



# Grain Business Clusters in the US

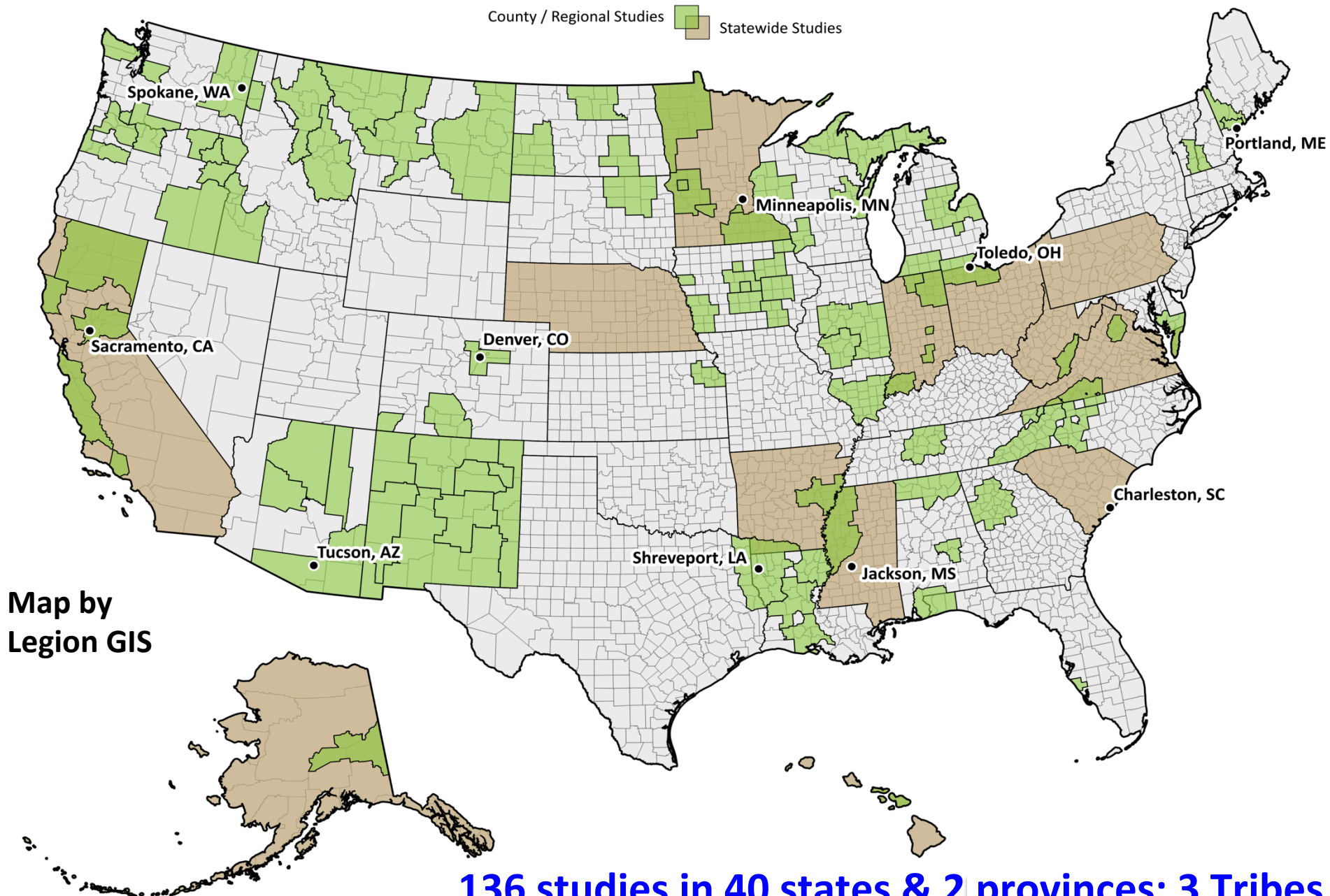
**Ken Meter**

**Crossroads  
Resource Center  
(Minneapolis)**

**Just Food Canada / FLEdGE  
Ottawa, Ontario  
March 20, 2018  
Revisions: Feb. 2019**

## CRC Farm & Food Economy Studies

County / Regional Studies         Statewide Studies



**136 studies in 40 states & 2 provinces; 3 Tribes**





**Corinna, Kurt, & Jed Bench**

**Elmore, Ohio**



**Matt & Jerica Cadman**



**East Texas**



Newt Lynn



7760

JOHN D

Shreveport, Louisiana





# Vision for local food economies

**Build:**

**Health**

**Wealth**

**Connection**

**Capacity**





**The current food system takes wealth out  
of our communities**



**“Local” foods may be the best path toward  
building community connections**



**“Local”** is a shorthand....



Photo: DSC





**Goal: to build  
Community-Based  
Food Systems**



Photo: DSC





# Community-Based Food Systems

**Systems of exchange that strive to bring food producers and food consumers into affinity with each other...**

**...For the purposes of fostering community health, wealth, connection, and capacity**



Meter (2007). Evaluating Farm and Food Systems in the U.S.



