

# Scaling up local foods: systems thinking about the move from direct to wholesale marketing



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Our Farms Our Future: The Next  
30 Years of Sustainable Ag

USDA-SARE

St. Louis, MO April 3, 2018

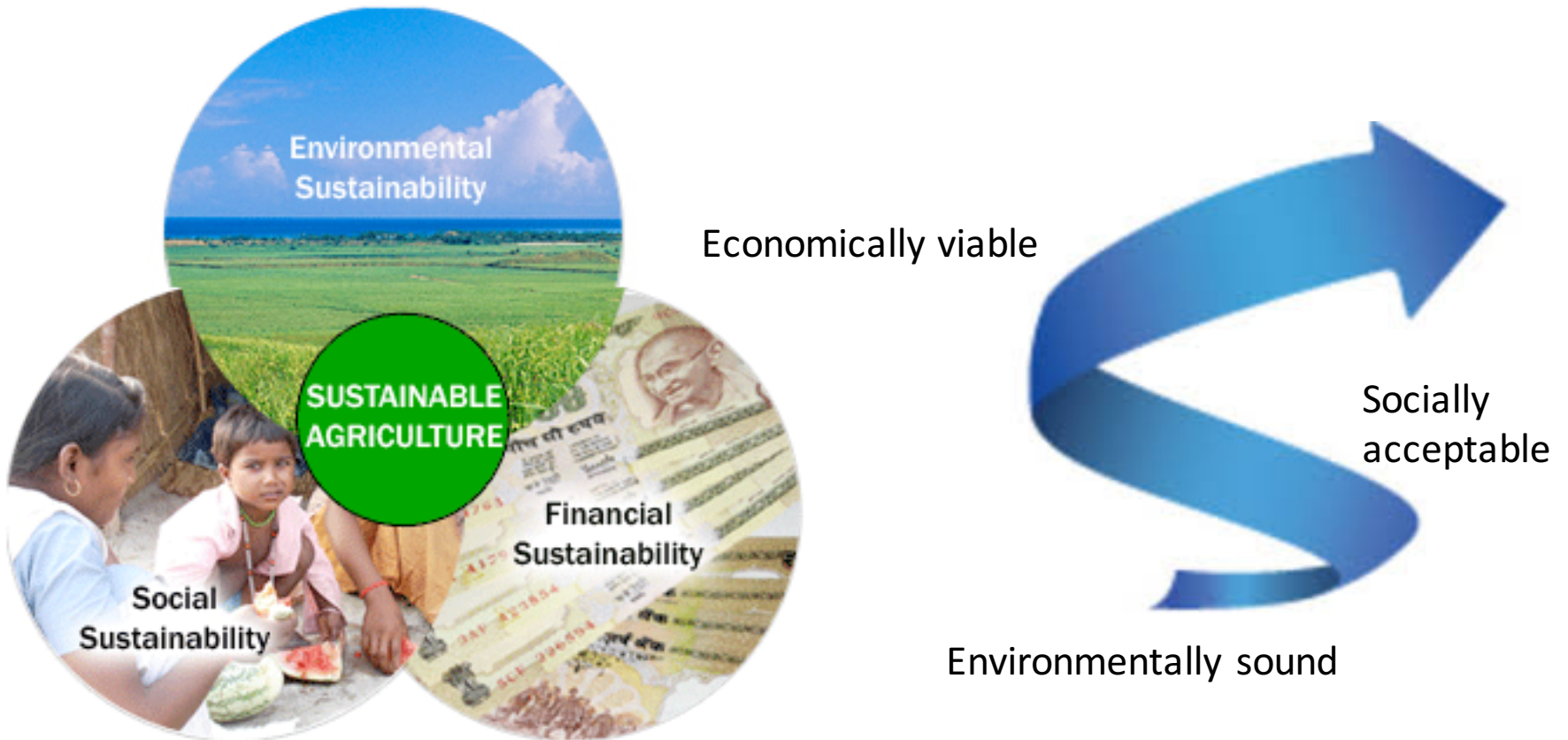
Environmental  
Sustainability

**SUSTAINABLE  
AGRICULTURE**

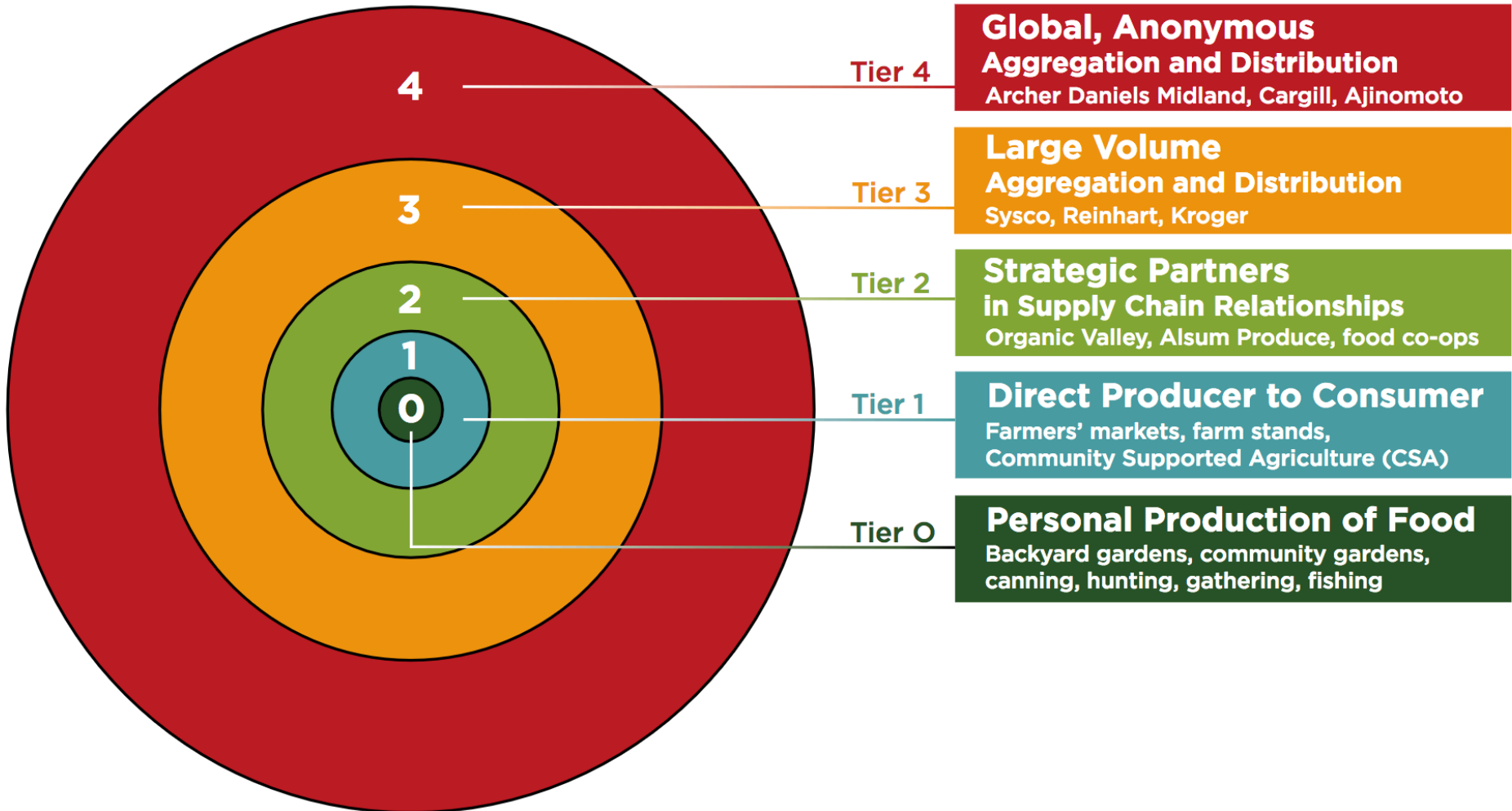
Financial  
Sustainability

