Nebraska Food Cooperative
Business and Strategic Plan

Mission Statement

To foster a local food community and promote a culture of stewardship by cultivating farmer-consumer relationships, promoting the enjoyment of healthful food, increasing food security through diversity, and enhancing overall rural sustainability.

Guiding Principles *(proposed)*

The Nebraska Food Cooperative's guiding principles are based upon the seven principles set forth by the International Cooperative Alliance:

Voluntary and Open Membership:
Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without age, income, gender, social, racial, political, or religious discrimination.

Democratic Member Control:
Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as board of directors are accountable to the membership.

Members' Economic Participation:
Members contribute equitably to, and democratically control, the capital of the cooperative. The economic benefits of a cooperative operation are returned to the members, reinvested in the co-op, or used to provide member services.

Autonomy and Independence:
Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

Education, Training, and Information:
Cooperatives provide education and training for their members, elected representatives, managers, employees, and volunteers, so they can contribute effectively to the development of their cooperatives. They inform the general public about the nature and benefits of cooperation.

Cooperation among Cooperatives:
Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

Concern for Community:
While focusing on member needs, cooperatives work for the sustainable development of their communities through policies approved by their members.

About Cooperatives and NFC *(proposed)*

A co-op is any group of people who pool their resources to get what they need. Although most of us are familiar with natural foods, electric, or farm cooperatives, a co-op can be any kind of business or service. When people want something that is not available in the marketplace, the cooperative principles framework can help them get what they want.

Cooperation is a powerful tool that communities can use to create stable economies, meet local needs, and even change the way business is done.

What makes a co-op unique is that it is owned by the membership. Regardless of how much equity a member contributes, each member has only one vote and equal say. Although a co-op needs to remain profitable to remain in business, the business also exists to serve the community, not solely to make a profit for its shareholders.

The natural food co-ops are an amazing co-op success story. In the 1970s, thousands of people became interested in organic, natural, and unprocessed basic foods that were not readily available in grocery stores. Communities organized cooperatives to get these products. They built connections with local producers and vendors, and experimented with forms of management and membership structures.

Through their efforts over many years, we now have a thriving organic and natural foods industry that is providing a market for producers who want to use earth-friendly and sustainable farming methods. Urban and rural folk have developed new bonds while consumers around the globe have grown more aware of their power to transform society through the products they purchase every day.

The Nebraska Food Cooperative is a producer/consumer cooperative. Producers and consumers become owners by purchasing a voting membership. They exercise their ownership primarily by electing their fellow members to the board of directors, which provides oversight to the general manager. The management and staff handle daily operations, while volunteer site coordinators host sites at various locations around the state. The board and management report to the members on the state of the business at the annual meeting every fall.

In operation since 2006 serving the retail market in the eastern third of the state, NFC is now expanding statewide and adding institutional markets to its core business model.

SWOT Analysis (Strengths, Weaknesses, Opportunities, and Threats):

STRENGTHS *(What does NFC do well?)*	**WEAKNESSES** *(What can NFC improve upon?)*
• Understand ag in Nebraska • Online software • Online marketplace • On-hand IT volunteer • No debt • Name recognition among the local crowd • Money in the bank • Local foods is big right now (and hopefully from now on) • Functioning distribution network – not just ideas on paper • Experience under our belt • Distribution including logistics person, truck, and great driver • Dedicated logistics coordinator • Dedicated group of Board members/volunteers • Conscientious driver • Committed producers • Committed customers • Committed board • Awesome general manager!	• Small number of dedicated board members and volunteers • Single point of failure with one driver, one truck, and one IT volunteer • Organization doesn't fully understand food storage and handling • Old truck with some issues • Need to grow both producer and consumer sides simultaneously • Less-than-ideal relationship with Lone Tree and CfRA • Lack of written and measurable goals • Just learning how to survive as a professional organization, ie, with paid staff • Have a number of places where we are dependent on a single individual ...ie, a bus factor of one • Going through an adjustment phase • Don't have a good transportation fleet • Difficulty aggregating for larger customers • Big ideas & very little money to work with--need better planning • Finite capital in the bank – one shot to get it right

OPPORTUNITIES *(What do you see as NFC's new direction?)*	**THREATS** *(What would impede these new Opportunities?)*
• Untapped market: individual and institutional • The rest of the state • Stores • Serving as producer/consumer broker matching supply and demand • Schools • Restaurants • Possible collaboration with Tomato Tomato • Other producers • Local food movement • Institutions, Farm to School especially • Increased desirability of small family farms • CSAs within NFC • Becoming an aggregator • Food safety incidents in industrial ag	• Unforeseen regulatory issues • Pesticides • Overspray • Outside competition, ie, Bountiful Baskets, Lone Tree • GMOs • Fuel cost • Equipment breakdowns • Emergencies that eat away at our savings or bad planning that eats away at our savings • Decline of the family farm • Climate change • Changes in social direction • Availability of conscientious labor • The rest of the state

SWOT Contributors: Randy, Stephanie, Gary, Roy, Caryl

Strategic Plan Methodology

In order to clearly lay a foundation for NFC's direction, it is important to identify the needs and perceptions of Nebraska consumers, producers, and institutions. Coincidentally, the Center for Rural Affairs has just published their findings of such a study that was developed in the spring and summer of 2013, named "Regional Food Systems in Nebraska".

Several NFC board members (past and current) and NFC producers along with 375 non-NFC consumers, producers, and institutions (mainly schools) participated in a survey, five focus groups of 58 participants, and ten individual interviews and case studies for this Nebraska 'local food' study. The findings from the study validate NFC's approach that moving into the wholesale arena is critical for the success of our organization.

With this study as a basis, I will lay the foundation for NFC's next steps. NFC is doing a lot right, but we have many opportunities ahead of us that will propel us to new heights. Collaboration, with other local food groups, is key to developing a solution that will meet the needs of consumers, producers, and institutions.

Initial Findings

Of the $4.4 billion that is spent on food in Nebraska annually, per the local food study, only 10 percent of that money stays in the state. Consumers showed a willingness to pay slightly more for local food – up to 10 percent more, but after that 10 percent, their willingness decreases.

