

**Local Food Promotion Program (LFPP)  
Final Performance Report**

This final report will be made available to the public once it is approved by LFPP staff. Write the report in a way that promotes your project's accomplishments, as this document will serve as not only a learning tool, but a promotional tool to support local and regional food programs. Particularly, recipients are expected to provide both qualitative and quantitative results to convey the activities and accomplishments of the work.

The report is limited to 10 pages and is due **within 90 days** of the project's performance period end date, or sooner if the project is complete. Provide answers to each question, or answer "not applicable" where necessary. It is recommended that you email or fax your completed performance report to LFPP staff to avoid delays:

LFPP Phone: 202-720-2731; Email: [USDALFPPQuestions@ams.usda.gov](mailto:USDALFPPQuestions@ams.usda.gov); Fax: 202-720-0300

<b>Report Date Range:</b> <i>(e.g. September 30, 20XX-September 29, 20XX)</i>	September 30, 2014 – September 30, 2015
<b>Authorized Representative Name:</b>	Dave Reetz
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<b>Authorized Representative Email:</b>	growbighorncounty@tctwest.net
<b>Recipient Organization Name:</b>	Lovell, Inc.
<b>Project Title as Stated on Grant Agreement:</b>	Big Horn Basin Food Hub Feasibility Study
<b>Grant Agreement Number:</b> <i>(e.g. 14-LFPPX-XX-XXXX)</i>	14-LFPPX-WY-0191
<b>Year Grant was Awarded:</b>	2014
<b>Project City/State:</b>	Lovell, Wyoming
<b>Total Awarded Budget:</b>	Requested LFPP Funds: \$24,990

LFPP staff may contact you to follow up for long-term success stories. Who may we contact?

Same Authorized Representative listed above (check if applicable).

**State the goals/objectives of your project as outlined in the grant narrative and/or approved by LFPP staff. If the goals/objectives from the narrative have changed from the grant narrative, please highlight those changes (e.g. "new objective", "new contact", "new consultant", etc.). You may add additional goals/objectives if necessary. For each item below, qualitatively discuss the progress made and indicate the impact on the community, if any.**

**Goal/Objective 1: Facilitate Regional Cooperation and Participation**

**Progress Made:** the goal from the beginning was not only to fund the feasibility study but also to prepare and produce the study with the cooperation and involvement of regional agencies, organization, universities, producers and other such local/regional stakeholders. Members were recruited for the Advisory Group, Food Hub, Project Team, Food Hub Steering Committee and the Year Round Greenhouse Project Team providing broad representation and participation from many local, state and federal agencies. Producers from all four counties in the Basin have volunteered to work on the Food Hub Steering Committee. A complete list of participants is provided below.

