - Grasshoppers
  - Green Bean Delivery
  - Nashville Grown
  - Rainbow Blossom
  - Piazza Produce

Levels of Knowledge
Survey respondents were instructed to "tell us how knowledgeable you are with the following as they pertain to food production and sales (check one)." There were a total of 12 topics or subject areas related to food production and sales that were

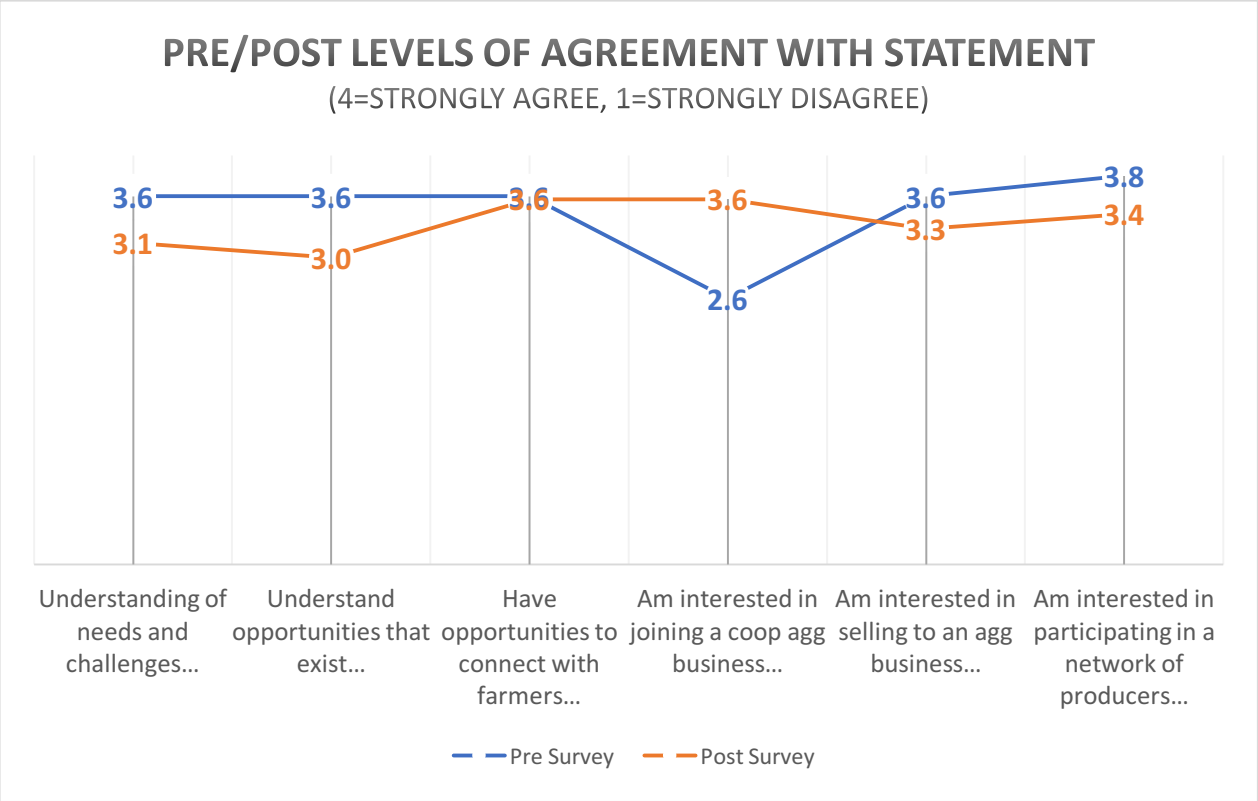
measured. The results were analyzed with the following weight: 4=very knowledgeable, 3=fairly knowledgeable, 2=slightly knowledgeable, and 1=not knowledgeable at all.



There was a statistically insignificant decrease in level of knowledge in seven of the topics measured by the pre and post surveys. However, there was an increase in knowledge in four subject areas, namely “wholesale restaurant buyers,” which averaged a “fairly knowledgeable” rating in the post. Participants were least knowledgeable about “group liability coverage.”