Social  
Sustainability

# Sustainability as an emergent property



# Tiers of the Food System



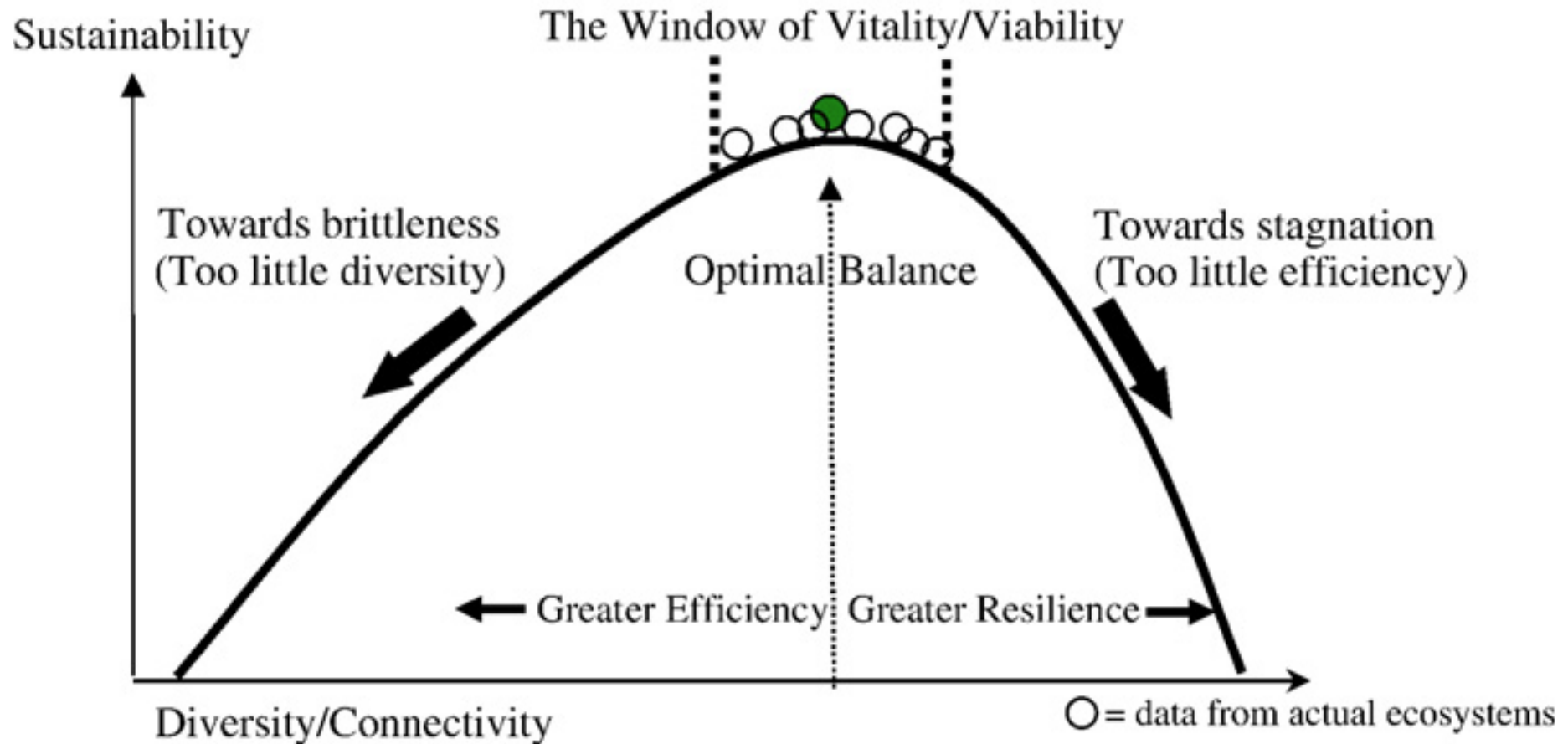
# Scaling up & profitability

- Farmers with sales < \$75k are reliant on off-farm income.
- Farmers with sales \$350k-\$1m: half show positive returns and the top quartile are making 42% ROA.
- Farmers selling over \$1m: 75% are profitable, with top quartile making 65% ROA.

