



FARMERS' MARKETS AS FOOD HUBS





OVERVIEW

- Presentation
 - Food Hub Definition
 - Food Hub Types
 - Evaluation, Examples
- Q&A - Group discussion
- Break out planning
- Share, summary



WHAT IS A FOOD HUB?

“A business or organization that actively manages the aggregation, distribution, and marketing of source-identified food products primarily from local and regional producers to strengthen their ability to satisfy wholesale, retail, and institutional demand.”

-USDA, 2012, p. 4



FOOD HUB

- Manages
 - aggregation, distribution, marketing
- What
 - local, regional food products
- Satisfy
 - wholesale, retail, and institutional demand

FOOD HUB BUSINESS MODELS

NON-PROFIT

PRIVATE
BUSINESS

COOPERATIVE
(FOR PROFIT OR
NON-PROFIT)

MULTI-
STRUCTURED



FOOD HUB MARKETS



DIRECT-TO-
CONSUMER



WHOLESALE



HYBRIDS



FOOD HUB INFRASTRUCTURE



ONLINE /
VITRUAL

The diagram consists of a square frame with four colored segments: light green (top-left), red (top-right), orange (bottom-left), and yellow (bottom-right). The text 'ONLINE / VITRUAL' is centered within the frame.



BRICK &
MORTAR

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HYBRIDS

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EVALUATION OF FARMERS' MARKETS AS FOOD HUBS

Strengths:

- non-profit funding, grants
- funding a cushion while in start-up mode
- volunteer/member base
- labour (seasonal/part-time)
- supports regional economic development
- profits are invested in community/food hub model
- supports inclusive food systems
- value-driven organizations are centre local/sustainability
- allows producers to scale-up



EVALUATION OF FARMERS' MARKETS AS FOOD HUBS

Weaknesses:

- volatile funding environment
- funding limits/restrictions
- traditional financing for start-up difficult
- volunteer programs are challenging
- business models can quickly become complex
- overhead grows with the complex model:
 - infrastructure for cold/dry storage, processing, distribution
 - office space, staff (bookkeeping, web, marketing, etc.)
 - sales/retail space/equipment/technology
- consumer demand convenience
- cost of logistics in serving rural communities (half-empty truck)



EVALUATION OF FARMERS' MARKETS AS FOOD HUBS

Opportunities:

- success is built with strong business plan
- diversify revenue, focused on long-term sustainability
- collaborate with other food hubs, farmers' markets
- consult with diverse community stakeholders
- create demand: support local procurement policies
- partner with local food movement
- technologies; accounting, logistics, operational, financial data



EVALUATION OF FARMERS' MARKETS AS FOOD HUBS

Threats:

- upturns and downturns of funding cycles
- overdependence on external funding
- start-up grants mask losses
- managing demand/supply, profitability with the seasonality
- labour (seasonal/part-time)
- balancing financial goals versus social (stronger, just local food systems)
- balancing prices to meet producer and consumer needs/expectations
- competition with traditional food businesses
- profitability can be slow to achieve

EXAMPLE 1

Vancouver Farmers' Markets - VFM Direct

- non-profit
- direct to restaurants, food service, retail, and institutions
- virtual platform supports producers to sell local food online
- delivers within Metro Vancouver on Tuesdays and Thursdays



EXAMPLE 2

Cowichan Valley Online Farmers' Market (aka "Cow-op")

- farmer-led, not-for profit, cooperative
- direct to consumer
- virtual marketplace
- operates year-round
- orders online Fridays and Tuesdays
- food is aggregated weekly at a local farm
- centralized drop-off in Duncan, Victoria



EXAMPLE 3

Farm Fresh Rhode Island

- non-profit food hub in New England
- operates summer, winter farmers' markets
- Mobile Market supports producers to reach wholesale buyers
 - producers use platform to sell products online
 - wholesale buyers shop online year-round
 - Mobile Market delivers orders



EXAMPLE 4

Kootenay Farms Marketplace

- direct to consumer
- virtual marketplace
- online orders on Monday
- food is aggregated weekly at farm
- Wednesday afternoon order pick-up



EXAMPLE 5

Red Tomato

- non-profit, multi-structured food hub
- based in Massachusetts
- local food to wholesale
- does NOT own truck fleet or warehouses
- supply chain coordination for farmers, chain store, truck local food to retail
- collaborative to maximize stakeholder's biz





BARRIERS TO ESTABLISHING FOOD HUBS

- funding limits and high start-up costs
- low margins
- non-profit burnout
- no champion, no leader
- Under-resourced
- need additional business supports/training
- other ideas/concerns?



WHAT WE DO NOW

- customer distribution; pick-up locations
- direct sales & marketing channel for agri-food vendors
- business incubator for agri-food businesses
- food & agriculture knowledge sharing



HUB CREATES OPPORTUNITY?

- market evolves to permanent, year-round
- creates win-win opportunity?
 - hub gets a kitchen, processing equipment
 - market has secure site for market days/times



HOW TO MAXIMIZE EXISTING?

- be part of hub conversation
- farmers' market is local food retail channel
- direct sales, marketing channel for agri-food vendors
- collaborate with existing online markets
 - farmers' market as pick-up location
- develop online e-commerce option
 - with advance ordering/purchasing options



BUSINESS & KNOWLEDGE INCUBATORS

- Farmers' Markets are incubators
 - launch, test products, grow agri-food businesses
 - cultivate partnerships with economic/business development
- Food & agriculture knowledge sharing
 - offer opportunities to educate
 - share knowledge with consumers
 - food demos, seedy Saturdays



MAKE THE CASE

- make the business case
 - demonstrate existing value
 - offerings, points of collaboration
- leverage to attract
 - food hub equipment/infrastructure
 - investment in farmers' market



SUMMARY

- hub definition
- hub types
- opportunities, barriers
- next steps

**THANK YOU
BC FARMERS' MARKETS**



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