To become a sustainable organization, NFC must:

- achieve economies of scale
  - expand our retail market across the state
  - develop a state-wide wholesale institutional market (restaurants, small grocery stores, nursing homes, hospitals, schools, etc.)
  - recruit more producers (fruit and vegetable producers, especially year-round producers; value-added products producers; dairy, specialty meats, and baking products)
- focus on core business model
  - ordering system
  - transportation model
- collaborate with like-minded groups and develop partnerships
- grow our marketing capabilities
  - through tabling, conference presentations, and interest meetings for both consumers and producers
- develop cooperative outreach opportunities
  - education
  - local food culture

Key Conclusion of the "Regional Food Systems in Nebraska" Study

(See Appendix A for highlighted excerpt (that ties to NFC's business model) from the CfRA August 2013 report)

According to Jon Bailey with the Center for Rural Affairs, the facilitator of this study, "It is clear from the survey results and the focus groups that all three groups (farmers, consumers and institutions) will need to collaborate to make regional food systems in Nebraska a viable reality. Those involved in developing regional food systems also have questions to address for future viability. In our view what is needed to bring about this collaboration includes:

> **An issue that was not discussed much in either survey responses or focus groups was the issue of distribution. In a state like Nebraska, geography is crucial to feasible distribution. As it relates to food systems, geographically challenged or remote communities could include almost any community outside of Omaha and Lincoln, or any other population center. If regional food systems are to be viable in more geographically remote communities, questions of distribution and aggregation must be discussed and dealt with."**
>
> **Quotes from study participants:**
>
> "Demand exists among consumers, but the market (or at least the perception of the market) may be lacking."
>
> "A large majority of producers are interested in expanding their capacity and are interested in participating in a regional food system."
>
> "Few institutions currently serve 'local' food, but institutions in the Omaha and Lincoln area are quite interested in expanding their use of 'local' products.

“Need to develop compelling reasons to purchase 'locally', ie, health benefits, locality, supporting local farmers, etc.”

“Both institutions and producers stated that they need assistance on developing contacts and connections with each other.”

Jon Bailey further states that this last quote is THE KEY to achieving a successful regional food system in Nebraska.

NFC currently makes a solid connection between consumers and producers. Moving into the institutional arena is critical, and NFC is poised to implement a state-wide distribution system, thus meeting the needs of all of these players.

NFC's Competitive Advantages

In the subsequent section, colored comments are derived from the 'Regional Food Systems in Nebraska' study. The complete study is attached as Appendix A.
BLUE = Consumer comments; **GREEN** = Producer comments; **PURPLE** = Institutional comments (mainly schools)

NFC's CURRENT Business Model that Addresses Consumer Concerns *(from 'Regional Food' study)*:

Consumers often feel uncomfortable at farmers' markets, as they feel compelled to purchase or leave.

- NFC's site provides a layer of anonymity
- There is no pressure to purchase, since it is available online (from any internet connection)

Concerned that producers are using 'common vehicles' to move products to farmers' markets:

- NFC uses commercial trucks/trailers that are equipped with a commercial refrigeration/freezer unit.

Farmers' markets are not accessible, hours are wrong, locations do not meet consumer convenience:

- NFC consumers may shop from the comfort of their home, whenever the cycle is open (currently, 7 days)
- Multiple customer pick-up sites are geographically spread out with 3 pick-up sites in Lincoln and 9 pick-up sites in the Omaha metro area (Omaha, Bellevue, Gretna)
- Currently, 15 pick-up sites are located in geographically remote communities across Nebraska (Auburn, Beatrice, Blair, Columbus, Fremont, Fullerton, Grand Island (2), Norfolk, North Platte, Ogallala, Seward, Unadilla, West Point, York), from Auburn in southeast Nebraska to Norfolk in northeast Nebraska to Ogallala in western Nebraska

Consumer education about local food is lacking:

- Since January 2014, NFC has published a monthly newsletter to its membership that includes: 'local food' topics, recipes, producer profiles, membership announcements, and more
- Prior to that, NFC published a member newsletter from 2009 until 2011.

Frustrations focused on selection of food products and choices:

- NFC offers a wide variety of food and non-food products in small and/or large quantities:
    - meats (beef, pork, turkey, chicken, goat, lamb, rabbit, quail)

- dairy (milk, eggs, butter, yogurt, cheese, ice cream, kefir)
- vegetables (mostly, in season)
- fruits (in season)
- jams, jellies, honey
- grains (whole grains, flour, granola, breads, pastries, desserts)
- beverages (coffee, tea, fermented drinks)
- herbs (dried and fresh)
- nuts and seeds
- condiments (dips, sauces, salad dressings, salsa, seasonings)
- personal care products (soaps, deodorants, hair care, skin care, etc)
- household supplies (laundry products, household cleaners
- animal feed
- live plants

Large majority of consumers believe supply of producers is difficult to find:

- Currently, NFC lists products from 34 producers
- NFC is constantly sourcing new producers
- Since July 2014 eight new producers have listed with NFC
- Some producers temporarily suspend listing with NFC during summer months to focus on CSAs or farmers' markets and then relist during the fall, winter, and spring *(One vegetable producer had opted to sell a large number of CSA shares and wondered why his NFC sales were so low. Once he listed more products on NFC, his sales went up dramatically.)*

NFC's CURRENT Business Model that Addresses Producer Concerns *(from 'Regional Food' study above)*:

Transportation has been a primary issue for producers:

- NFC has been successfully transporting Nebraska-local products since 2006; to date, 8 years

Opportunity to make more money by removing the middleman from the selling process:

- NFC producers set their own prices for products sold through NFC
- NFC producers receive **100% of the prices** that they set

Producers want more exposure to local consumers:

- Over 1800 members are currently registered with NFC
- In the first six months of 2014, NFC had an average of 76 orders per cycle (cycle count between 64 and 85 orders)
- From July through November, NFC had an average of 82 orders per cycle (cycle count between 60 and

109 orders)

- Since mid-summer, NFC has gained exposure to more customers
- With a full-time staff person and a part-time wholesale account representative, the number of wholesale accounts will increase, but only if a sufficient number of producers have the available products
- NFC expects to continue growing the consumer (retail and wholesale) sales
- NFC producers can rely on NFC to market to wholesale and retail markets for them.

Producers cited satisfaction from seeing customers liking the food they purchase:

- NFC producers have easy access to their customers via email and phone
- NFC customers have easy access to each producer (phone and email)
- Specific farming practices are defined by each NFC producer, so customers know exactly how their food is raised/grown

Consumers knowing how to cook the local food products they purchase:

- Some NFC producers include recipes when their product is transported to the customer
- NFC publishes 'local food' recipes, on occasion, in the monthly newsletter

Producers who are interested in expansion face the ultimate question: should I scale up now or wait for a market to grow:

- As NFC expands its retail market across Nebraska, the market is available.
- NFC intends to increase its market by providing local food to institutional customers (restaurants, small grocery stores, schools, hospitals, nursing homes, coffee shops, etc)
- Schools in Nebraska are becoming more and more interested in local food
- Schools, and other institutions, desire year-round fruit and vegetable availability
- You grow it; NFC will market it.