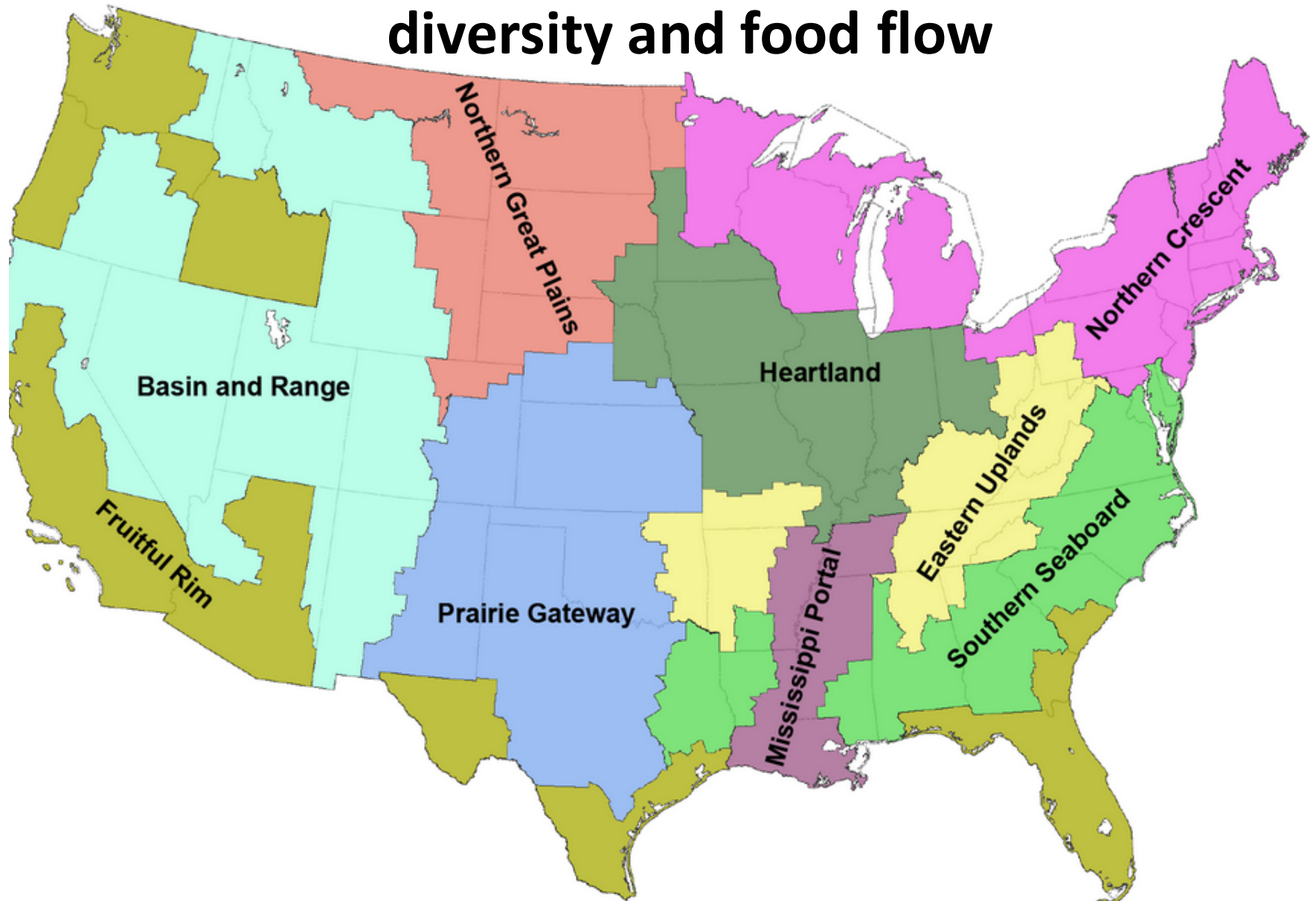
**Farmer-identified barriers  
to scaling up**

