

A Kane County Food Hub Project:

Connecting Local Growers, Wholesalers
and Institutional Buyers



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Kane County Development and Community Services

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Growing for Kane Initiative and Food Hub Feasibility Recommendation

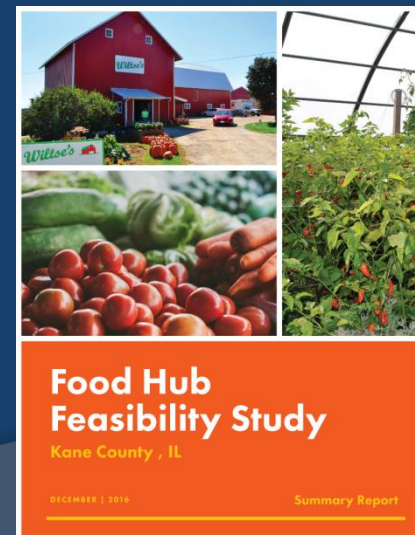
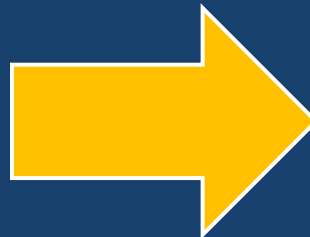
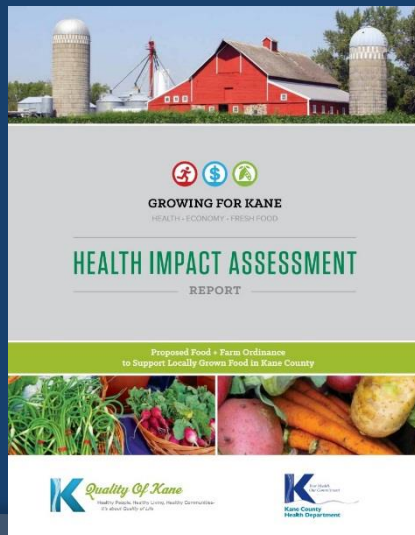
HIA REPORT RECOMMENDATION

Recommendation

Kane County should work with Northern Illinois Food Bank (NIFB) and Kane County Farm Bureau to **study the feasibility of locating a food hub.**

Result

Farmers have motivation to grow more produce with centralized cleaning, packaging and distribution available off farm.



What is a Food Hub?

- Centralized aggregation, processing and distribution
- Connects small to mid-sized producers with larger buyers
- Specialized services: product marketing, food processing and safety training

Who does it serve?

Agricultural Producers
Restaurants & Food Retailers
Health Providers

Schools / Public Institutions
Wholesale Distributors
Community Organizations



The Food Hub Feasibility Study

What we Learned about the Market...

Interested **producers/farmers** account for:

- **850 acres** of current fruit & vegetable production
- **160 acres** of potential expansion

Interested **wholesale buyers** account for:

- **\$53 million** in spending on whole produce
- **\$26 million** in spending on processed produce
- **\$31-\$35 million** in spending on meat, dairy, eggs