Concern that expanding operations will require them to search out customers:

- Targeted emails will be sent to NFC's established base of 1800 retail members updating them on new locations and new products
- Interest meetings will be held in geographically remote communities to increase NFC's regional presence
- Many of these members signed up in its early days of operations. Now that a full-time staff person can focus on re-connecting with these members, producers don't need to worry about finding customers.
- NFC currently has customers (wholesale and retail) who desperately want year-round produce availability

Believe that relationships are the biggest and most important component:

- NFC producers and customers have easy access to each other and may reach out as best fits their schedules
- Use NFC technological solutions (some currently existing) to bridge access between producers and customers

Concern that the customer numbers are too low in the rural areas to be successful:

- The largest segment of NFC membership is in the Omaha metro area at 53% of total NFC membership
- The second largest segment of NFC membership, at 33%, is geographically remote communities (non-Lincoln, non-Omaha).
- Lincoln is the third largest segment of NFC members at 14%
- NFC will selectively distribute to high-interest market areas, both urban and rural

Feel that the high turnover of the farmers' market managers causes problems with new staff not knowledgable about all aspects of the producer's operation (growing, packaging, marketing, expansion, etc):

- Previously working from a volunteer base (except for one paid driver), NFC now employees a full-time general manager, a part-time logistics coordinator, three part-time drivers who have active membership in NFC and have purchased from NFC at least twice in the past 12 months.
- Continuity between staff has been seamless due to the fact that six of the 10 original incorporators remain heavily involved as current board members
- The collective knowledge base of NFC's volunteers (who have steadfastly contributed for the last 8 years) and paid staff is very high in regards to all aspects of food hub distribution and producer operations.
- The general manager has not only a strong organizational and management background, but she also has marketing experience and specific farm to school experience

Challenge 'going public', ie, tying your face and name to your product:

- NFC producers don't have to worry about 'going public' in a physical setting.
- Their products are *electronically* tied to their business

Challenge of marketing- Top Need (per Regional Study):

- NFC producers don't need to focus on marketing as we do that for them
- NFC producers can focus on what they do best: growing crops, raising animals, and developing value-added products

Need experts in marketing and sales, especially to institutions:

- NFC's part-time wholesale account rep and general manager focus on marketing to institutions
- Since NFC's business model includes marketing, NFC producers can instead focus on what they do best as farmers/growers

Underdeveloped markets:

- A lot of opportunity exists here for NFC, since approximately 300 members actively read NFC newsletters and order on a sporadic basis
- Targeted emails will be sent to NFC's established base of 1800 retail members updating them on new locations and new products

- Interest meetings will be held in geographically remote communities that are strategically located near institutional rural accounts (ie, schools) to increase NFC's regional presence and profit margin.

Stucture is mostly dependent on volunteers and individual operations:

- Unlike farmers' markets in various cities around the state, NFC is optimizing for a sustainable statewide presence.
- Although NFC site coordinators are volunteers,
  - they are now minimally compensated (membership dues waived), and
  - their bookkeeping process has been restructured, which alleviates their workload
- As a cooperative, NFC works collaboratively with producers which lessens their responsibilities and time away from their individual operation

NFC's CURRENT Business Model that Addresses Institutional Concerns *(from 'Regional Food' study)*:

Institutions are concerned about distribution (ie, transportation):

- Transportation is a core element of NFC's business model
- NFC plans to sustainably serve 80% of the state (with the exception of the far northern panhandle)
- Two routes are currently active:
  - eastern third of the state since 2006
  - I-80 route from Grand Island to Ogallala since September 2014
- A third route that will cover the central swath of the state will open January 2015

Concerned that producers won't be able to supply sufficient volume:

- Sourcing new producers is a top priority for NFC
- With new USDA funding for hoop houses available to beginning and young farmers, the producer segment for year-round fruit and vegetable production will continue to grow
- Without pointed sourcing for new producers, NFC signed up eight producers in four months, average of two new producers per month
- With pointed sourcing, that number can easily be doubled or tripled

Institutions prefer one-stop shopping, which makes ordering and transactions easier:

- One-stop shopping is exactly what NFC brings to the table
- A wide array of producers and products may be purchased from one point.
- NFC also provides *one* invoice for products purchased from *multiple* locally sourced producers

Feel that locally produced food is not safe:

- Many farmers are unaware of the stringent safety regulations that many institutions require
- Large distributors may use this as a scare tactic against locally produced products

- Education is key – for both producers and institutions
- Ensuring that fruit and vegetable producers have a Farm Food Safety Plan is critical to successfully allaying this concern
- Collaborator Nebraska Farmers' Union offers low-cost GAP training on a periodic basis, so NFC has been key in spreading the word to producers
- Future alliance with Lone Tree for GAP training and certification

Lack of producers in the institutions geographic area:

- The largest segment of NFC membership is in the Omaha metro area at 53% of total NFC membership
- The second largest segment of NFC membership, at 33%, is geographically remote communities (non-Lincoln, non-Omaha).
- Lincoln is the third largest segment of NFC members at 14%
- It matters not whether customers are rural or metro, as NFC distributes to all market areas.

Unable to track the source of food products:

- Unlike large distributors, institutions who order through NFC know ***exactly*** the source of their food
- ***Each*** NFC product is traced to its producer and that producer's profile on the NFC site
- Producer profiles include: personal history; farming practices; geographic location; pest and disease management system; herd health and productivity management; feeding practices; soil and nutrient management; water usage practices; conservation/land stewardship practices; food liability insurance coverage; licenses and tests on products; if certified organic, certifying agency's contact information and certified organic certificate
- Producers will update their producer profile annually, and are subject to an unannounced on-site visit to ensure accountability

Lack of contact with producers is a limiting factor; Local purchasing connections and process of finding local food and sources would help schools get started:

- Institutional access to NFC producers is simply a phone call or email away since contact information is clearly available on the site
- Institutions don't need to spend their valuable time finding 'local' producers, since NFC has already sourced producers from around the state, and continue to expand the number and type of producers selling through NFC

FUTURE NFC Advantages

NFC's FUTURE Business Model that Addresses Consumer Concerns *(from 'Regional Food' study)*:

Customers have some degree of "sticker shock," concern that the prices of local foods are often out of their price affordability range:

- To some degree, purchasing locally is more expensive. As one producer noted, *"...It's not expensive to eat well.... Have you priced cancer lately?"*

- There is a clear business advantage for producers to sell through NFC rather than spending extensive time at local farmers' markets throughout the season.
- By listing more products with NFC (instead of holding a larger share for farmers' markets or CSAs), producers will reap more profits and will be able to spend more time doing what they do best – farming and expanding their operation to meet the surging demand.

Urban-rural consumer willingness [inability] to pay difference:

- NFC doesn't play favorites. We sustainably deliver to every location across the state at the same cost, whether it costs NFC more to transport or not.