**Transportation & Labor**

# High Leverage Point – Opportunities to optimize both efficiency and diversity

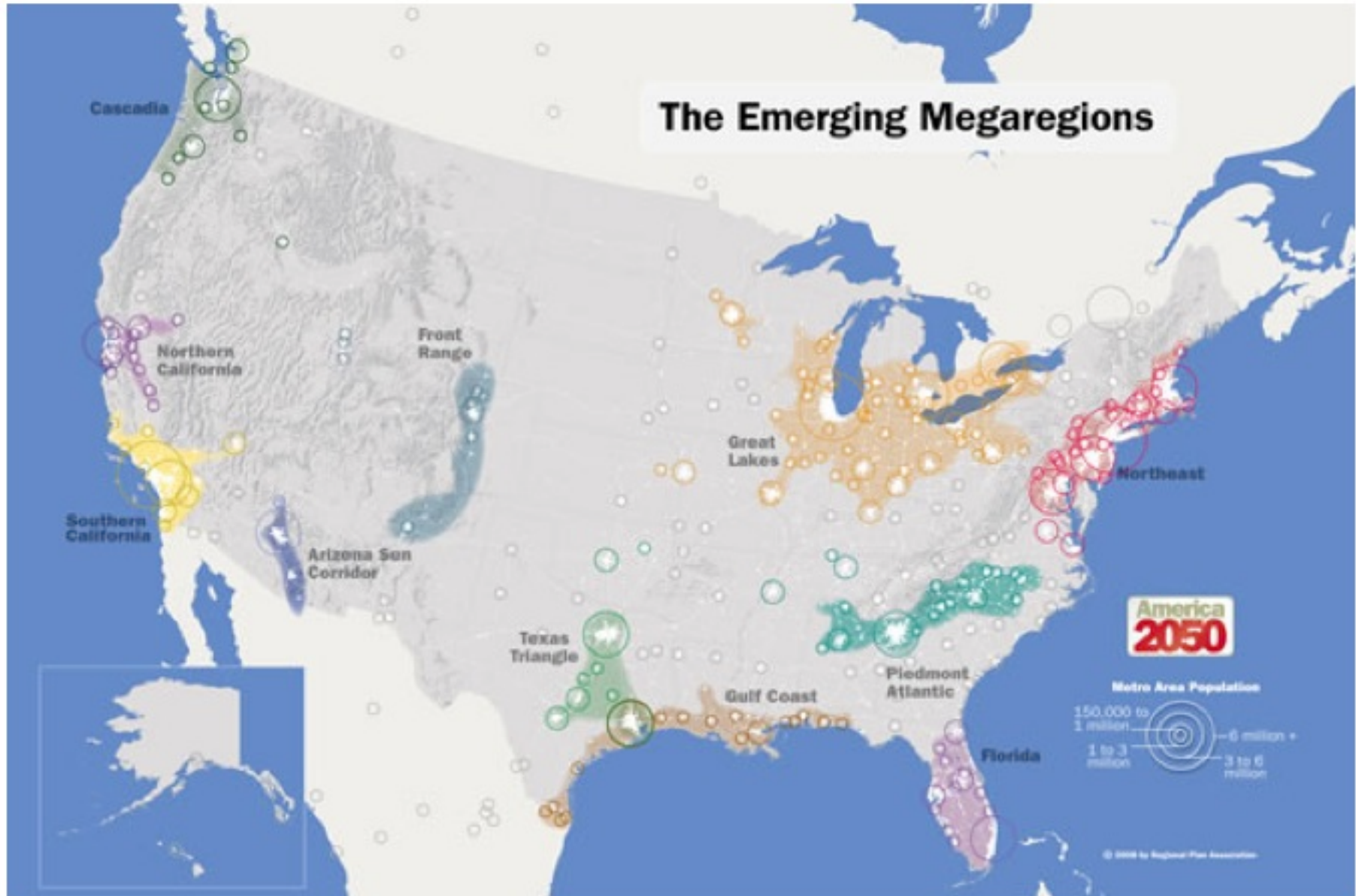



# Critical threshold in sustainable