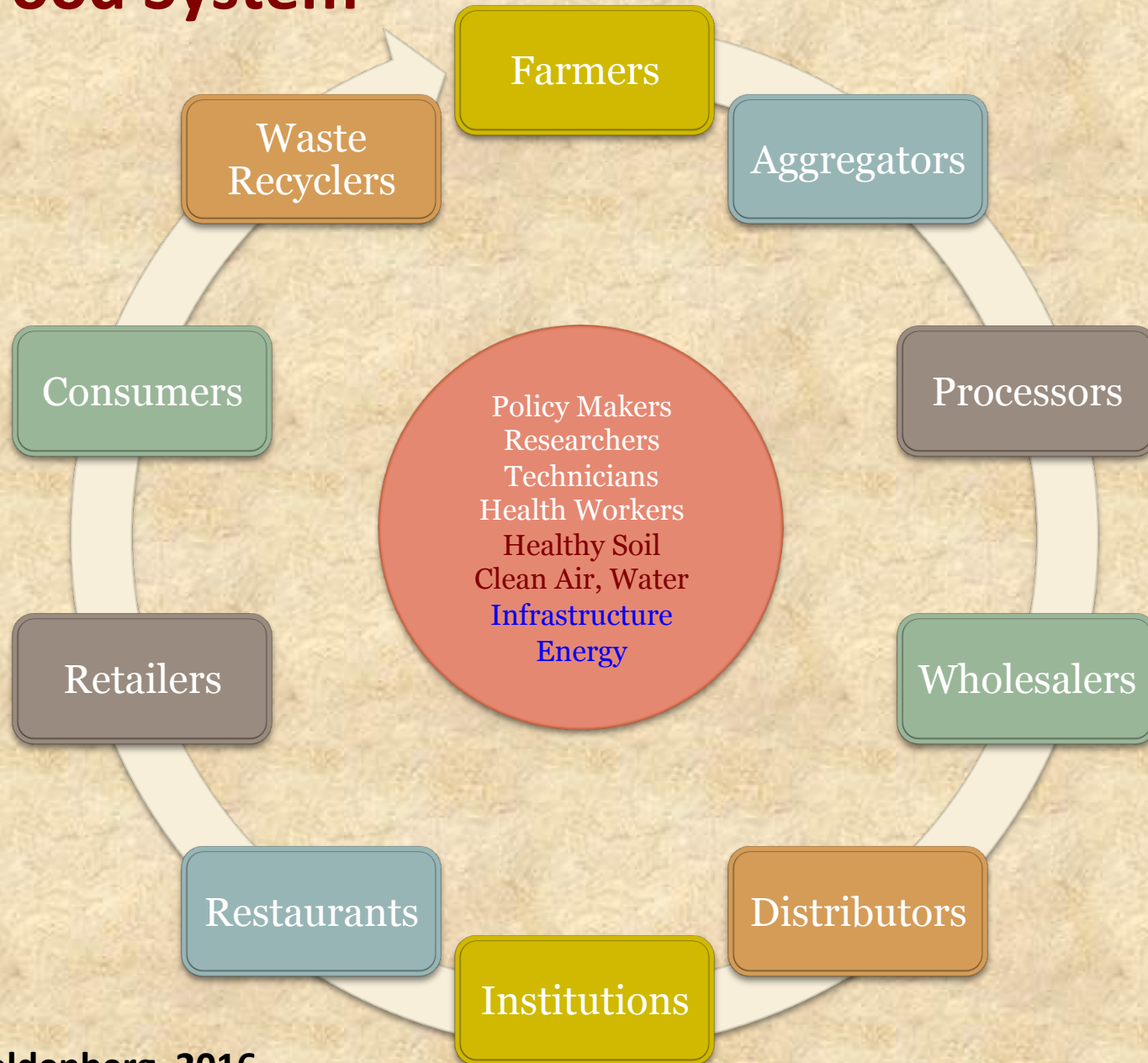


Food Conspiracy Co-op, Tucson





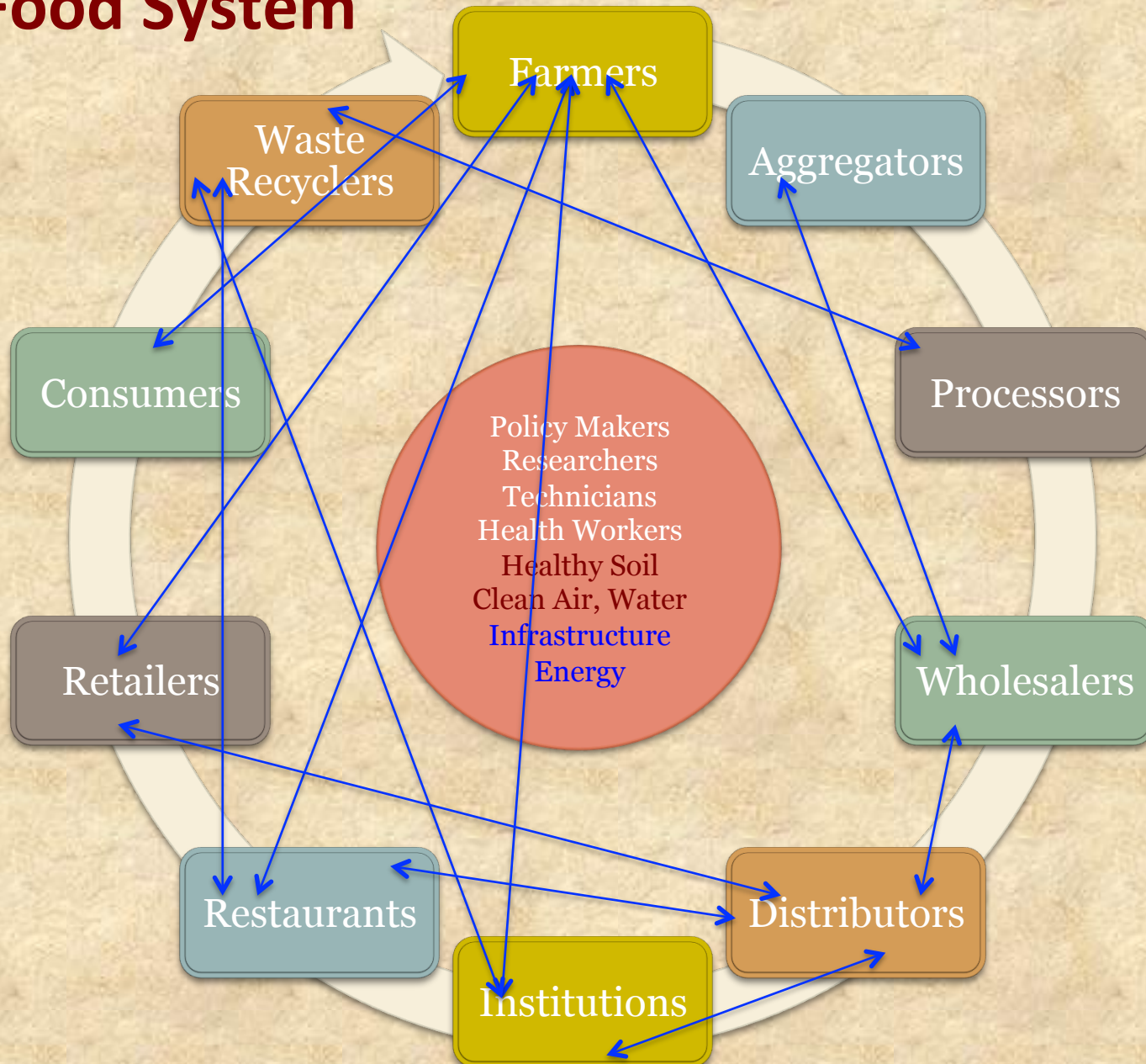
# Food System







# Food System







## Food Systems are Networks

Trellis Growing Systems – Fort Wayne









## Moving Meadows Farm (Culpeper, Virginia)

- Intensely grazed beef cattle
- Stone Mill (sells fresh flour)
- Bakery
- Retail Store  
(baked goods, value-added, & meats)

Organized around interests of owners





Wally Hudson

Moving Meadows Farm, Culpeper





Grain Mill

Moving Meadows Farm, Culpeper





Bread display

Moving Meadows Farm, Culpeper





**Shepherd's Grain – US Pacific Northwest:**  
**Organized around one farm's determination**









## Shepherd's Grain – US Pacific Northwest

**Fred Fleming [Co-owner]:**

**“I had to reinvent the farm my great-grandfather started if I was going to have a legacy to pass on to the next generation.”**

**Fleming's family homesteaded near Spokane in 1888. Started with a 160-acre parcel, built up to 1,100 acres run by three families.**

**“Working in agriculture [in the 1980s] was [to make only] a subsistence living...We were living off of government subsidies.”**





# Shepherd's Grain – US Pacific Northwest

**Fred Fleming [Co-owner]:**

**1985: Added a seed company**

**In 2000s, set a plan:**

- **Diversify income stream**
- **Add more land**
- **Create value-added products**





# Shepherd's Grain – US Pacific Northwest

**Fred Fleming [Co-owner]:**

The difficulty: farmers were price-takers; Don't know the price until after the harvest.