NFC's FUTURE Business Model that Addresses Producer Concerns *(from 'Regional Food' study)*:

Lack of local processing:

- NFC will develop regional partnerships with commercial-kitchen producers to provide minimal-processing and aggregation for fruit and vegetables for schools on an as-needed basis
- NFC will offer standardized packaging, ie, clamshells, cartons that are purchased in volume for resale to member producers

Institutions want high volume, but they pay low prices:

- NFC will not alter the price paid to their producers for high volume institutional sales
- If a producer elects to support a high volume, low price model, NFC will not be involved in the transaction (neither sale, nor transport)
- NFC pays producers 100% of their stated price.

Producers don't advertise societal benefits, but it is important to do so:

- NFC will continue to communicate societal benefits of local food through various marketing channels

NFC's FUTURE Business Model that Addresses Institutional Concerns *(from 'Regional Food' study)*:

Purchases take too much time:

- Granted, going to farmers' markets and trying to contact a number of producers independently is very time consuming. NFC does the work for institutions by providing one-stop shopping
- Schools are federally required to use a bidding process for their purchases. NFC will add a bidding component to the site that will automatically gather producer bid data for schools.

The bidding process needs to be easier (schools):

- Schools are federally required to use a bidding process for their purchases. NFC will add a bidding component to the site that will automatically gather bid data from NFC producers.
- A 'geographic preference' feature, another school requirement, will allow schools to give preference to products that are physically closer to their location.

- Another element of the bidding process is school-specific procurement criteria. This feature is forthcoming to the NFC site as well.

Insufficient staff, time, and budget to prepare and process locally produced food products (schools):

- NFC will develop regional *partnerships* with commercial-kitchen producers to provide minimal-processing and aggregation for fruit and vegetables for schools on an as-needed basis

Currently limited to a few types of products:

- With new USDA funding for hoop houses available to beginning and young farmers, year-round fruit and vegetable product availability will continue to grow
- By listing more products with NFC (instead of holding a larger share for farmers' markets or CSAs), producers will reap more profits and will be able to spend more time doing what they do best – farming and expanding their operation to meet the surging demand

FUTURE Technical Updates

In order to move NFC to a sustainable level, technical enhancements are critical to the success of our organization. The easier it is to use the site, a greater number of members, institutions, and producers will become regular users, hence, higher sales and revenue will be achieved.

In the fall of 2014, a $1000 grant from NCDC was used, in part, to fund a major accounting interface and an automated PayPal integration. This integration automates many processes that previously took numerous hours each cycle. The time freed up with this automation are the type of features that are required to move NFC to a more efficient operation – for all members who use the site (producers, institutions, retail customers, volunteers, and staff).

The following core site improvements and modifications are in no specific order, but are listed here to layout the extensiveness of the programming elements:

Producer focus

- Producer site selection NCDC
- Add notifications for changed products
- Revise product version control
- Processing facility information for products
- Improve producer product sort order
- Improve product-edit screen to show live display
- Abstract producer information form(s)
- Extend products to multiple categories
- Larger image size limit
- Generalize categories and subcategories to an arbitrary hierarchy
- More options for labels
- Transition producer inventory to resemble basket ordering for incrementing and decrementing the quantities
- Extend products to combination orders
- Restrict producers from processing items until checked out
- Product order min/max settings

Consumer focus

- Debug and integrate checkout process
- Front end for producer availability NCDC
- Improve mobile interface
- Write up user documentation
- Product ratings
- Group products by size for more compact display of multiple size options
- Ingredient lists for products
- Create similar - products widget
- Generate member-controllable email filters and integrate with software
- Create email form for member communications
- Provide customizable email notification messages

Institution focus

- Add direct quantity selection to shopping cart and integrate with basket opening
- Customer-driven bidding
- Allow direct quantity input when ordering
- Institutional special sites

Admin focus

- Front-end for pickup site changes
- New-cycle front end
- Create front end for how-heard options
- Move how-heard info to database
- Move or combine member data
- Improve admin permission options
- Bug fix multiple producers on edit member form
- Abstract fees as configurable modules
- Improve select paginator on member admin pages
- Update membership functions to include all member fields
- Set up charge-by-distance functionality
- Mobile phone
- On-site credit card acceptance

Software focus

- Site version history
- Revamp ledger for time-dependent queries with replaced_by consideration
- Fix problem causing ledger adjustments to enter two consecutive rows -- the second replacing the first.
- Update database queries
- Convert from HTMLDoc for PDF output
- Revise imaging to use files as well as database and limit image sizes

Collaboration and regional commerce

- Connect sister sites
- Point of Sale (POS) interface
- Demo site and ad hoc producer site

Organization-wide Strategies

As we move forward to meet the rising demand of 'local' food, we must look at all the factors that will move NFC to sustainability. This is an ambitious plan....one that requires jumping in with both feet, but with our eyes wide open. Several components encompass NFC's strategy, so we will look at each component:

Strategic Objective 1: Sales & Revenue Growth of Retail Business

- generate increased sales and revenue on retail accounts

Strategic Objective 2: Sales & Revenue Growth of Wholesale Business

- generate sales and revenue on new wholesale accounts

Strategic Objective 3: Expand Wholesale Base

- high end restaurants
- small 'local' grocery stores
- coffee shops
- schools
- hospitals
- nursing homes

Strategic Objective 4: Expand Retail Base

- statewide in major cities (see list stated in goals)
- capitalize on heavy member concentrations
- sustainably serve rural and urban communities
- target a 'standard' facility, like senior citizen centers, libraries, etc, as a drop site

STRATEGIC OBJECTIVE 5: INCREASE PRODUCER PARTNERSHIPS

- year-round produce
- state-wide producers
- wholesale producer listings
- minimal processing partnerships
- forward contracts w/producers

STRATEGIC OBJECTIVE 6: IMPROVE MEMBER COMMUNICATIONS

- NFC newsletter; Cycle Reminder mailing; Customer PickUp mailing; Producer Notes
- NFC webinars on process
- NFC producer shorts
- Member-process webinars (ordering, products, filling orders, site coordinators)

STRATEGIC OBJECTIVE 7: IMPROVE TRANSPORTATION EFFICIENCIES

- **3 routes** (east, central, west)
  - **eastern leg:** York (Hwy 81) north up to S. Dakota border (but not including Norfolk) and south to Kansas border, including Lincoln and Omaha
  - **central leg:** York (Hwy. 81) north up to S. Dakota border including Norfolk to Broken Bow in north central through GI/Hastings to Kansas border
  - **western leg:** I-80 from GI west including towns situated close to the interstate (Kearney, Lexington, Gothenburg, N. Platte, Ogallala, Scottsbluff, etc) to Wyoming
  - producer and consumer routes will vary based on demand
- **3 drivers and vehicles**
  - **eastern leg**
    - driver: Kevin Krause (lives in southeast Nebraska)
    - vehicle: GMC refer truck
  - **central leg**
    - driver: Jonathan David (lives near Holdrege)
    - vehicle: using a rented Enterprise Truck pickup truck pulling NFC gooseneck trailer