Growers

1,010 Total Acres of Supply

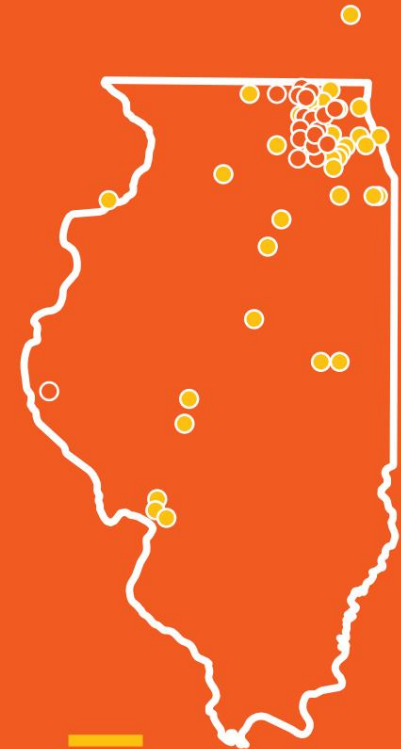


Buyers

\$110 Million Total Demand

Grower and Buyer Survey

March 5 - May 12, 2015
29 producers & 51 buyers



○ Growers
● Buyers

Growers' Top Barriers for Entering the Wholesale Market

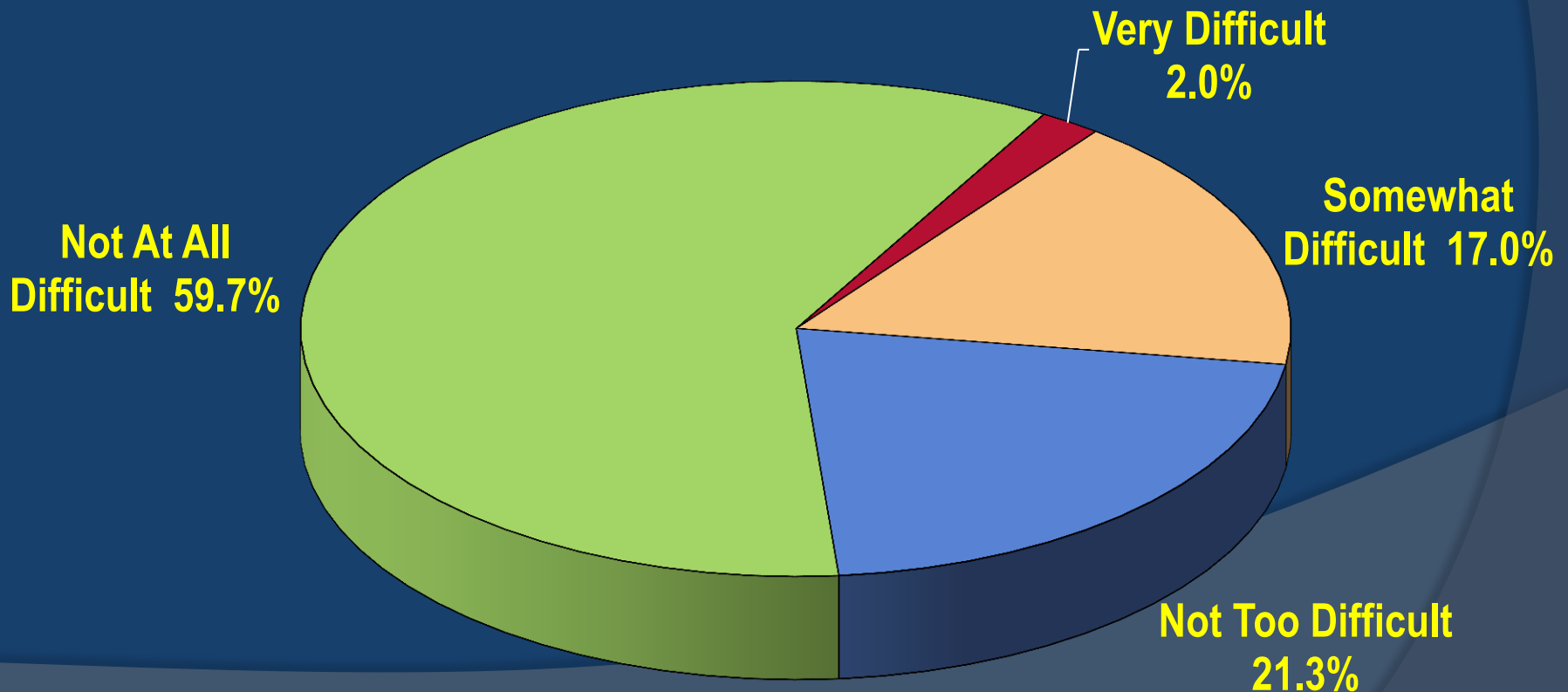
(Feasibility Study grower survey results)