**Business Partner Karl Kupers: "What we do best is grow wheat."**

**Command a higher price by offering a unique product that could be differentiated from the commodity stream.**





## Shepherd's Grain – US Pacific Northwest

**Fred Fleming [Co-owner]:**

**“At the time, no mills would grind the wheat into flour for local markets.”**

**Fleming met a buyer at ADM in Spokane by selling him seed grain.**

**ADM had a mill, and agreed to grind the wheat that Fleming and Kupers were producing.**









## **Shepherd's Grain – US Pacific Northwest**

**Fred Fleming [Co-owner]:**

**Flourished into a long-term partnership: ADM has the right to mill all of the grain that Shepherd's Grain produces.**

**“The only reason we are here today is this little mill in Spokane” that would mill flour to the growers' specifications.**

**“We helped the ADM mill become more sustainable” by offering them a new line of business.**





## **Shepherd's Grain – US Pacific Northwest**

**Fred Fleming [Co-owner]:**

**“We lined up buyers before asking growers to join in.”**

**Relatively easy switch for farmers to make.**

**Farmers had the proper equipment already.**

**Farmers would mostly need to follow specific protocols that would ensure they could pass a third-party audit.**





## **Shepherd's Grain – US Pacific Northwest**

**Fred Fleming [Co-owner]:**

**The firm worked with Washington State University to develop a precise cost calculator so that each step of the production process could be tracked financially.**

**This allows them to manage with great precision, and hold costs low.**

**The wheat quality lab at WSU also helped them verify the quality of each variety they sell.**





## Shepherd's Grain – US Pacific Northwest

**Fred Fleming [Co-owner]:**

**“No one ever really came up with a strategic business plan.”**

**“We just set things in motion. We would go down one road, and if doors opened, we would pursue that direction.”**

**“Over time, you’ve got momentum.”**

**In its first year, Shepherd's Grain sold 2,000 bushels of grain. Now sells 600,000 bushels per year.**



## Shepherd's Grain – US Pacific Northwest

**Fred Fleming [Co-owner]:**

**2014: 52 participating growers in Washington, Idaho, Oregon, Southern Alberta, and Southern California.**

**“We’re one of the few grain companies that can do this farmer-led and farmer-driven. Others have less authenticity.”**

**Structured as an LLC, into which member farmers invest as stockholders. Runs “something like a co-op.”**

**As the business expanded, the firm sought a CEO to bring new drive to the business.**





## Shepherd's Grain – US Pacific Northwest

**Fred Fleming [Co-owner]:**

**“It’s a huge miracle that we are where we are.”**

**Fleming attributes this success to “investing in relationships — the one we have with you, and the one you have with us.”**



# Shepherd's Grain – US Pacific Northwest

**Fred Fleming [Co-owner]:**

**Key Partner: Central Food Restaurant (Spokane)**

- **David Blaine, Owner/Chef (2014)**
- **Hannah Bartholomew, Baker**
- **Irina Burda, Sous Chef**

**Traveled to Fred Fleming's farm so the kitchen staff could "learn what it's like to harvest wheat in a \$250,000 combine."**

**The farmers explained how they grow the wheat, and how they take care of the soil (not organic, but "sustainable").**





## **Organic Grain Collaborators (MOSES)**

**Local & Broader Collaborations  
to Support Other Growers**



## Organic Grain Collaborators (MOSES)

**Thor Oeschner, Oeschner Farms** (Newfield, New York)

- **Farmer Ground Flour** (Freshly milled heritage grains)  
“Farmer-owned and cooperatively managed”
- **Wide Awake Bakery with Bread CSA**

**Harold Wilken, Janie's Farm** (Danforth, Illinois)

- **2,400 Acres of Organic Grain**
- Certified Organic flour mill, The Mill @ Janie's Farm

**John & Halee Wepking, Meadowlark Organics** (Ridgeway, Wisconsin) *With Paul Bickford, Bickford Organics*

- Grains milled by Lonesome Stone Milling





# Organic Grain Collaborators (MOSES)

## **Thor Oeschner, Oeschner Farms** (Newfield, New York)

- Started as car mechanic
- Family background in farming
- “Stony soil led to an emphasis on small grains”

## **Farmer Ground Flour**

- Freshly milled heritage grains
- “Farmer-owned and cooperatively managed”
- Wanted Value-added product
- New York Consumers want fresh flour (sell @ Greenmarket)

## **Wide Awake Bakery with Bread CSA**

## **Partner with nearby farms**

- “Relationships”
- “Mutual Trust and Honesty”
- Transparent about prices at every stage



# Organic Grain Collaborators (MOSES)

**Thor Oeschner, Oeschner Farms** (Newfield, New York)

## **Diverse Crops; Rotation; Cover Crops**

- Corn
- Wheat (SWW, HRW, HRSW)
- Rye
- Buckwheat
- Red Clover
- Mixed hay
- Soybeans
- Kernza
- Triticale
- Japanese Millet
- Annual Rye Grass
- Forage Turnip
- Forage Rape
- Winter Pea