- **western leg**
    - driver: Scott Hanson (lives in western Nebraska)
    - vehicle: personal truck towing personal trailer

- **more efficient truck capacity**
  - refrigerators and freezers at *every* pickup site, which will free up truck floor space for larger items
  - decrease the need for coolers that take up room on the delivery truck
  - increase the time efficiency of the drivers

Strategic Objective 8: Develop Partnerships with Like-Minded Organizations

- Tomato Tomato (CSA & wholesale accounts)
- Lone Tree (distribution)
- No More Empty Pots (SNAP & food processing hub)
- Omaha Metro Food Policy Council (education)
- Buy Fresh Buy Local
- Lincoln's Foodshed Working Group
- Community Crops (education)
- Center for Rural Affairs (schools)
- Nebraska Farmers Union (education)
- NSAS
- Let's GROW Nebraska

Strategic Objective 9: Participate at Events (Speaking engagements, tabling)

- NSAS
- NeFU
- CfRA
- Earth Day
- Local events: AppleJack (Nebraska City), MilkFest (Unadilla), etc.

Strategic Objective 10: Provide Staff Training

- Drivers: DOT training; truck driving school
- Logistics coordinator: DOT training; logistics
- Wholesale Account Reps: customer service; landing new accounts
- General Manager: general business operations (via Fred Pryor)

Strategic Objective 11: Improve Staff Compensation

- Drivers – to $15/hour, currently $12/hr
- Logistics coordinator – to $17/hour, currently $15/hr
- Wholesale Account Reps – commission on new wholesale accounts
- GM – base salary + commission on profitable revenue
- Set aside $500/month as a board-discretionary spending fund

Strategic Objective 12: Non-Profit Status

- Determine the feasibility of converting from a cooperative corporation to a non-profit legal status
- If viable, initiate the non-profit process

Strategic Objective 13: Transportation Working Group

- Determine a solution to the temperature irregularities on the delivery truck
- Secure and install temperature monitors in all vehicles
- Split the eastern and central routes for drivers
- Source a vehicle to pull the gooseneck trailer (central region)
- Determine cold storage options
- Implement cold storage options
- increase the volume capacity on the trucks
- re-organize the truck shelving to allow pallet (40"w x 48"l x 46"h) access

STRATEGIC OBJECTIVE 14: PRODUCER EFFICIENCIES

- Develop producer standards (opt-in)
- Develop and implement a more efficient product labeling process (?UPC codes/reader)
- Develop a non-Nebraska products plan for producers

STRATEGIC OBJECTIVE 15: IT ENHANCEMENTS

- For NCDC grant, create:
  * admin interface for account transfers
  * admin interface for viewing account balances
  * the ability to automatically post PayPal payments to site's accounting function
  * the interface for controlling producer availability by pick-up site
  * a 'prep cycle' function
- Develop bidding process for schools – phase 1
- Develop bidding process for schools – phase 2
- Develop automated calendar interface
- Clean up code
- Improvements to user interface
- Improve user interface for uploading pictures
- Add processing facility indicator on opt-in producer standards for the Dept. of Ag
- Develop producer standards (opt-in)
- Develop and implement a more efficient product labeling process (?UPC codes/reader)

STRATEGIC OBJECTIVE 16: FSMA COMPLIANCE

- Determine and enact on compliance on new FSMA Preventive Controls

Financial Strategic Objectives and Goals

Status Key:

Green = *On target or Ahead of Schedule* Yellow = *In Process* Red = *Needs Attention*

Strategic Objective 1: Sales Growth of Retail Business

Sales Growth: Grow Retail business				
Goal	**Measure**	**Target**	**% Complete YTD**	**Status/ Variance**
1.1 To generate retail SALES of $160,000 by the end of 2014 (12/31/14) (GM)	$ in retail sales	$160,000	100%	+$6,693.47
1.2 To generate retail SALES of $286,000 by the end of 2015 (12/31/15) (GM)	$ in retail sales	$286,000	.3%	$8553.79 *(thru 1/11)*
1.3 To generate retail SALES of $336,500 by the end of 2016 (12/31/16) (GM)	$ in retail sales	$336,500	0%	
1.4 To generate retail SALES of $336,500 by the end of 2017 (12/31/17) (GM)	$ in retail sales	$336,500	0%	

Strategic Objective 2: Sales Growth of Wholesale Business

Sales: Grow Wholesale business				
Goal	**Measure**	**Target**	**% Complete YTD**	**Status/ Variance**
2.1 To generate wholesale sales of $1000 by the end of 2014 (12/31/14) (GM)	$ in wholesale sales	$1000	100%	- $303.10
2.2 To generate wholesale sales of $176,400 by the end of 2015 (12/31/15) (GM, Wholesale Acct. Reps)	$ in wholesale sales	$176,400	0%	$233.39 *(thru 1/11)*
2.3 To generate wholesale sales of $364,000 by the end of 2016 (12/31/16) (GM, Wholesale Acct. Reps)	$ in wholesale sales	$364,000	0%	
2.4 To generate wholesale sales of $364,000 by the end of 2017 (12/31/17)	$ in wholesale sales	$364,000		

(GM, Wholesale Acct. Reps)				

Strategic Objective 3: Increase Wholesale Customer Base

Increase Wholesale Customer Base				
Goal	**Measure**	**Target**	**% Complete YTD**	**Status/ Variance**
3.1 To generate **new school account** by the end of 2014 (12/31/14) (GM)	number	1	100%	+ 2
3.2 To generate **new restaurant accounts** by the end of 2014 (12/31/14) (GM)	number	1	100%	+ 3
3.3 To generate **new hospital account** by the end of 2014 (12/31/14) (GM)	number	1	0%	
3.4 To generate **new nursing home** account by the end of 2014 (12/31/14) (GM)	number	1	0%	
3.5 To generate **new grocery store** account by the end of 2014 (12/31/14) (GM)	number	1	100%	
3.6 To generate **new school accounts** by the end of 2015 (12/31/15) (GM)	number	25	4%	
3.7 To generate **new restaurant accounts** by the end of 2015 (12/31/15) (GM, Wholesale Acct. Reps)	number	25	4%	
3.8 To generate **new hospital accounts** by the end of 2015 (12/31/15) (GM, Wholesale Acct. Reps)	number	10	0%	
3.9 To generate **new nursing home accounts** by the end of 2015 (12/31/15) (GM, Wholesale Acct. Reps)	number	5	0%	
3.10 To generate **new grocery store accounts** by the end of 2015 (12/31/15) (GM, Wholesale Acct. Reps)	number	5	0%	
3.11 To generate **new coffee shop accounts** by the end of 2015 (12/31/15) (GM, Wholesale Acct. Reps)	number	10	0%	