Name	Company/Agency/Organization	Location
<b>Food Hub Project Team</b>		
Rick LePlante	Triple L Cattle LLC, Primary Consultant	Powell
Caitlin Youngquist, Ph.D.	University of Wyoming Extension, Northwest Area Educator, Agriculture	Worland
Don Randall	Wyoming Business Council, Agribusiness Division	Cheyenne
Ted Craig	Wyoming Department of Agriculture , Agriculture Program Coordinator	Cheyenne
Mike Lambert, Manager	Wyoming Entrepreneur Market Research Center	Laramie
Remy Cline	AmeriCorps Vista: Food Hub Coordinator & Consultant	Lovell
<b>Food Hub Steering Committee</b>		
Remy Cline	AmeriCorps Vista: Food Hub Coordinator & Consultant	Lovell
Caitlin Youngquist, Ph.D.	University of Wyoming Extension, Northwest Area Educator, Agriculture	Worland
Don Randall	Wyoming Business Council, Agribusiness Division	Cheyenne
Ted Craig	Wyoming Department of Agriculture , Agriculture Program Coordinator	Cheyenne
Terri Craft	Producer	Worland
Scott Richard	Producer	Cody
Sonja Becker	Producer	Thermopolis
Stanley Jones	Producer	Lovell
Marguerite Jodry	Producer	Red Lodge
Jesse Fowler	Producer	Powell
<b>Year Round Greenhouse Project Team</b>		
Caitlin Youngquist, Ph.D.	University of Wyoming Extension, Northwest Area Educator, Agriculture	Worland
Don Randall	Wyoming Business Council, Agribusiness Division	Cheyenne
Ted Craig	Wyoming Department of Agriculture , Agriculture Program Coordinator	Cheyenne
Liping Wang, Ph.D., PE	University of Wyoming, Assistant Professor - Building Energy Research Group (BERG)	Laramie
Anthony Denzer, Ph.D.	University of Wyoming, Associate Professor - Building Energy Research Group (BERG)	Laramie
Andy Rose, PE	Manufacturing-Works	Powell
Karen Panter, Ph.D.	University of Wyoming, Extension Horticulture Specialist	Laramie
Rob Perry	CEO, Western Sugar	Denver
Shannon W. Ellis	WS Sugar Plant Manager – Lovell Plant	Lovell
Remy Cline	AmeriCorps Vista: Food Hub Coordinator & Consultant	Lovell
<b>Advisory Group</b>		
Bruce Morse, Regional Director	Small Business Development Center	Powell
LeAnn Chenoweth, Executive Director	Washakie Development Association	Worland
James Klessens, CEO	Forward Cody	Cody
Sue Taylor, CEO	Lovell, Inc.	Lovell
Amanda Moeller, Executive Director	Thermopolis Economic Development Company	Thermopolis
Anna Sapp, Coordinator	Northwest College, Center for Training & Dev	Powell
<b>Conference Speakers</b>		
Linda Stratton	Wyoming Dept. of Ag-Consumer Health	Cheyenne
Jan Tusick	Director, Mission Mountain Food Enterprise and Cooperative Development Center	Ronan, MT
Brenda Allen	USDA	Torrington
Sherri D. Harvey	FSA	Worland
Karen Panter, Ph.D	UWYO, Extension Horticulture Specialist	Laramie

**Impact on Community:** The decision makers throughout the state are very much aware of and increasingly involved in the efforts being made to develop a regional model for a Big Horn Basin Food Hub. The project now has significant traction and broad support.

## Goal/Objective 2: *Producer and Demand Assessment*

### **Progress Made:**

We developed and opened surveys for all Basin producers and institutional food buyers to gather and assess the local food situation and potential in the Basin. We received 20 surveys from Basin producers interested in the food hub. We conduct numerous onsite interviews with a variety of institutions including schools, senior centers, hospitals, grocery stores, distributors and restaurants.

### ***Demand Assessment***

Most Basin institutions expresses some interest in buying local food products but many had a long list of impediments as to why they were not currently buying local food products. There was little to no interest from franchise/chain type institutions such as restaurants.

*However, locally owned grocery stores and restaurants (30+ institutions) in the Basin were the most supportive of local producers and represented the only institutions in the Basin currently purchasing local food products. They purchase/sell a wide variety of local food products including frozen beef products (steaks, ground beef), bread, honey, chocolate and some produce. However, most grocery stores report low consumer demand for local produce primarily due to the higher cost of these items.*

**Most institutions interviewed expressed a need/demand for local winter produce with the exception of the Yellowstone Resorts which are closed in the winter.** Since the winter months in Basin exceed the typical growing season months by almost two to one there is a substantial opportunity to supply these institutional markets with produce via year round greenhouses. Currently there is only two commercial year round greenhouses in Wyoming and neither is located in the Basin. There is a year round greenhouse in the Sheridan area which supplies a variety of produce to the local schools. This greenhouse is heated with natural gas and 2014 was their first year of winter operation/production. The other greenhouse is located in Big Piney which supplies tomatoes to the Utah market. This greenhouse only produces tomatoes 7 months each year as the tomato plants are all replaced each December and the new crop of tomatoes are not ready to harvest until May. This greenhouse is heated with waste oil obtained from the oil/gas industry in the area and has been operational for over 5 years. Neither greenhouse uses grow lights. Both report they are profitable.

