



New Study Explores Innovation and Opportunities for Diverse Local Food Distributors

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WASHINGTON, March 16, 2012 –Today, Agriculture Deputy Secretary Kathleen Merrigan released a new report on the distribution practices of eight producer networks and their partners distributing locally or regionally-grown food to retail and foodservice customers. The report, entitled *Moving Food Along the Value Chain: Innovations in Regional Food Distribution*, shows how these networks tap into the growing commercial demand for local and regional food products while creating additional economic opportunities and expanding healthy food access.

"The Obama Administration is committed to putting Americans back to work and to revitalizing our rural agricultural communities, and one way to do that is through the expanding local foods movement which provides new economic opportunities for farmers and producers across the country," said Merrigan. "This report provides powerful lessons on how groups of local and regional farmers are collectively distributing their products to grocery stores, restaurants, hospitals, schools and universities in a cost-effective and efficient way."

The study details how these organizations help local and regional producers overcome bottlenecks in the food marketing system through collaborative and transparent planning and adherence to a shared set of operating principles. By sharing lessons learned and best practices, the new study serves as a resource for producers, food processors and marketers organizing to supply local and regional food products to commercial customers.

To compile the report, USDA's Agricultural Marketing Service (AMS) studied each of the eight network models over a three-year period. The eight models were La Montanita Co-op (New Mexico), Oklahoma Food Cooperative (Oklahoma City, OK), The Wedge Cooperative (Minneapolis, MN), Red Tomato (Boston, Massachusetts), Community Alliance for Family Farms (Davis, California), New North Florida Cooperative (Marianna, Florida), Appalachian Sustainable Development (Abingdon, Virginia) and Minnesota Food Association (Marine on St Croix, Minnesota). AMS looked at network organization, product branding and labeling, infrastructure management, and price negotiation.

The report identified four factors that influenced performance across all the case studies:

- The amount and timing of investments made in infrastructure are vital to the success and survival of food value chains;
- Preserving the identity of growers on product labels is critical for connecting with consumers, distinguishing the product from the competition and providing traceability;
- Informal farmer networks can offer additional flexibility for suppliers and buyers and allow food value chains to be highly responsive to the shifting demands of specialty food markets; and
- For-profit businesses, nonprofits and cooperatives all have unique strengths. By partnering with each other within food value chains they can leverage organizational competencies and reduce the risk of failure.

The study amplifies the successful local and regional investments detailed in USDA's Know Your Farmer, Know Your

Food (KYF) Compass. The [KYF Compass](#) is a digital guide to USDA resources related to local and regional food systems. The Compass consists of an [interactive U.S. map](#) showing local and regional food projects and an [accompanying narrative](#) documenting the results of this work through case studies, photos and video content.

A large selection of USDA-supported programs and projects is also visible on the [KYF Map](#), which can be displayed by theme, program, or recipient type. Both the [KYF Compass](#) and map will be regularly refreshed with new data and case studies.

Download the complete report: [Moving Food Along the Value Chain: Innovations in Regional Food Distribution](#) or visit www.ams.usda.gov/WFMPublications to learn more.

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