# Organic Grain Collaborators (MOSES)



**Harold Wilken, Janie's Farm &  
The Mill at Janie's Farm,  
Danforth, Illinois**

- Neighbor inherited land; sought organic farmer
- Neighbor buys hay to feed cattle
- Wilken buys grain from neighboring farms
- Variable lease (flat rate plus 1/3 share of sale price to owner)
- Mills into flour
- Sells into Chicago, St. Louis, and Ann Arbor markets



# Organic Grain Collaborators (MOSES)

**John and Halee Wepking, Meadowlark Organics** (Ridgeway, Wisconsin)

*First generation farmers working with Paul Bickford, Bickford Organics*

- **Grains custom milled by Lonesome Stone Milling**
- “We clean and dehull grain ourselves”
- Offer these services to other organic farmers
- Market to end users when possible
- Rely on larger buyers to move volume

**“The interest in growing outpaced the market opportunities.”**

**“Most end-users want farmer connections, but do not want to call many farmers when they need grain.”**







# **Heritage Grain Growers in New England**

- **Launched by Growers**
- **Informal Community of Practice**
- **Annual Meetings**





Plainview, Minnesota



## **WOLF Co-operative, Northeast Indiana**

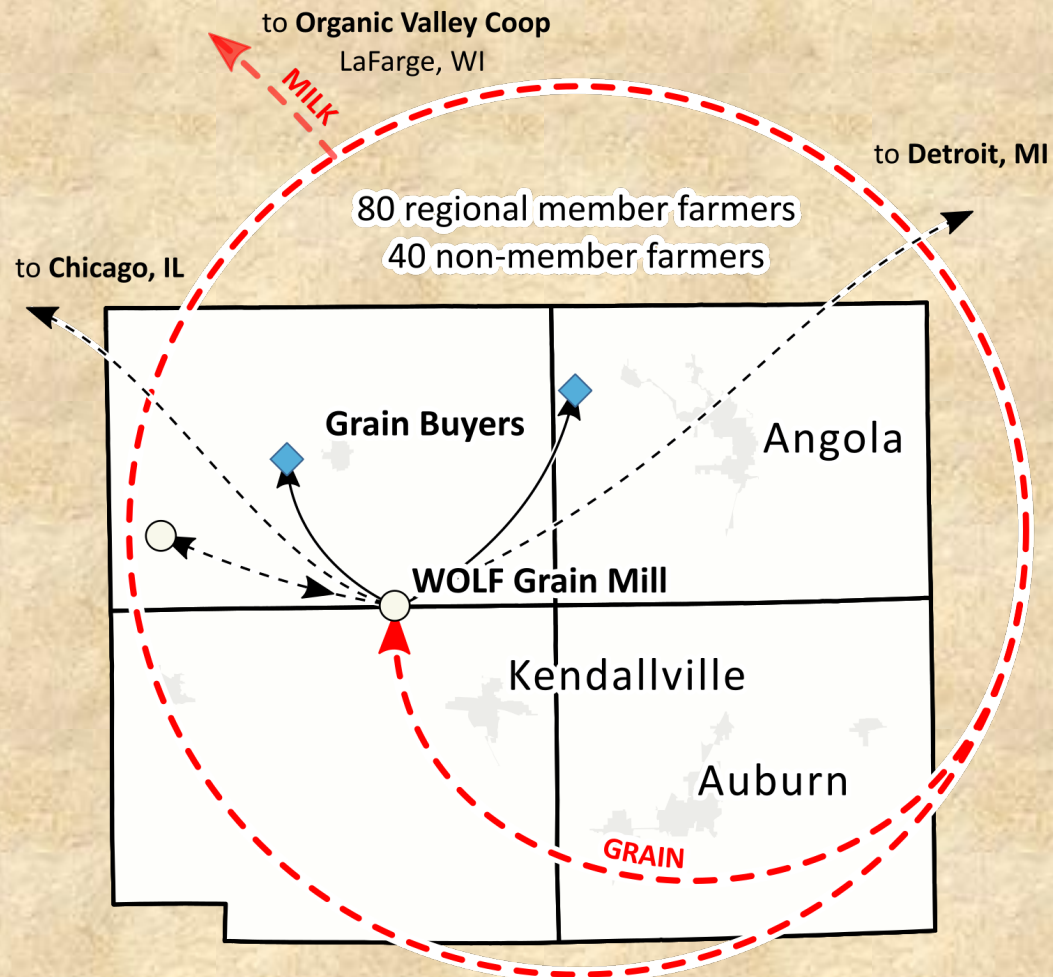
- **Launched by Amish Mill Owner**
- **Engaged his neighbors**
- **Jointly formed a co-operative**





