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Developing Values-Based Distribution Networks to Enhance the Prosperity of Small- and Medium-Sized Producers

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The goal of this project is to enhance the prosperity of small- and medium-sized farmers and ranchers through business networks called “values-based supply chains.” These supply chains link small- and medium-sized farms/ranches with distributors and/or retail partners in alternative food systems that are economically, environmentally, and socially sustainable.

Our multi-state project will identify how successful distribution networks involving small- and medium-scale producers are affected by three factors—access to financial capital, government regulations and policies, and business/entrepreneurial savvy; describe how these networks generate environmental and social benefits and enhance the financial viability of small- and medium-sized producers; and educate producers, agribusiness lenders/funders, policymakers, and small business/community development consultants about critical factors in the development of successful distribution networks.

We are using a two-phase research and outreach strategy. The first phase involves conducting six to nine case studies of western U.S. food distribution networks that are part of values-based supply chains or more conventional supply chains. We have identified at least three values-based supply chains in each region (Pacific Northwest, California, and Colorado/Southwest).

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For each case we are currently interviewing supply-chain partners throughout the chain (about nine interviews per chain); however, our focus will be on the distribution network and the coordination of product, resource, and information flows from “farm to fork.” A common interview protocol has been created collectively by team leaders so that we can compare data across the regions. As a result of these interviews, we will describe the common elements that appear necessary for the development, maintenance, and growth of these value chains and how they can support the economic viability of small- to medium-scale growers/ranchers.

The second phase of the project will use the insights and results from the case studies to conduct interviews with three institutional segments (approximately 25 interviews in each segment) affecting the development of these value chains: (1) lenders, venture capitalists, foundation managers, and other public and private funding sources for agricultural ventures; (2) local, state, and federal agencies and food agencies with regulatory authority over these types of ventures, and (3) agribusiness and small business/community development consultants and agencies providing technical assistance.

A project advisory committee has been identified that can provide guidance, help us interpret findings from the case studies and survey, and identify appropriate outreach venues. We will distribute our findings through three regional workshops, professional meetings, and academic and practical publications.