Levels of Agreement/Attitude

In addition, participants were asked to indicate their level of agreement with six statements that relate to their understanding of food aggregation businesses and opportunities for connecting with other farmers. The results of these statements were analyzed with the following weight: 4=strongly agree, 3=agree, 2=disagree, and 1=strongly disagree).



There was an overall increase in level of agreement with one statement assessed in the pre and post surveys ("I am interested in joining a cooperatively owned aggregation business"), which shot up by one full point towards the "strongly agree" response category.

In response to the question "What else would you like us to know," we received one open-ended response:

- The Major paper in the state once wrote an article that in my opinion was not entirely true. That article, coined THE HIGH COST OF EATING LOCAL, was not entirely accurate of ALL small farms, farmers, and farmer organizations at the grass root because there is and are farmers in the south of Kentucky that currently and into the future NEED to feed people and organizations with the highest quality food at the lowest cost. These farmers' lack of cash-flow & labor often aids in displaces them on the regional front as an informal cooperative that delivers within the Commonwealth. The key point here is the willingness of these farmers to sell $10 per unit wares at subwholesale as long as the mass concentration of moved products is met.

KEY INFORMANT INTERVIEWS

Themes
Over the course of the six key informant interviews with food system stakeholders, several themes emerged. Wildflower coded and documented these primary themes based on typed transcripts during the phone interviews.

Experience Matters
Most of the key informants interviewed have been heavily involved in food systems work for quite some time. Their experience and knowledge about past, current and future aggregation and distribution initiatives was well articulated by most.

> *I work with a lot of groups, and serve on the Board. I'm glad they* [High South Foods] *contacted us.*
>
> [I've done] *a lot of research on food hubs, and why they fail, and which ones succeed around the country.*

Inclusive Process, but Limited Time to Commit
By and large, the key informants who were on the Advisory Board felt like their perspective throughout the planning process was valued. However, a few of the stakeholders commented on their limited availability to participate in meetings with High South Foods due to busy schedules.

> *I found them [High South Foods] perfectly delightful and incredibly professional in how there were approaching the work.*
>
> ***I felt very valued**. The tone that was set by the High South Foods was very welcoming.*
>
> *They* [High South Foods] *were asking for people to be advisors on the project overall. We didn't have the time to stay as involved in the board.*

Farmer (and Buyer) Buy-In Is Crucial...
In order for the proposed aggregation models to work, it's imperative that small and mid-size farmers to be invested in the project, both financially and ideologically. Interviewees emphasized this on many occasions. Also, some echoed the need for the end-user and buyers to be engaged.

> ***Getting the farmers to buy into it is going to be huge****. Maybe you select 1-3 industry leaders who will use it in their food service (hospitals, schools, etc.). Larger institutions can be champions and make all the difference in the world.*
>
> *What size mid-range farmer do we need to make this thing successful? How do we get [mid size farmers] to answer the survey?*
>
> *Both mid-size and small farmers will benefit from the aggregator. They compliment each other.*
>
> *The* [farmer] *pool that the aggregator would need to work with would be small, mid, new, more experienced, etc. Then let's see if technical expertise and capital could help make it work on a small scale. Grow from there.*

Economically Sustainable and Self-Sufficient Model

Most of the interviewees expressed the need for sustainable, long-term investment in an aggregator as opposed to small grants forming it by piecemeal. Also, the

> *I think we need a major investment by the ag policy board to sustain an aggregator for a minimum of 3 years. This is so the attention can be place on the farmers, the end-user, and an appropriate management on all those.*
>
> ***If a food hub cannot sustain itself without grants, it's going to fail****. If we're looking at changing the system, we have to have models that are sustainable.*
>
> *It's moreso of a marriage of someone who's pretty enough to sell to the end user and a producer who wants to sell MORE at a cheaper rate to move it across the region.* ***Polygamist marriage here****; gotta have investors to get it started or give you a chance to get the infrastructure.*

Need More Input From Other Farmers

The bulk of respondents from the feasibility study were small-scale farmers, reflecting the agricultural landscape of Kentucky. However, a couple of the key informants said we need to focus on mid-size and wholesale producers.

> *What size mid-range farmer do we need to make this thing successful? How do we get [mid size farmers] to answer the survey?*
>
> *The farmers who are most successful in retail aren't as interested in scaling up to meet the wholesale needs of the buyer…There should be a "willingness to produce" question…are these growers willing to take the next step in scaling up?*

Additional Research and Models

There were a couple interesting suggestions for additional research and development of the models.