- Fair pricing
- Cost, time, labor to implement GAP protocols
- Risk of not selling what is grown
- Access to post-harvest handling facilities (cooling, washing, grading, packing)



Need for Health Equity Focus

Kane Population – Access to affordable fresh produce (2014 Community Health Survey)



Health Equity Addressed in Hub Operating Model

Strategy 1

Specialized Processing

- Demand among schools for processed fresh-cut produce for use in cafeterias



Strategy 2

Fresh Produce Prescription Box Program

- Hub to sell CSA-style weekly produce boxes to SNAP recipients through partnership with healthcare providers



Prescription Produce Program

Recent Activity

- Project team has developed a proposal for a pilot program and is continuing to pursue grants.
 - Health service partner Rush-Copley, has committed to recruiting up to 50 patients to participate in a prescription produce pilot.
 - Pilot proposal would offer nutrition education and cooking demonstration workshops for participating patients
 - Future food hub operator has committed to handle aggregation from local farmers and delivery to the pickup site.



Business Analysis & Financial Assumptions (at 3-year operating period)

This food hub would require...

- an 8,000 sqft warehouse

And would generate...

- \$3.4 million in sales and \$150 thousand in cash flow.

Based on scenario testing, the hub could maintain profitability and withstand fluctuations in pricing, volume, and margin by plus or minus 15%.

Operator Recruitment & Public / Private Partnership

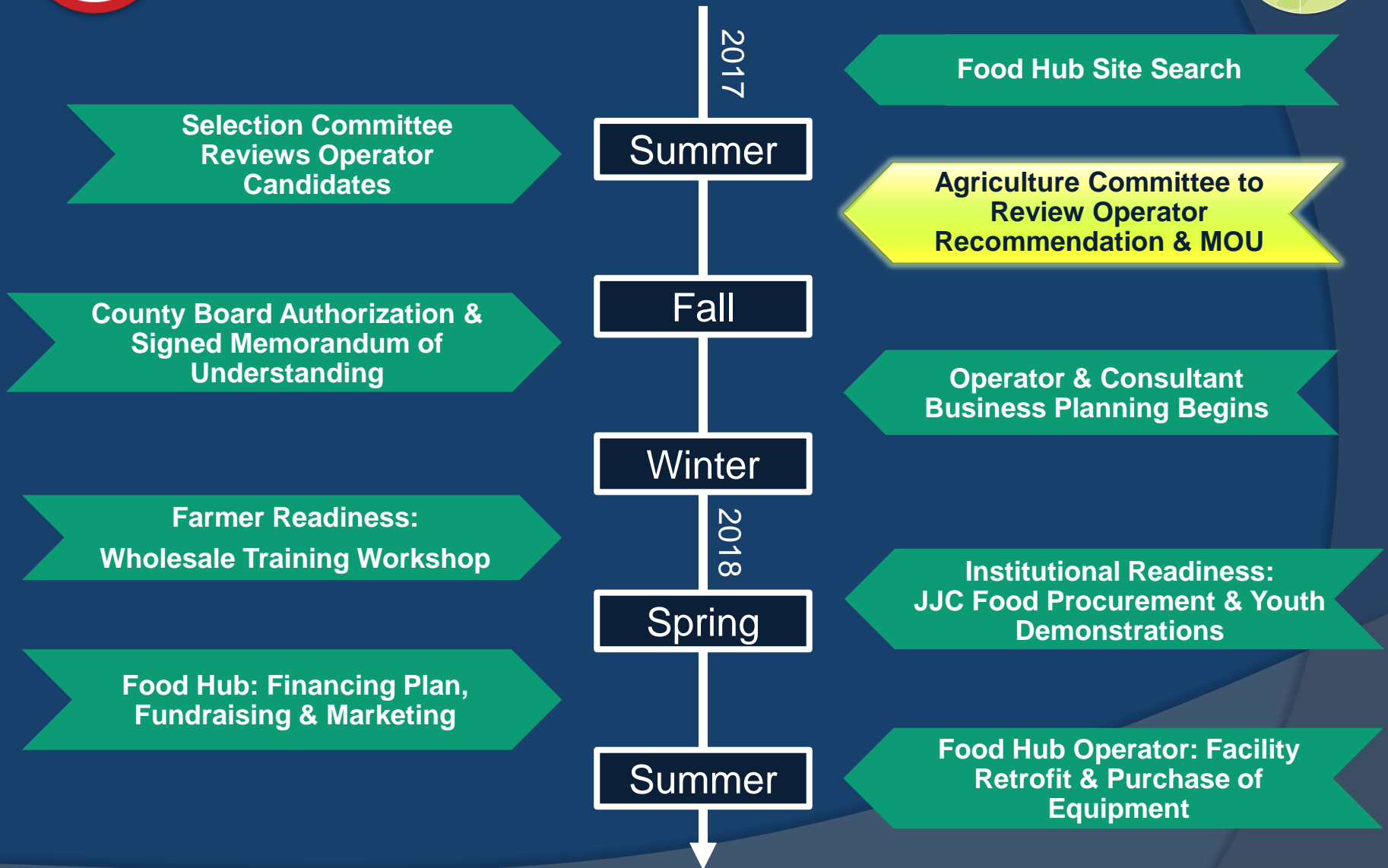
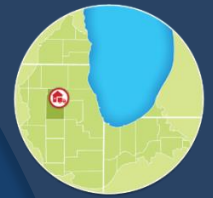
- Identify a qualified operator to run and/or own the hub
- Preference for operator experienced working with farmers
- Selection criteria to include adherence to recommendations of the Feasibility Study
- Transition of project management from the County to the operator



