

Building Success of Food Hubs - Through the Cooperative Experience

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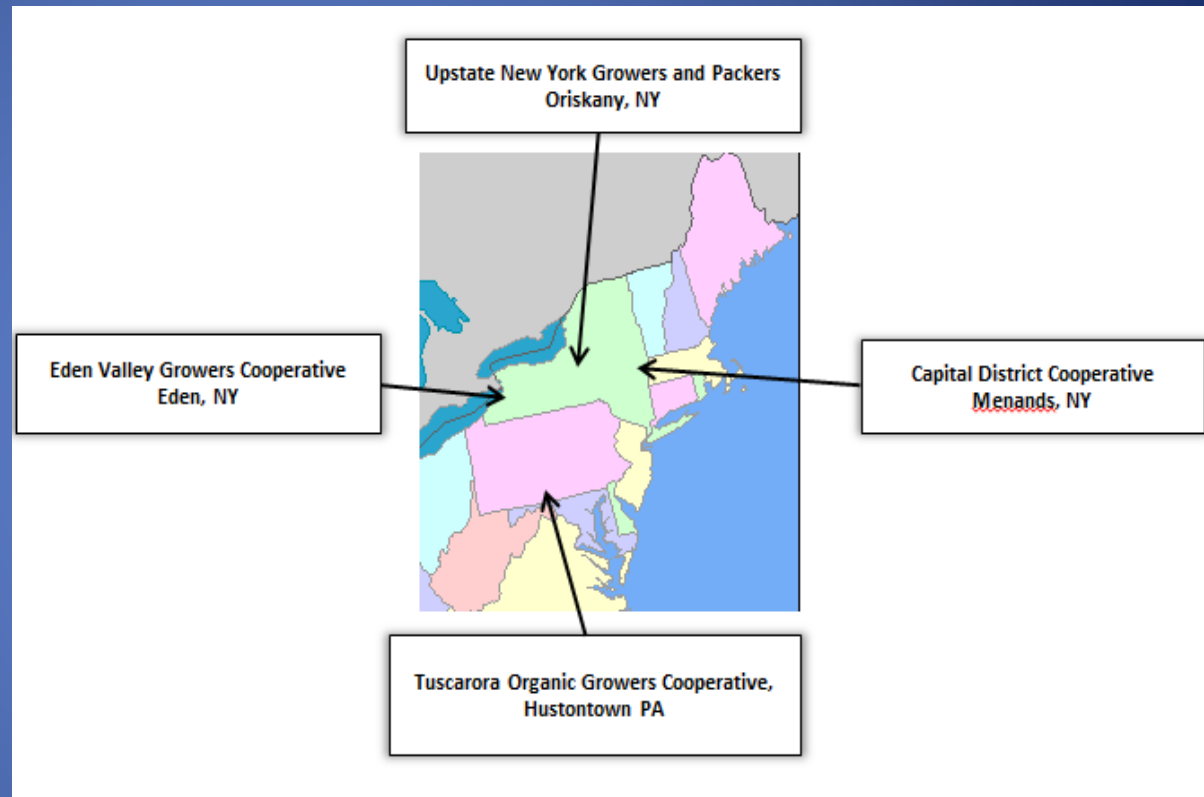
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Case study approach

- BEST PRACTICES

- Aggregation
- Marketing
- Distribution



About the case studies:



Tuscarora Organic Growers, Inc. (1988/93)

44 members

\$3.3 million sales

~2 managers, 12-15 seasonal



Eden Valley Growers, Inc. (1956)

10 member farms

\$6.6 million sales

~4 full time, 12 seasonal



Upstate New York Growers & Packers (2004)

18 members

\$1.3 million sales

0.2 FTE contract mgt., 25 seasonal



Capital District Cooperative (1933)

115 members

\$850,000 (rental)

2.25 (contracts facility mgt.)

Key challenges

- Balancing supply and demand
- Consistent product quality & food safety standards
- Aggregating sufficient quantities offered at competitive prices
- Changing consumer preferences
- Accessing infrastructure resources at competitive prices
- Aligning farmer, cooperative, and buyer needs



Understanding demand

- Contractual agreements unlikely
- Off-season conversations
- Notification when necessary
- Assertive staff

What are the margins? How soon will we be paid?



Understanding supply

- Pre-season commitment plan
- Shortfalls
- Industry standards
- Food safety
- New products
- Aggressive staff

**Can we do
this well?**



Infrastructure requirements

- Timely deliveries for buyer satisfaction
- Facilities configured for product needs
- Facilities aligned with present & future use considerations
- Weigh investment vs. contractual means to secure resources
- Expansion & investment – slow and incremental



It's really about people!

Members recognize the competitive nature of the customer base and make adjustments as needed to keep markets satisfied.

There are no secrets in the produce business. Your reputation is critical!

Truck drivers have to personable and service oriented as they interface with staff and buyers.

Members have to trust that management and the organization is working to achieve the greater goal.

Managing expectations of the farmer is critical to maintain the relationship between the cooperative and its members.

We have a very aggressive staff on the phone to make sure product is sold and that product is delivered.



For more information

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