## WOLF Cooperative

Suppliers & Partners



**Sales expanded from \$1.6 million to \$15 million in less than 3 years**





**WOLF Cooperative**





## **Fifth Season Co-operative, Southwest Wisconsin – with Wisconsin Food Enterprise Center**

- **Organized around organic produce growers (40 years of experience)**
- **Factory became available**
- **Engaged institutional buyers in multi-stakeholder co-operative**





Viroqua, Wisconsin





Viroqua, Wisconsin





**Sue Noble, Vernon County Econ Devel Assn -- Western WI Food Enterprise Center**





**Western WI Food Enterprise Center**





Western WI Food Enterprise Center





**Viroqua, Wisconsin**





## **Multi-Stakeholder Co-op**

**Growers (40)**

**CEO of Gunderson Memorial Hospital**

**CEO of Reinhart Foods**

**Workers**

**All represented on one board**





# **Western Wisconsin Food Enterprise Center**

**Replaced 85 jobs lost in 2009**



## Northeast Indiana Regional Partnership

11 Local Economic  
Development  
Organizations

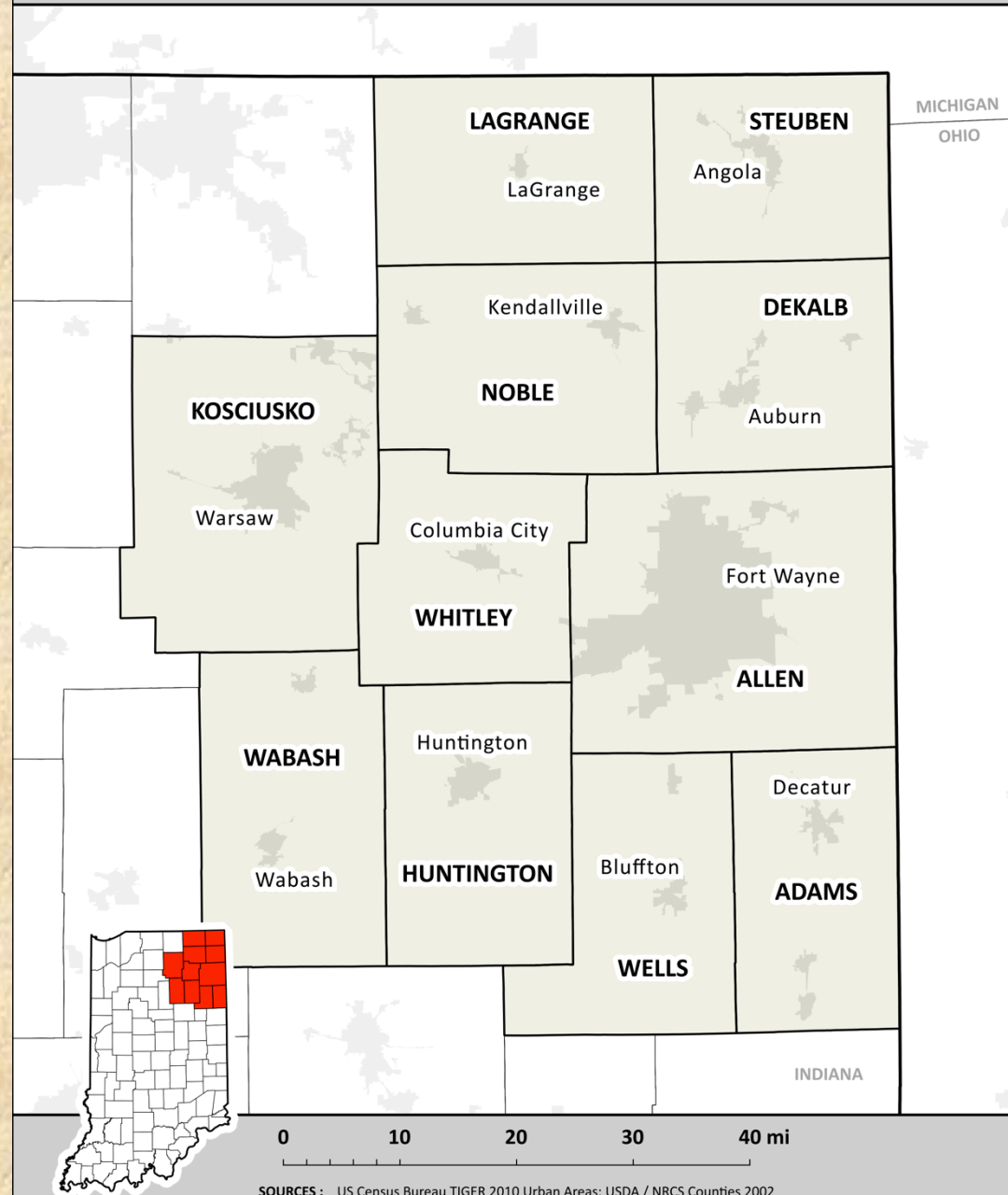
## Northeast Indiana Local Food Network







# Northeast Indiana Region





## NE Indiana Local Food Network

A business cluster “**Extends beyond core firms...**

**...and includes any other actor or agency in the region who can contribute to the industry’s competitive success.”**

**Neil Reid, University of Toledo**

Reid, Neil; Carroll, Michael C.; & Smith, Bruce W. (2007). “Critical Steps in the Cluster Building Process.” International Economic Development Council (IEDC) *Economic Development Journal*, Fall, 45.