ENTERPRISES INC



Food Hub Project Timeline



Food Hub Readiness: Health Equity Partnership & Farmer Readiness

HEALTH EQUITY PARTNERSHIP (RUSH-COPLEY FOUNDATION)



- ✓ Health screening & patient referrals to receive prescription produce boxes
- ✓ Nutrition education services

- ✓ The Food Hub or a pilot aggregator will buy farm produce and distribute CSA veggie boxes through health partner referrals
- ✓ Build the hub's capacity to

assist farmers in meeting wholesale readiness requirements

- ✓ Project video to build support for program elements

FOOD HUB



INSTITUTIONAL READINESS (KANE COUNTY JUVENILE JUSTICE CENTER)



- ✓ Farmers and farm networks will sell product to the hub
- ✓ The hub will assist farmers with planning and meeting wholesale readiness requirements

- ✓ Technical assistance for institutions (Juvenile Justice Center) to adapt food procurement practices
- ✓ Teacher training and food tasting demonstrations to identify student preferences

FARMER READINESS



Our Project Team and Contributors



THE CHICAGO
COMMUNITY TRUST
AND AFFILIATES



Food:Land:Opportunity
Localizing the Chicago Foodshed



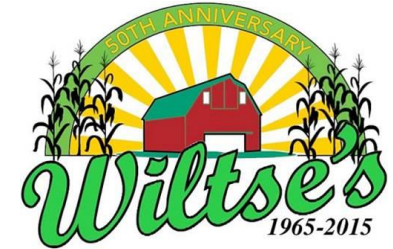
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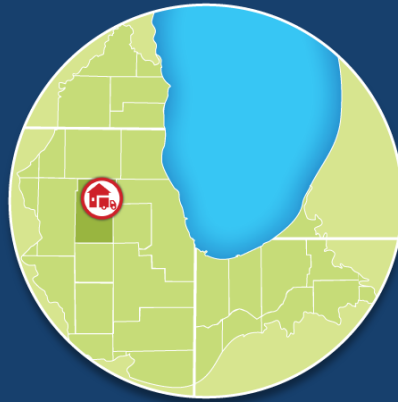
Seven
Generations
Ahead

Questions?

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Food Hub Project Website

<http://www.countyofkane.org/FDER/Pages/foodHub.aspx>

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