**Sysco and FSA's regional facilities (which serve all of Wyoming and Montana) are located in Billings Montana** which is very accessible to most producers in the Basin. These distributors have substantial cold storage facilities and their own marketing staff and existing relationships with thousands of institutions. These distributors have expressed serious interest in purchasing local food especially Wyoming and Montana raised box beef products. Interviews and meetings with FSA management indicate the demand from these distributors will be as high as 1000+ calves per year as they will be marketing the products throughout the entire state of Wyoming.

The bulk of institutional demand for local food is in the **urban areas outside the Basin (but still within a 400 mile radius) including, Jackson, Wyoming, South Eastern Montana (Billings, Bozeman) and the Yellowstone Resorts.** Both consumer and institutional demand is high in these area and often exceeds the capacity of producers in these locations. These markets combined represent a million dollar plus opportunity for local produce producers for both summer and winter markets. They primarily consists of a thriving locally owned natural and/or organic foods grocery store in each city. Onsite interviews with the managers of these stores revealed opportunities for Basin producers to market value added food items in addition to unprocessed meats and vegetables. Items of interest mentioned include natural chicken and chicken parts, natural cured

bacon, organic/natural bagged lettuce\greens, organic beans, organic salsa, etc. Moreover, these stores do not require organic certification and set their own food safety standards which tend to be more producer friendly than the national distributors or government organizations such as schools and senior centers. Onsite interviews also revealed that an important key to profitability was the integration of the in store deli/restaurant with the produce and meat departments in order to eliminate spoilage waste. These grocery stores had a much larger selection and variety of prepared food items for sale than the typical grocery store including freshly made items for both lunch and dinner. These value added food item meal sales made up a significant portion of overall store revenues. Many of the institutional food buyers in these markets have a buy local mandate and consider the Basin within their local area. A few producers in the Basin are already supplying products (produce, organic lamb, etc.) to Market Day Foods a privately owned local foods distributor located in Bozeman, Montana.

### *Producer Capacity*

#### **Beef**

The Wyoming and Basin cattle industry is substantial and far exceeds consumption in the state/Basin. Most ranchers in Wyoming are cattle ranchers. The state and Basin cattle ranchers are primarily made up of Cow/Calf operations where calves are grass feed on the ranch for approximately 9 months and 600-800 pounds commonly referred to as feeder calves. Then these feeder calves are sold at various markets such as traditional and online auctions and end up in feed lots somewhere outside of Wyoming where they are feed out on grain to slaughter weight of 1200-1400 pounds and commonly referred to as finished calves. This model has resulted in few feedlots left in Wyoming, no USDA slaughter facilities in Wyoming and only a handful of limited capacity local (licensed/inspected by the state of Wyoming) slaughter facilities. Thus even with the vast number of cattle in Wyoming it is difficult to find/purchase finished calves in the local markets.

#### **Grass Feed Beef**

A growing number of ranchers are retooling their operations in order to keep the calves on the ranch feeding only on grass until they reach slaughter weight. The approach often involves improving their land so it can support holding/feeding the calves longer by way of both enhanced grazing practices in the summer and/or harvesting hay for the winter. Note: grass feed calves can be up to 30 months old before they are ready to slaughter. Whereas cattle fed very high-protein products such as corn may be large enough to slaughter as young as 12 or 13 months of age. Supporting this industry is the premium price they are able to attract for their natural "grass feed" beef in the national market however, the local market for grass feed beef is very limited. The Montana market is more promising but there are more than enough grass feed cattle ranchers in Montana to meet the current demand there. The smaller grass feed cattle ranchers struggle with marketing but some have had success with direct to consumer online sales.