wholesale food systems: cropping diversity and food flow





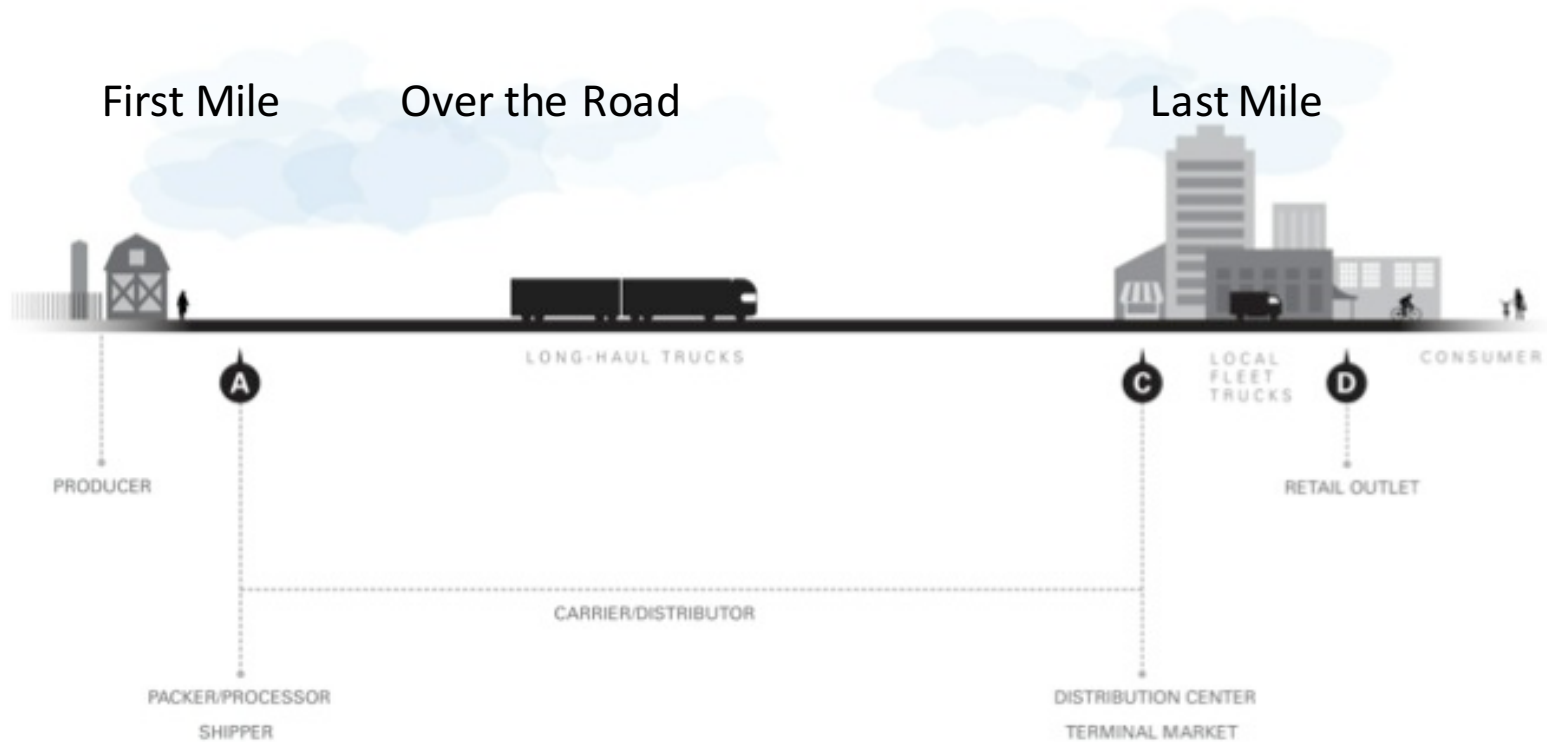
# Critical threshold in sustainable wholesale food systems: distance to market





