



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

U.S. Department of Agriculture
Agricultural Outlook Forum 2005
February 25, 2005

**GENERATING FARMER-DIRECT SALES TO RESTAURANTS AND
INSTITUTIONS IN IOWA**

Robert Karp
Practical Farmers of Iowa

Generating Farmer-Direct Sales to Restaurants and Institutions in Iowa

Robert Karp

Practical Farmers of Iowa

Practical Farmers of Iowa

- 20 year old, farmer led organization with over 700 members
- Primarily small and midsized diversified farms
- First 10 years focused solely on production practices and on-farm research
- Last 10 years involved in a wide range of niche marketing projects

Niche Marketing Efforts include:

- I. Support to farmers and companies selling highly differentiated products across the nation through traditional supply chains
- II. Support for direct market relationships between farmers, buyers and consumers

Direct Marketing Efforts

- Farmers Markets
- Community Supported Agriculture
- Sales to HRI (Hotels, Restaurants and Institutions)
- Comprehensive “Buy Fresh, Buy Local” Marketing Campaign
- *Community Based Approach*

UNI Local Food Project

- Began in 1997
- Partnership with the University of Northern Iowa (UNI)
- Coordinated by Kamyar Enshayan of the Center for Energy and Environmental Education at UNI
- Focused on institutional buying

Food Purchasing in Seven County Region in 2003

County	Households	Combined Food, Beverage & Food Service Retail Sales
Benton	10,000	34,190,000
Black Hawk	49,900	418,919,000
Bremer	8,900	41,060,000
Buchanan	7,900	23,200,000
Butler	6,200	14,446,000
Fayette	8,800	43,539,000
Grundy	5,000	11,144,000
Tama	6,900	32,479,000
Totals	103,000	618,977,000
		5%=\$31 million

Black Hawk County

- Population 123,300 people
 - 50,000 households
- Largest cities:
 - Waterloo, industrial town
 - Population 68,747
 - Median Household income: \$34, 092
 - Cedar Falls, university town,
 - Population 36,145
 - Median household income: \$40,226

Methodology

- Facilitation of relationships and commerce between farmers and buyers, using student interns on site at institutions
- Trouble shooting support
- No consolidation of products, no shared distribution or billing and no company or farmer coop acting as broker
- Weekly faxes with product and price lists

Methodology

- Buyers become champions for and educators of other buyers
- Backed up with marketing campaign since 2003
- Buyers Commit to Record Sharing
- Annual celebration meal with farmers and buyers
- Local financial support

23 Current Buyers Include

- **Restaurants:** Rudy's Taco's, Martin's Brandenburg, Garfield Café, Steamboat Gardens, Jag's Java, Cup of Joe, Barn Happy, Pablo's Mexican Grill
- **Hospitals:** Allen Hospital, Waverly Municipal Hospital, Covenant Health Systems,
- **Universities and Conference Centers:** University of Northern Iowa Dining Service, Pipac Center
- **Nursing Homes:** Bartels Lutheran, Western Home, Friendship Village
- **Grocers:** Roots Market, D&K Foods, Randall's Stop and Shop, Waverly Hy-Vee, Dean's Grocery, Van Deest Specialty Meats, Traer Super Valu

40+ Farmers and Processors

Products include:

- **Meat:** Beef, Pork, Chicken, Turkey, Venison and Buffalo
- **Fruits and Vegetables:** Tomatoes, Onions, Sweet Corn, Asparagus, Melons, Strawberries, Radishes, Pumpkins, Garlic, Carrots, Radishes, etc.
- **Dairy:** Milk, Sour Cream, Cheese, Ice Cream
- **Other:** Honey, Baked Goods, Eggs

Results

Year	# of Buyers	Local Food Expenditures
1998	3	\$110,773
1999	3	\$135,573
2000	5	\$173,406
2001	8	\$165,588
2002	7	\$200,730
2003	15	\$226,954
2004	23	\$459,687
Total Expenditures		\$1,472,711

Bartels Lutheran Nursing Home in 2004

Item	Amount Purchased Local
Meat	28,361
Dairy	9,755
Vegetables	3,681
Baked Goods	530
Total	\$42,327

Rudi's Tacos in 2004

Product	Local Purchases	Total Purchases	% Local
Beef	62,845	62,845	100%
Pork	1,600	1,600	100%
Chicken	27,023	27,023	100%
Cheese	46,308	46,308	100%
Tomatoes	19,037	19,037	100%
Onions	218	1,040	21%
Flowers	2,889	2,889	100%
Dairy	6,333	8,033	79%
Misc.	0	65,641	0%
Totals	\$166,253	\$234,417	71%

**BUY FRESH
BUY LOCAL**



PRACTICAL FARMERS OF IOWA • (515) 232.5661

BUY FRESH BUY LOCAL
 PRACTICAL FARMERS OF IOWA • UNI

MEET RUDY'S FARMERS:

 John & Steve Messner 10000 Hwy 16, Granger, IA 52524	 Nature Trail Greenhouse Crew 10000 Hwy 16, Granger, IA 52524	 Watson Family Organic Farm 10000 Hwy 16, Granger, IA 52524
 John & Steve Messner 10000 Hwy 16, Granger, IA 52524	 Mark Ruppert 10000 Hwy 16, Granger, IA 52524	 David Reardon 10000 Hwy 16, Granger, IA 52524
 John & Steve Messner 10000 Hwy 16, Granger, IA 52524	RUDY'S SUPPORTS LOCAL FAMILY FARMS.	

BUY FRESH BUY LOCAL
 CALL 877-875-7223 FOR THE NAME OF YOUR LOCAL FARMER



Buy Fresh, Buy Local strategies

- **Point of Sale materials** for restaurants, grocery stores, and farmers
- **Local directory** mailed to all households featuring local farmers as well as the restaurants, grocers and institutions that buy from local farmers
- **Other promotional efforts:** newspaper and radio ads, field days, concerts, farmer market signs, etc.

Impact on Farmers in 2003

- 12% of participating farmers saw their gross sales increase by 20% or more
- 16% of participating farmers saw their gross sales increase by 11% to 20%
- 26% of participating farmers saw their gross sales increase by 6% to 10%
- And 29% of participating farmers saw their gross sales increase by 1% to 5%

Conclusion

Rebuilding local food systems is a viable, common sense approach to economic development. We should invest in:

- Facilitating commerce between local farmers and local buyers;
- Rebuilding a local food infrastructure of processors, distributors, coops and brokers;
- Educating food service professionals on best practices for using local food;
- Providing good marketing and educational support;
- And educating and supporting a new generation of farmers.

For more information

Kamyar Enshayan, University of Northern Iowa
319-273-7575 kamyar.enshayan@uni.edu
www.uni.edu/ceee/foodproject

Robert Karp, Practical Farmers of Iowa
515-232-5661
robert@practicalfarmers.org
www.practicalfarmers.org