Strategic Objective 4: Increase Retail Customer Base

Increase Retail Customer Base				
Goal	**Measure**	**Target**	**% Complete YTD**	**Status/ Variance**
4.1 To develop new site pick-up points for areas of heavy member concentration (Ralston or Papillion, York, Seward, Fremont, Ogallala) by the end of 2014 (12/31/14) (GM)	number	5	80%	
4.2 To develop new retail pick-up points along the I-80 route (Minden, Kearney, Hastings, Lexington, Scottsbluff, Holdrege, Gothenburg, North Platte) by the end of 2015 (12/31/15) (GM)	number	8	50%	
4.3 To develop new retail pick-up points in central Nebraska by the end of 2015 (12/31/15) (GM)	number	12	5%	

Strategic Objective 5: Increase Producer Partnerships

Increase Producer Partnerships				
Goal	**Measure**	**Target**	**% Complete YTD**	**Status/ Variance**
5.1 To attract **new producers** by the end of 2014 (12/31/14) (GM)	number	7	100%	+ 2
5.2 To attract **new non-F&V producers** by the end of 2015 (12/31/15) (GM, Wholesale Acct. Rep, Logistics Coord.)	number	25	10%	
5.3 To attract **new seasonal fruit producers** by the end of 2015 (12/31/15) (GM, Wholesale Acct. Rep, Logistics Coord.)	number	5	0%	
5.4 To attract **new seasonal vegetable producers** by the end of 2015	number	10	0%	

(12/31/15) (GM, Wholesale Acct. Rep, Logistics Coord.)				
5.4 To attract **new year-round fruit and vegetable producers** by the end of 2015 (12/31/15) (GM, Wholesale Acct. Rep, Logistics Coord.)	number	7	0%	
5.5 Develop partnership with minimal-processing facilities (12/31/15) (GM)	number	2	10%	
5.6 Develop forward contracts with vegetable producers (1/31/15) (GM)	number	10	0%	

Strategic Objective 6: Improve Member Communications

Improve Member Communications				
Goal	**Measure**	**Target**	**% Complete YTD**	**Status/ Variance**
6.1 To publish a **newsletter** with specific NFC news and local food interest articles (12/31/14) (GM)	monthly	12	83%	- Oct issue
6.2 To **publish producer profiles** for newsletter (12/31/14) (GM)	number	4	100%	
6.3 To **publish producer profiles** for newsletter (12/31/15) (GM)	monthly	12	7%	
6.4 Produce short **producer videos** for website (12/31/15) (GM)	number	6		
6.5 Produce short **member-process webinars** for website (12/31/15) (GM)	number	4		

Strategic Objective 7: Improve Transportation Efficiencies

Improve Transportation Efficiencies				
Goal	**Measure**	**Target**	**% Complete YTD**	**Status/ Variance**
7.1 To provide refrigerators at every retail pick-up site (12/31/15) (GM)	number	27	5%	
7.2 To provide freezers at every retail pick-up site (12/31/15) (GM)	number	27	30%	

Strategic Objective 8: Develop Partnerships with Like-Minded Organizations

Develop Partnerships with Like-Minded Organizations				
Goal	**Measure**	**Target**	**% Complete YTD**	**Status/ Variance**
8.1 To partner with **Tomato Tomato** by picking up from producers for their CSA and wholesale accounts (12/31/15) (GM)			80%	
8.2 To partner with **Lone Tree** for distribution (12/31/15) (GM)			50%	
8.3 To partner with **No More Empty Pots** as a pick-up site that accepts SNAP benefits and with their food processing hub (12/31/15) (GM)			5%	
8.4 To partner with **Omaha Metro Food Policy Council** on policy endeavors (12/31/15) (GM)			50%	
8.5 To partner with **Buy Fresh Buy Local** on educational and event endeavors (12/31/15) (GM)			2%	
8.6 To partner with **Lincoln Foodshed Working Group** on supplying the Lincoln market (12/31/15) (GM)			20%	
8.7 To partner with **Community Crops** on educational endeavors (12/31/15) (GM)			80%	
8.8 To partner with the **Center for Rural Affairs** on Farm to School endeavors (12/31/15) (GM)			50%	
8.9 To partner with the **Nebraska Farmers Union** on educational endeavors (03/31/15) (GM)			50%	
8.10 To partner with the **NSAS** (12/31/15) (GM)				
8.10 To partner with the **Let's GROW**				

Nebraska (12/31/15) (GM)				

Strategic Objective 9: Participate at Events (Speaking Engagements, Tabling)

Participate at Events (Speaking Engagements, Tabling)				
Goal	**Measure**	**Target**	**% Complete YTD**	**Status/ Variance**
9.1 Table at the NSAS Healthy Farms Conference (2/28/15) (GM)			50%	
9.2 To participate in a speaking role at the NSAS Healthy Farms Conference (2/28/15) (GM)			50%	
9.3 To participate in a speaking role at the NeFU Producer Trainings (3/30/15) (GM)			50%	
9.4 To participate in a speaking role at the CfRA Farm to School Summit (3/30/15) (GM)			50%	
9.5 Table at the Earth Day Omaha and/or Lincoln (4/30/15) (GM)			0%	
9.6 Table at the MilkFest 2015 (11/30/15) (GM)			0%	
9.7 Table at the AppleJack festival in Nebraska City (9/30/15) (GM)			0%	

Strategic Objective 10: Provide Staff Training

Provide Staff Training				
Goal	**Measure**	**Target**	**% Complete YTD**	**Status/ Variance**
10.1 Schedule DOT training for all NFC drivers and Logistics Coordinator (1/31/15) (GM)			0%	
10.2 Schedule truck driving training for NFC drivers (1/31/15) (GM)			0%	

10.3 Locate and schedule logistics training for the Logistics Coordinator (1/31/15) (GM)			0%	
10.4 Schedule customer service training for Wholesale Account Reps (1/31/15) (GM)			0%	
10.5 Locate and schedule 'landing business accounts' class for Wholesale Account Reps (1/31/15) (GM)			0%	
10.6 Schedule general business operations classes (w/ Fred Pryor) for the General Manager (1/31/15) (GM)			60%	
10.7 Schedule Cold Chain training for all staff (including drivers) (4/1/15) (GM)			80%	