**The food distribution system is insufficiently organized to meet changing rural and urban settlement patterns.**

# Sustainable wholesale food systems: Terminals and trip segments



One shipper to one terminal, 1 or many buyers?

# Farmers must make money

- Farmers with sales < \$75k are reliant on off-farm income.
- Farmers with sales \$350k-\$1m: half show positive returns and the top quartile are making 42% ROA.
- Farmers selling over \$1m: 75% are profitable, with top quartile making 65% ROA.
- Within 200 miles of single drop point
- Enough production to fill 53' trucks
- Enough diversity for healthy soil
- Enough efficiency to streamline farm labor
- Other??

# **Truckers and wholesale buyers must make money**

- Regular hauling and buying contracts
- Full trucks
- 1-day runs (no overnights)
- One point of delivery
- No road congestion
- Trip-segment specific engineering
- Affordable cold storage space
- 1-truck delivery to buyer
- Wholesale market within 50 miles of buyers

# Transportation summary

- Efficiency – Diversity sweet spot
- Systemic critical thresholds
  - Adequate diversity for flow
  - Distance to market
  - First-last mile delivery
  - Product quantity to fill trucks
  - Infrastructure for market access
  - Relationships & trust
  - Small supply chains
  - Independent ownership

# Food Chain Labor

- **Farm labor, including the farmer's labor & hired labor**
- Supply chain labor, including truck drivers, warehouse workers, retail workers
- Food service workers, including processing, restaurant labor
- What is decent work in agriculture?
- What is domestic fair trade?
- Is farming skilled or unskilled labor?
- Is labor organized or unorganized?
- What is the role of public policy?

# FARMER-LABOR COOPERATION RATHER THAN CONFLICT

## MUTUAL GOALS

- Fair share of national income ~
- Full value for dollars spent ~
- Equitable tax system ~
- Protective legislation ~
- Peace, Democracy, Security



## SUPPORT THE LABEL

This label can be granted to any concern that supports organized Farmers and Workers ~

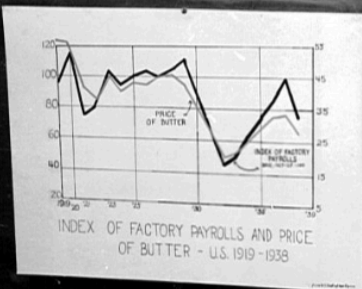
Ask for it on farm products

HOW TRAP

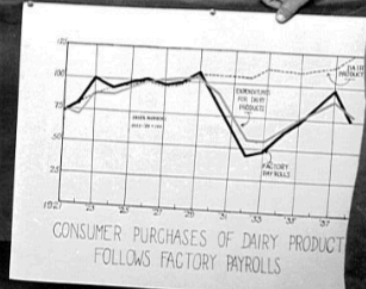
soil:  
line  
is  
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Heavy soil  
White spruce  
White cedar  
Ash  
Red maple

Variety in planting prevents  
loss of whitethroat by disease  
epidemic



CHIPPEWA CO.  
FARMERS EQUITY  
UNION JUNIORS



Guttenstein  
C-6572



# FAO definition of decent work for farmers and farm workers

**full time employment** - seasonal labor, uncertain work shifts (too long or short), and no career ladder are less desirable jobs

**social protection** - health care, especially for workers who are in physical, often dangerous, jobs like agriculture

**safe working conditions and protections at work** – including a fair wage, enforcement of rules

**governance and social dialogue** - ability to have some say in what happens in the work place

# Domestic Fair Trade Case Studies

1. Organic Valley and supply chain partners
2. Fight for \$15 campaigns
3. CSA vegetable farms in the Upper Midwest
4. Dairy Grazing Apprenticeship
5. Milk with Dignity campaign in the Northeast
1. Good Food Procurement policies

# “Low skill” ag workers

- Average national wage about \$10/hour
- Midwest \$11 – NE \$9.20
- Livestock workers make 50% more (more hours, better pay, year round employment)
- Crop workers make less and have fewer hours
- Women farmworkers earn 54% less than men and paid 13% less – w/o children 30% less
- Other compensation?