#### **Lamb**

The sheep industry in the state/Basin is much smaller than the beef but still far exceeds consumption in the state/Basin. Sheep are grazed on private, state and federal lands. However, more sheep ranchers finish their lambs on the farm so there are significant numbers of finished lambs produced in the Basin. One estimate puts the number of finished lambs in the basin at over 40,000 annually.

#### **Organic Lamb**

There is one organic lamb producer in the Basin with 315 ewes producing approximately 300-325 finished lambs annually. Their organic lamb products are sold direct to consumers, online and through distributors in Montana.

#### **Dairy**

There are two traditional dairy farms in the Basin where the cows are contained in a pen and fed a combination of hay, grain and supplements. These two farms have a combined total of 1000+ milk cows producing 10,000+ gallons of milk daily. This production far exceeds the consumption of milk in the Basin. Currently this raw milk is sold to Meadow Gold in Billings, Montana and no growth hormones or antibiotics are allowed. However, one Basin dairy has funded a feasibility study and subsequent business plan to build a dairy plant in Cody, Wyoming. It is unclear at this time if/when they will move forward and build the plant. However, the opportunity exists for others to purchase raw milk from these dairies and produce value added products such as cheese and yogurt.

#### **Organic Dairy**

There are also two organic and/or grass feed only dairy farms in the Basin with a combined total of 20 milk cows. The raw fresh milk is currently sold direct to consumers. No value added dairy products are currently produced for sale on these farms.

#### **Honey**

Honey production in the Basin is substantial and estimated at over 300,000 pounds annually. However, these numbers fluctuate widely from year to year depending on the weather and health of the bees. Basin produced honey is sold at most Basin farmers markets and in many Basin grocery stores. A significant portion of the honey produced in the Basin is sold to wholesalers in Colorado. However, one producer also operates a gourmet honey infused chocolate factory (Queen Bee Gardens) in Lovell, Wyoming. Queen Bee Gardens honey and chocolate are sold in their own retail store, online and in many stores in the Basin including grocery stores, gift shops etc. This producer is also planning to build a million dollar honey bottling and storage facility in the Basin in the near future.

#### **Summer Produce Production**

There is approximately 25 Speciality Crop Producers in the Basin with a combined 25+ acres in production with the largest farms at around 5 acres in production. There is significant excess capacity (100+ acres) amongst these producer and the potential for new producers if there is sufficient demand. There is also the opportunity for producers to contract with the University of Wyoming, Agricultural Experiment Station's Research Farm in Powell, Wyoming to produce significant quantities (10-50 acres depending on availability) of vegetables annually for the Food Hub. Each year the 200 acre research farm has from 10-50 acres of land not allocated to research projects. Producers can contract with the research farm to grow specialty crops on the unallocated acres. This past summer one Basin producer contracted with the Research Farm to grow a small quantity of potatoes. Speciality Crop Producers are spread throughout the Basin. They produce a wide variety of fruits and vegetables. A variety of vegetables can be and are grown in the Basin including tomatoes, sweet peppers, hot pepper, potatoes, carrots, onions, corn, lettuce, kale and so on. Fruits include squash, pumpkins, raspberries, fruit trees and grapes. Currently their products are mostly sold directly to consumers at farmers markets and through two CSA's with a combined membership of less than 200. Sales to institutions are limited but likely to grow as more producers enter this market. Currently only a few producers are reporting sales to grocery stores, restaurants and Market Day Foods.

**Impact on Community:** These findings suggest there are adequate supply, interest, and potential for the development of the local food system in the Basin once product alignment among producers and buyers is achieved.

### **Goal/Objective 3: Identify Resources for Enabling Greater Producer Participation and Production**

**Progress Made:** Our efforts here have focused on pursuing state and federal grant opportunities in order to create new markets for producer's products and to provide training and educational opportunities for producers. Recent grants received include a \$25,000 grant from the Wyoming

Department of Agriculture's Specialty Crop Block Grant Program to produce the **Resources & Regulatory Guide for Wyoming's Specialty Crop Farmers** to be completed by the end of 2016.