> [We need to look into] *place based management and space for processing and distribution. Management models around the country are emerging, but it's all about sustainability.*
>
> *There's a group in Chicago – FarmLogix – that has used technology to solve the problem.* ***The aggregator is not a building, but instead a database****. They work with a broadline distributor.*

Next Step Should Be a Pilot

While some interviewees had follow up questions to the business plan and feasibility study, by and large the sentiment expressed was "too much research!" Stakeholders want to see models actually happen, and work together to sustain them.

> *I always like pilot projects. Let's use some resources to work with a carefully selected group of growers to see if they can ratchet up to the model that was selected or suggested in the report.*
>
> *We just need to start doing something versus doing more studies. The business model and plan needs to be flushed out effectively.*

APPENDIX

High South Foods Model

GROWERS & PRODUCERS

LOCAL FOOD AGGREGATOR

DISTRIBUTION

Key Informant Interview Guide

Objectives:

- Assess the impact and scope of the feasibility study
- Gather feedback on stakeholder inclusiveness during the planning process
- Receive input on next steps for the Food Aggregation project

Thanks for taking time to talk with me today. We're going to focus on your involvement with and reaction to the KY Food Aggregation Feasibility Study that High South Foods conducted along with K-CARD. This was part of a USDA Local Food Promotion Program planning grant aimed at figuring out the best entity for aggregating food in the Kentuckiana region.

This conversation should take no longer than 45 minutes and I'll be typing notes as we talk. The results of this interview will be used in an evaluation report to the High South partners, but no names will be used so please feel free to speak openly.

Process:

1. How did you first hear about High South's feasibility study for a food aggregator?
2. Tell me a little bit about how you participated in the planning grant. How involved were you?
3. On a scale of 1-10, how inclusive was the planning process for food system stakeholders such as yourself?
    - Did you feel like your contributions were valued?

Feasibility Study:

4. What was most enlightening or eye-opening in the Food Aggregation feasibility study that K-CARD conducted?
    - Was there anything that you found a disagreement with? Was there anything that stood out as unclear or confusing?
5. In thinking about the scope of the overall study, was anything missing?
    - Is there additional research that should've been conducted to better understand what is most needed in a food aggregation entity?

Next Steps:

6. Given the results, what do you feel should be the next steps for KY Food Aggregation? What is needed to move the dial?
7. What role do you see High South Foods playing going forward?
8. What role would you like to continue to play?

Pre/Post Survey

Kentuckiana Food Aggregation Project

High South Advisory Board Survey

1. Today's date _____

2. Age (*please circle one*)
    a. 18-24
    b. 25-34
    c. 35-44
    d. 45-54
    e. 55-64
    f. 65+

3. Zip code _____

4. Acres in production _____

5. How many years have you been farming? _____

6. Have you been involved with producer cooperatives or aggregation/distribution businesses in the past?
    a. Yes
        i. If so, which one(s)? _____

        _____
    b. No
    c. Not sure

Please tell us how **knowledgeable** you are with the following as they pertain to food production and sales (*check one*).

	Very Knowledgeable	**Fairly Knowledgeable**	**Slightly Knowledgeable**	**Not Knowledgeable at All**
7. Audit services				
8. Aggregation business models				
9. Cold storage				
10. Cooperative business models				
11. GAP-Certified third party audits				

12. Group liability coverage				
13. Production trends				
14. Regional distribution system				
15. Shared marketing services				
16. Transportation challenges and opportunities				
17. Wholesale institution buyers				
18. Wholesale restaurant buyers				

Please respond to the following questions by using the scale below.

	Strongly Agree	**Agree**	**Disagree**	**Strongly Disagree**
19. I have a clear understanding of the needs and challenges that exist with the regional food system.				
20. I have a clear understanding of the opportunities that exist with the regional food system.				
21. I have opportunities to connect with other small sized farmers in the region.				
22. I am interested in **joining** a cooperatively owned aggregation business.				
23. I am interested in **selling** to an aggregation business.				
24. I am interested in participating in a network of producers to develop agriculture business models.				

25. What else would you like us to know?

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