Strategic Objective 11: Improve Staff Compensation

Improve Staff Compensation				
Goal	**Measure**	**Target**	**% Complete YTD**	**Status/ Variance**
11.1 To increase driver hourly pay from $12/hr to $14/hr (12/31/15)			33%	
11.2 To increase hourly pay for Logistics Coordinator from $15/hr to $17/hr (12/31/15)			0%	
11.3 To set a commission rate of ?? for landing new wholesale accounts ?? **or** To set a commission rate of ?? for a % of sales from wholesale accounts?? for Wholesale Account Reps (12/31/14)		$TBD	0%	
11.4 In addition to annual salary of $43,200 for the general manager, commission based on monthly profitable revenue in comparison to previous year	Current month in comparison to prior year's month	$TBD	0%	
11.5 Set aside $500/month as a board-discretionary spending fund.			0%	

Strategic Objective 12: Non-Profit Status

Non-Profit Status				
Goal	**Measure**	**Target**	**% Complete**	**Status/**

			YTD	Variance
12.1 Determine the feasibility of converting from a cooperative corporation to a non-profit legal status August 2015 (7/31/15) (GM)				
12.2 If viable, initiate the non-profit process following approval from the voting membership (10/31/15) (GM)				

Strategic Objective 13: Transportation Working Group

Transportation Working Group (TWG)				
Goal	**Measure**	**Target**	**% Complete YTD**	**Status/ Variance**
13.1 Determine a solution to the temperature irregularities on the truck by the end of 2014 (12/31/14) (GM)			100%	
13.2 Secure and install temperature monitors in all vehicles by January 2015 (1/31/15) (GM)			60%	
13.3 Split the eastern and central routes for drivers by December 2014 (12/31/14) (GM/Log. Coord)			100%	
13.4 Source a vehicle to pull the gooseneck trailer in central region by December 2014 (TWG)			100%	
13.5 Determine cold storage options by end of February 2015 (TWG)			10%	
13.6 Implement cold storage options by end of May 2015 (TWG)				
13.7 Increase the volume capacity on the trucks by May 2015 (TWG)				
13.8 Retrofit truck shelving to allow pallet access (40"w x 48"l x 46"h) by May 2015 (TWG)				
13.9 Retrofit refer system in truck by Dec 2014 (TWG)			100%	

Strategic Objective 14: Producer Efficiencies

Producer Efficiencies

Goal	Measure	Target	% Complete YTD	Status/ Variance
14.1 Develop opt-in producer standards March 2015 (3/30/15) (GM/IT)			10%	
14.2 Develop and implement a more efficient product labeling process by May 2015 (5/30/15) (GM/IT)				

Strategic Objective 15: IT Enhancements

IT Enhancements				
Goal	**Measure**	**Target**	**% Complete YTD**	**Status/ Variance**
15.1 For NCDC grant, create: * admin interface for account transfers * admin interface for viewing account balances * the ability to automatically post PayPal payments to site's accounting function * the interface for controlling producer availability by pick-up site * a 'prep cycle' function (9/30/14) (IT)			100%	
15.2 Improve user interface for uploading pictures by December 2014 (12/31/14) (IT)			95%	
15.3 Develop automated calendar interface (12/31/14) (IT)			100%	
15.4 Develop bidding process for schools – phase 1 by February 2015 (2/28/15) (IT)				
15.5 Develop opt-in producer standards March 2015 (3/30/15) (GM/IT)				
15.6 Add processing facility indicator on opt-in producer standards for the Dept. of Ag by March 2015 (3/30/15) (IT)				
15.7 Develop and implement a more efficient product labeling process by May 2015 (5/30/15) (GM/IT)				
15.8 Develop bidding process for schools – phase 2 by June 2015 (6/30/15) (IT)				
15.9 Develop forward contract				

process for schools – phase 3 by August 2015 (8/30/15) (IT)				
15.10 Improvements to user interface (on-going basis) (IT)				
15.11 Clean up code (on-going basis) (IT)				

Strategic Objective 16: Food Safety Modernization Act (FSMA)

FSMA				
Goal	**Measure**	**Target**	**% Complete YTD**	**Status/ Variance**
16.1 Determine *proposed* FSMA Preventive Control requirements (12/15/14) (GM)			100%	
16.2 Determine *proposed* FSMA Producer requirements (12/15/14) (GM)			100%	
16.1 Determine *enacted* FSMA Preventive Control requirements (6/15/15) (GM)				
16.2 Determine *enacted* FSMA Producer requirements (6/15/15) (GM)				

Plan Implementation

The following actions are being undertaken to implement the strategic plan:

- hire a part-time driver for the I-80 western route — COMPLETED *(Scott Hanson)*
- hire a part-time driver for the central Nebraska route — COMPLETED *(Jonathan David)*
- hire a part-time Wholesale Account Reps (on commission) *(Gary Fehr, Beth KK, Jeremiah, Andrew Hollister)* — COMPLETED
- hold member informational meetings to increase interest — ON-GOING
- re-structure route by eastern, central, and western legs — COMPLETED
- provide weekly deliveries to wholesale accounts — COMPLETED

Notes:

This is a living document that will continually undergo revisions and updates with future years data and projections. Your input is appreciated.

Detailed FINANCIALS are available on a rolling basis.

If you would like an editable copy, please let me know.....thanks.   Caryl

Appendix A: "Regional Food Systems in Nebraska" Study

Key Findings

(study developed by the Center for Rural Affairs, August 2013 – full report available upon request to the NFC GM)

CONSUMER VIEWS

- Consumers who participated in the focus groups expressed a strong interest in local foods.
- Consumers had a general belief that the production and purchasing of local foods was possible if it could be determined how it could be done.
- **Consumers expressed frustrations with the common vehicles used to market and sell local foods, particularly farmers markets.**
- Consumer **frustrations focused on selection of food products, food choices, business hours of farmers markets and locations of farmers markets.**
- Consumer education and knowledge is critical to allow consumers to know where to find local foods, what to ask about the products, who to ask about the products and what producers are selling what local food products.
- Consumers **have some degree of "sticker shock," concern that the prices of local foods are often out of their price affordability range.**
- Consumers had numerous concerns and apprehensions about farmers markets that could affect the success of farmers markets and the likelihood of consumers supporting them.
- Consumers concerns about farmers markets centered on consumer knowledge, consumer convenience and basic business practices.

KEY TAKEAWAYS: Comments by **consumers** at focus groups about farmers markets included:

- **Markets** *(farmer markets)* **are not accessible**
- Market **hours are wrong** and not appropriate for consumer needs
- Market **locations are wrong and did not meet consumer convenience**
- Consumers **often feel uncomfortable at farmers markets**. **They feel compelled to purchase something or leave.**
- **Consumer education about local foods is lacking**; consumers do not know the questions to ask producers about local foods
- Consumers such as those participating in the focus groups are used to extreme convenience in their food purchases and, while interested in and supportive of local foods, they are frustrated farmers markets do not provide that same level of convenience. While it might be too much to ask farmers markets to provide the same level of consumer convenience as do grocery stores (especially large super-center grocery stores), bringing producers and consumers together on issues of convenience would seem to be necessary for the success of any local food market and a regional food system.