**Impact on Community:** We anticipate that this Guide will provide Specialty Crop Producers both a broader understanding of the available resources and how to access them along with a deeper understanding of the various regulations which could have positive or negative impacts on their operations. With such a guide available to them Specialty Crop Producers will have less confusion concerning how to access and utilize the resources available to them and a deeper understanding of how regulations might impact their operations in the future and how their operations can achieve compliance with these regulations.

#### **Goal/Objective 4: Identify Impediments to Further Develop the Local Food System**

**Progress Made:** Completed and addressed in the Feasibility Study Document and in section iii above. In summary, most Basin specialty crop producers indicated that the impediments (food safety, GAP, liability insurance, convenience, low prices, etc.) imposed by institutions and state/federal laws/regulations make compliance difficult and risky for them. Moreover, all producers expressed a strong resistance to paying a food hub the typical 20-25% of their product's market value to support a food hub's operational costs.

**Impact on Community:** These factors combined with relatively low consumer demand for local food in the Basin presents a significant challenge to find a food hub business model which works for all parties involved. Thus, the research findings and analysis were used to compile the conditions/requirements listed below to help guide development of future successful food hub business model components for the Basin.

- Structure the food hub business models so producers are able to retain a very high percent (>90%) of the market value of the products supplied to the food hub.
- Food hub business models should work with and within the existing Food Networks/Systems/Programs.
- Minimize the aggregation, storage, packaging, distribution, and marketing demands placed on producers.
- Minimize new regulatory burdens (GAP, Food Safety, etc) placed on producers.
- Minimize the expected change in consumer behavior and food purchasing habits.
- Minimize the number of cooperating institutions needed for the initial model to succeed.
- Further capture consumer demand for local ingredients in the meals they purchase.
- Be scalable to accommodate increased future producer participation.

#### **Goal/Objective 5: Identify Opportunities to Further Develop the Local Food System**

**Progress Made:** Completed and included in the Feasibility Study and outlined below.

1. Rural Grocery Store as Food Hub.
2. Local meat business model for the region.
3. More Cooperation with/from Schools

**Impact on Community:** N/A

#### **Goal/Objective 6: Identify Potential Value Add Activities**

**Progress Made:** Completed and various reports are included in the Feasibility Study Document.

Highlights include:

- Year round greenhouses in Wyoming using geothermal and industrial waste heat during the winter to produce organic and/or hydroponic vegetables including minimally processed items like chopped greens and vegetables for salad bars.

- Producing further processed meat items from sub-primal cuts using contract processors to be sold to both wholesale and retail outlets. Such as lentil/beef patties and bagged taco meat for schools and providing specific cuts of meat such as the animal organs, tongue, tail, etc. to Hispanic families at a lower price via a meat CSA.
- Food Trailer business jointly owned and operated by producers and a local grocery store selling meals prepared from local food ingredients in the grocery store's parking lot.