# Who determines the labor skill ladder?

- Successful business operators create the curriculum
- Unions participate in setting standard wages for journey workers
- Apprentices make half the journey worker wage
- BUT in agriculture, there is no union, and most modest size farmers don't know their salary, and sustain substandard working conditions throughout their careers

# Certifying farming skills to value farm labor



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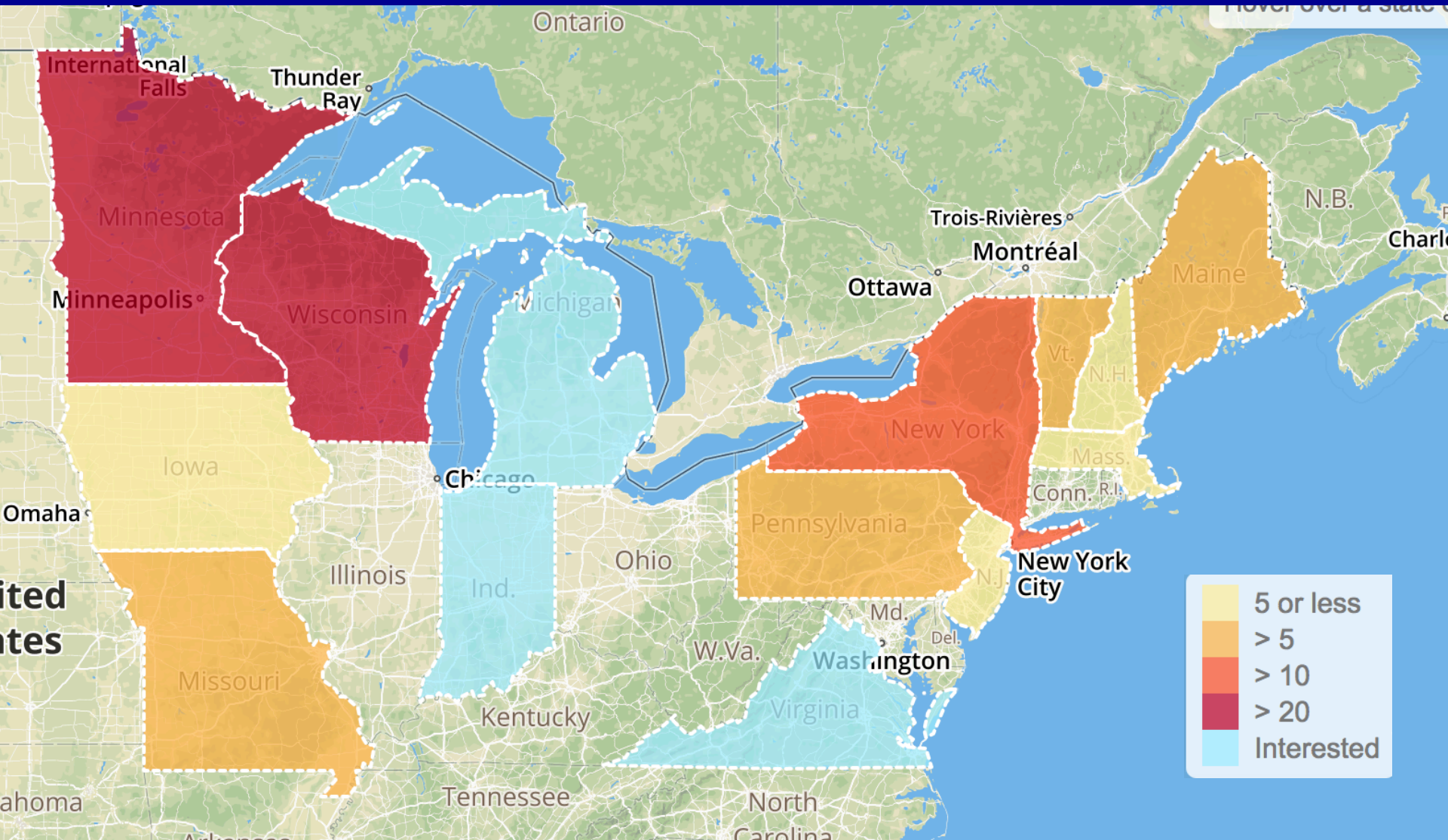
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**YOUR  
FUTURE IS  
THE  
FUTURE  
OF DAIRY**

# States with farmers interested in hosting an apprentice





# National Ag Apprenticeship Learning Network

**New Entry works in partnership with commercial farms and organizations coordinating apprenticeships and other on farm learning opportunities across the country to build an active learning network for Ag Apprenticeships.**

To stay informed about this evolving work, please subscribe to the [National Ag Apprenticeship Listserv](#).