## NE Indiana Local Food Network

**“The key to a successful cluster is collaboration among the members of the cluster.”**

**Neil Reid -- University of Toledo**

Reid, Neil; Carroll, Michael C.; & Smith, Bruce W. (2007). “Critical Steps in the Cluster Building Process.” International Economic Development Council (IEDC) *Economic Development Journal*, Fall, 45.



## **NE Indiana Local Food Network**

**“Local food networks” are the commercial, social, and cultural connections that sustain food trade within Northeast Indiana.**





Welcome to

Seven Sons





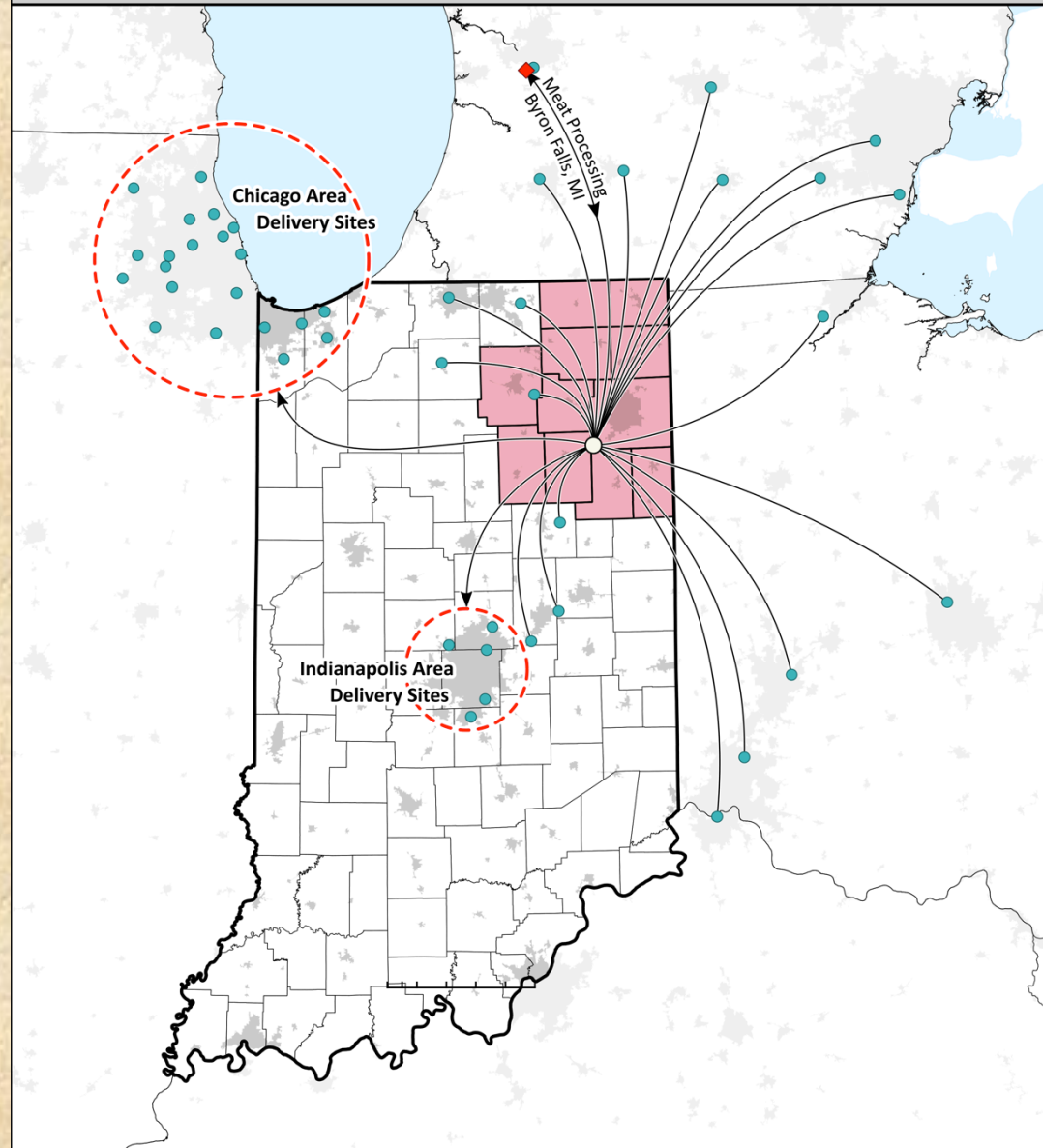
Blaine Hitzfield





# Seven Sons Farm

Delivery Sites



SOURCES : US Census Bureau TIGER/Line 2010 Urban Areas; USDA/NRCS Counties 2002; GLIN Great Lakes Boundaries 2012  
Prepared for Ken Meter | Crossroads Resource Center | December 2015 | Mapping by Brendan Heberlein