**Impact on Community: N/A**

- Quantify the overall impact of the project on the intended beneficiaries
  - Number of direct jobs created: **0**
  - Number of jobs retained: **1 (Vista)**
  - Number of indirect jobs created: **Unmeasurable but most grant funds have been spent in the region for most categories including consultants.**
  - Number of markets expanded: **None at this phase of the project.**
  - Number of new markets established: **None at this phase of the project.**
  - Market sales increased by \$insert dollars and increased by insert percentage%. **N\A**
  - Number of farmers/producers that have benefited from the project: **30**
    - Percent Increase: **100%**
- Did you expand your customer base by reaching new populations such as new ethnic groups, additional low income/low access populations, new businesses, etc.? If so, how? **N\A**
- Discuss your community partnerships.
  - Who are your community partners? **See list above.**
  - How have they contributed to the overall results of the LFPP project?  
**The business model components in the Feasibility Study Report were developed from the collective input of all partners and committee members. The Vista Member, Remy Cline conducted the bulk of the primary research and data collection efforts for this study and was subsequently hired as a consultant to prepare this report when his contract term expired in July, 2015.**
  - How will they continue to contribute to your project's future activities, beyond the performance period of this LFPP grant?  
**We anticipate that the Advisory Group, Food Hub, Project Team, Food Hub Steering Committee will remain mostly intact through the implementation phase of the project and continue to provide valuable insights and contributions. The AmeriCorps Vista program will continue to support the project with an additional Vista member for 2106 and \$10,000 in additional project funding.**
- Are you using contractors to conduct the work? **Yes**  
If so, how did their work contribute to the results of the LFPP project?
  - Triple L Cattle – Consulting Contract**
    - Prepared survey questions. Finalized Surveys. (producers/institutions)
    - Determined best platform for data collection entry
    - Prepared Mics Surveys to gather producer inputs
    - Assisted with the development of a meat business model for the region. (Note: Consultant Triple L Cattle hired also a subcontractor AgWin Group to assist with this research and analysis) See “Retained Ownership Beef Model” in Feasibility Study
    - Assisted with various preliminary data analysis for Food Hub Steering Committee activities
  - University of Wyoming, Building Energy Research Group (BERG) –Consulting Contract**

Completed an Engineering Study on using waste heat from the Lovell, Wyoming Sugar Plant to heat a year round Greenhouse. The report concluded that the available heating energy from the plant's discharged hot condenser water should be sufficient to provide enough heat for a 3-acre greenhouse. Full project description/details are included in the Feasibility Study and the complete report is included in Appendix A of the Study. BERG also helped to identify the "Next Steps" for this project which are also detailed in the Study. Finally, BERG has submitted a grant application with the Mercer Foundation to fund further research to determine the most efficient and cost effective means to extract the heat from the sugar plant's discharge water to heat a 3-acre greenhouse. The University is very excited about the potential of this project and have taken a lead role.

**c. The Henne Group – New Call Center Contract**

Conducted 100 hours of cold calling to Basin institutions and obtained 20 institutional survey completes.

**d. Cline Consulting – New Consulting Contract**

1. Completed Feasibility Study and included Reports
2. Completed the research analysis included in the Study
3. Developed the Business Model Components included in the Study.

6. Have you publicized any results yet? **No. But the report will soon be available online at [www.wyofoodhub.com](http://www.wyofoodhub.com) and we have budgeted \$300 for Media Ads to let the public know about the Study and how/where to access it online.**

7. Have you collected any feedback from your community and additional stakeholders about your work? **Yes.**

- i. If so, how did you collect the information? **We collected feedback at both Food Hub Conferences and from Steering Committee members via various targeted surveys.**
- ii. What feedback was relayed (specific comments)?

"will the food hub kill our farmers markets?"
"the government should not tell me how to farm"
"conference presentations were ok but we need more detailed information on these new regulations"
"we want to take a leading role in developing the food hub"
"why should I pay a food hub 20-25%?"
"to increase production we need access to capital, labor and new markets"
"wholesale prices are not high enough and compliance with regulations is difficult and expensive"
"how will the food hub impact my existing business and markets"

8. Budget Summary:

**Total amount spent during reporting period.**

Contractual:	\$19,182.00
Travel:	\$3916.50
Other/Supplies	\$932.90
<b>TOTAL:</b>	<b>\$24,031.40</b>

**Match Funds**

Contractual:	\$5,000
Personnel	\$3,400
Indirect Costs	\$3000
<b>TOTAL:</b>	<b>\$11,400</b>

- i. As part of the LFPP closeout procedures, you are required to submit the SF-425 (Final Federal Financial Report). Check here if you have completed the SF-425 and are submitting it with this report:
- ii. Did the project generate any income? **No**