**The work of this network is geared towards formalizing a set of shared standards or best practices for meeting the learning goals of ag apprentices looking to gain management and production skills on commercial farms.**

New Entry and partners will accomplish this goal by fostering coordination between diverse apprenticeship training programs; sharing best practices, knowledge and resources; coordinating local and regional training-of-trainer efforts for farm educators and mentors; and fostering peer-to-peer dialogue with similar programs across the country.

# Coalition building for workplace conditions, negotiation strength & governance





# Public policy to support labor standards

## Good Food Purchasing Program









**WISCONSIN**

**FOOD**

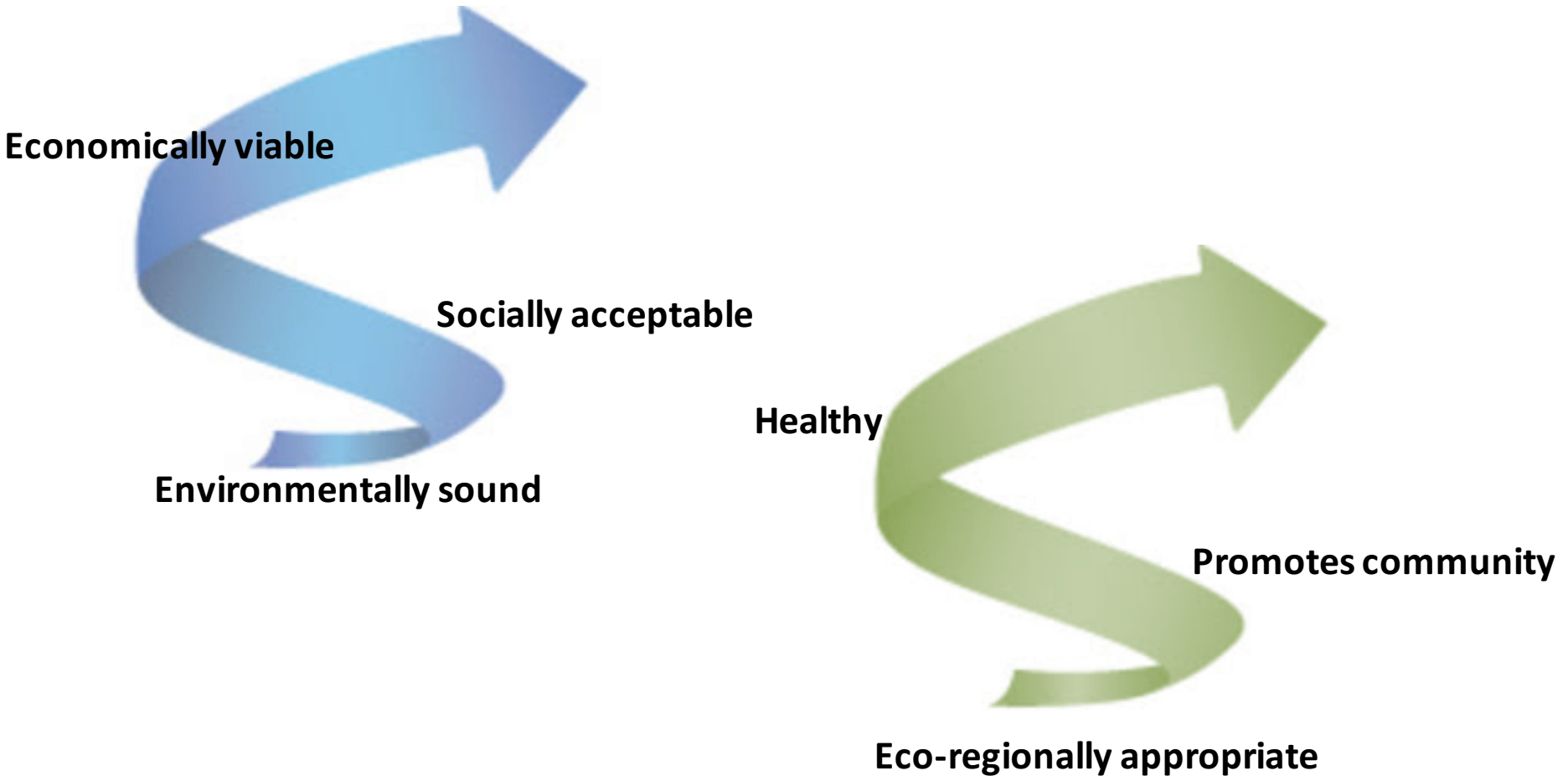
**HUB**

**COOPERATIVE**

# Proof of concept: Ontario Food Terminal



# Sustainable agriculture redefined



# Thank you.

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