Producer Views

- The vast majority of producers stated that meeting demand was not an issue, but that **transportation was the primary issue.**
- **Producers interested in expansion face the ultimate question – should I scale up now or wait for a market to grow.**
- Producers stated **that expanding operations will require them to search out customers**, rather than to presumably rely on those customers they have cultivated over their years in selling local foods.
- Producers are interested in expanding their production and markets, but are concerned about available land and labor to do so.
- There exists a disconnect between the wants of consumers and the perceptions of producers as to how they accomplish selling local foods. Consumers are focused on receiving the same convenience and service they are accustomed to in other retail settings. Producers appear more focused on growing and producing the products and the societal benefits of local food production and sales.
- Producers **believe relationships are the biggest and most important component** of any local food project.

KEY BARRIERS: Barriers offered by **producers** included:

- A **lack of local processing.**
- Getting beginning farmers started growing and producing local foods. The biggest barrier cited to beginning farmers was access to land.
- **Consumers knowing how to cook the local food products they purchase**. If a consumer does not know how to cook a food product they purchase it will not taste good and the consumer will not purchase it again.
- The cost of local food products was offered as a barrier, particularly the willingness to pay for local food products by city residents and rural residents.
- Purchases by institutions were seen as a barrier. According to producers, **institutions want high volume but pay low prices.**

KEY ADVANTAGES: Advantages offered by **producers** included:

- Local food production **removes the middleman from the selling process. To producers that is an opportunity to make more money**.
- Local food production **allows producers to experience more exposure from local consumers.**
- Local food production allows producers to give back financially to the community. Producers cited a community multiplier of revenue generated through sales of locally produced products.
- **A sense of personal satisfaction. Producers cited satisfaction from seeing consumers liking the food they purchase.**

- Ability to provide better food to local consumers.

- Ability to market one's products. Producers stated that venues of local food sales are like no other venue because they **allow one to set the price for what is produced.**

Producer Quotes:

- *"My reason for getting into it was about marketing. There is no other place that I can set the price for what I'm producing. When others determine your price, your kids are gone. Change it around by setting the price on your own product."*

- *"Doing the right thing and doing it smaller is economical. It's not expensive to eat well.... Have you priced cancer lately?"*

- *"Biggest thing for me is that for every dollar spent locally it generates four. If people really believe in their churches, hospitals, schools, they will purchase locally."*

- *"You get to build a connection and trust with the consumer and start the education process about the quality of the product, nutrient value, how animal is treated, and how it impacts the environment."*

- *"A lot of folks have never tasted fresh produce. .... Until they actually taste it or give them ideas on how to cook with it they won't buy it."*

INSTITUTIONAL VIEWS (MAINLY SCHOOLS)

- Institutions were the most pessimistic and negative toward local foods of the groups participating in the focus groups.
- Institutional representatives stated they would purchase local food products if they could, but had a collective negative view while focusing on the barriers of local food purchases.
- Institutional representatives expressed a fear about the safety of locally produced food.
- Institutional purchases of local **food products are currently limited and limited to a few types of products.**
- Institutional representatives participating in the focus groups showed mixed (at best) interest levels in purchasing local food products.

KEY BARRIERS and CHALLENGES: Barriers and challenges offered by **institutions** *(mainly schools)* included:

- Institutions expressed that they appreciate that currently the food purchasing system is streamlined process through distribution companies *(Sysco, CashWa, Thompson, etc)*, making it a **one-stop-shop process that makes ordering and transactions easier.**

- Cost and availability due to the seasonality of Nebraska agriculture

- The **lack of farmers in the institution's area raising or producing food products that would**

be sold locally

- Liability and insurance issues. *Institutions are unaware of what farmers do for food safety.*
- Assumptions by institutions that **food produced locally is not safe.** *It should be noted that others commented this is purely an assumption and that institutions do not take the time to learn about producer food safety practices.*
- Price and **required volume.**
- Purchasing local food products is inconvenient. Institutions stated such **purchases take too much time and that the purchasing process (e.g., bids, prices, etc.) needs to be easier.**
- There is **insufficient staff, time, and budget to prepare and process locally produced food products.**
- **Distribution**
- Aggregation
- Existing contracts
- Existing food codes and regulations
- Approved vendors are often mandatory

KEY COMMENTS on PURCHASING LOCALLY: Offered by **institutions** *(mainly schools)* included:

- Some interest if it is easy *(easier than current supplier)*
- If the work was done for the institution
- The institution receives free ground beef from USDA – why is there a need to purchase it?
- If the food product was ready for the plate
- If the purchases were financially feasible
- Need knowledge about the producer's safety and handling practices
- Need to be **able to track the food products**

Institution Quotes:

- *"I have to meet a purchasing threshold from our supplier or they will not sell to us. That makes purchasing local food very difficult."*
- *"The process has to be as easy as possible if I'm going to purchase local food."*

CONCLUSION of the 'Regional Food' study:

It is clear from the survey results and the focus groups that all three groups (farmers, consumers and institutions) will need to collaborate to make regional food systems in Nebraska a viable reality. Those involved in developing regional food systems also have questions to address for future viability. In our view what is needed to bring about this collaboration includes:

1) Development of a state food policy council or local and regional food policy councils to organize regional food systems and determine the strengths, challenges and needs of localities and regions in relation to food systems.

2) Local and regional entities to develop infrastructure necessary for the cultivation and advancement of regional food systems. Needed infrastructure includes information and education for consumers and institutions on local foods, their advantages, how to purchase them and how best to use them; non-farm business training for farmers involved in local food production and marketing; and “bricks and mortar” infrastructure such as distribution and retail channels.

3) **An issue that was not discussed much in either survey responses or focus groups was the issue of distribution. In a state like Nebraska, geography is crucial to feasible distribution. As it relates to food systems, geographically challenged or remote communities could include almost any community outside of Omaha and Lincoln or any other population center. If regional food systems are to be viable in more geographically remote communities, questions of distribution and aggregation must be discussed and dealt with.**

4) Questions and issues of resources – both financial and human – are, of course, always paramount in developing new systems and infrastructures. Communities and regions developing food systems must develop sources of funding for needed infrastructure, communications, networks and training. These funding sources will likely need to be alternatives to government funding, and significant questions exist as to the source of needed resources. With the collaboration of all interested stakeholders, however, that question is not insurmountable.