9. Lessons Learned:

- i. Summarize any lessons learned. They should draw on positive experiences (e.g. good ideas that improved project efficiency or saved money) and negative experiences (e.g. what did not go well and what needs to be changed).  
**Having a capable Vista Project Coordinator was vital to the overall accomplishments of the project and in particular it enabled us to do extensive onsite interviews with both producers and institutions. We found that the online institutional survey and cold calls to institutions to not be very productive. Moreover, without the Vista we would not have been able to establish and manage the extensive list of local partners, groups, consultants and committees noted above from which much local insight and expertise was gleaned.**
- ii. If goals or outcome measures were not achieved, identify and share the lessons learned to help others expedite problem-solving: **N\A**
- iii. Describe any lessons learned in the administration of the project that might be helpful for others who would want to implement a similar project: **N\A**

10. Future Work:

- i. How will you continue the work of this project beyond the performance period? **Yes. We anticipate submitting an application for an LFPP Implementation Grant next year.**

Do you have any recommendations for future activities and, if applicable, an outline of next steps or additional research that might advance the project goals? **Yes, see Feasibility Study at [www.wyofoodhub.com](http://www.wyofoodhub.com) for complete details as outlined below.**

### **Study Recommendations**

*“In many parts of Wyoming including the Basin the low population density, lack of large urban centers, and dispersed production make a traditional hub-and-spoke food hub model less feasible. However, some sort of a Rural Grocery Store Food Hub Model could be successful and should be seriously considered for the Basin especially since there is a grocery store owner with two store locations in the Basin already engaging in aggregation, packaging and redistribution of local food items amongst their store locations who is very interested in expanding their food hub role. Furthermore the Rural Grocery Store Food Hub Model should accommodate a wide variety of producers and incorporate the “Retained Ownership Beef Model”. Finally, no single business model will benefit the Basin’s wide variety of producers equally and there are not sufficient resources and current production capacity to launch multiple business model components simultaneously. Thus, the best approach to achieve long term sustainability will be to phase in multiple food hub business model components which complement and build on each other over a period of years. This approach will also allow all parties involved to gradually gain the trust needed for future cooperation.”*

**Although the development of business models is not typically included in a Feasibility Study it seemed appropriate to attempt to set out a business model road map which captured and represented the work product of the Food Hub Steering Committee. Thus we developed Institution Business Model Components (see Feasibility Study at [www.wyofoodhub.com](http://www.wyofoodhub.com) for more details) based on our research analysis and the following:**

#### **Mission Statement**

The key to creating and sustaining local/regional food systems is converting the existing Food Supply Chain into a Values Based Food Supply Chain or Food Value Chain.

#### **Goal**

The primary goal of the proposed producer to institution business model components is to enable the Food Hub to cover the majority of its operating costs through value add activities and thus be able to pay producers a very high percent (>90%) of the market value of the products supplied to the food hub.

### **Proposed Producer to Institution Business Model Components - Phase One**

#### **Rural Grocery Store as Food Hub**

A rural grocery store food hub can help mitigate the risks these risks the basic elements of a food hub are already in place. (see Feasibility Study at [www.wyofoodhub.com](http://www.wyofoodhub.com) for more details)

#### **Rural Grocery Stores as a Value Chain Partner** (see Feasibility Study at [www.wyofoodhub.com](http://www.wyofoodhub.com) for more details)

Most wholesale opportunities add discount and middleman layers and thus result in lower prices paid to producers with added regulatory burdens from institutional buyers. Moreover, due to competition it is often difficult for local grocery stores to offer a fair price on raw local products especially in an environment with low consumer demand for these products. A viable proven solution to these sorts of situations is to convert raw local ingredients into value added products. An often overlooked but highly cost effective means to value add local food is to convert it into a meal. Thus, a jointly owned/operated (food hub/grocery store) Food Trailer located in the grocery store parking lot selling meals made from locally sourced ingredients could be a cost effective value add approach and would also accomplish many of the components/goals of a Food Value Chain whereby the grocery store and producers are partners in the venture. This model is especially attractive if you use the produce seconds and sub-primal cuts of meat and in the meal ingredients sold in the food trailer, thereby achieving integration with the “Retained Ownership Beef Model” and creating a new market for local produce.