**45 Drop Sites**  
**5,200 Names**





Seven Sons Farm





Seven Sons Farm





Seven Sons Farm



Seven Sons Farm





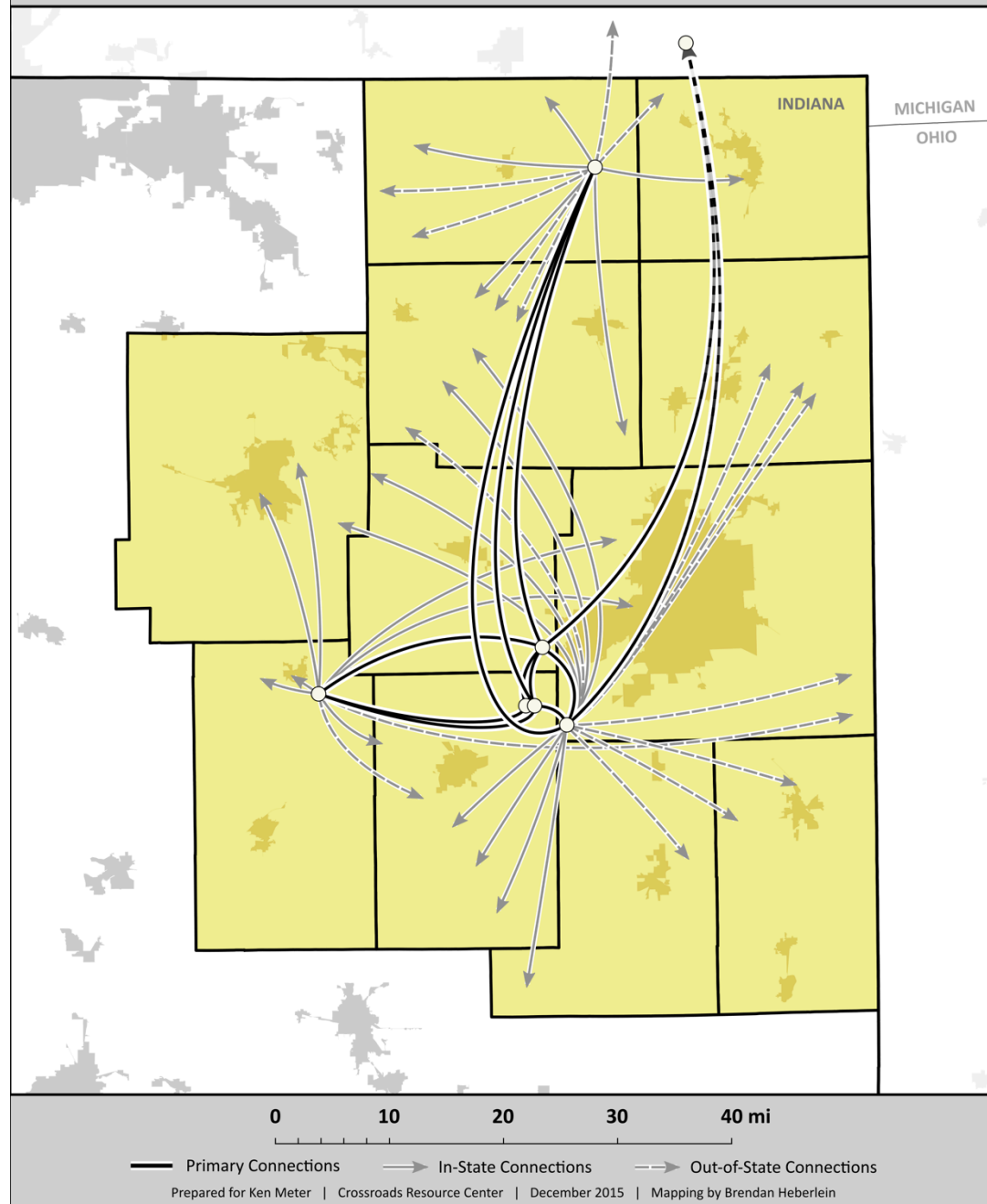


Seven Sons Farm





## Network Overview



**Northeast  
Indiana**





# The key role of public investment

**Build infrastructure  
that creates  
community efficiencies**

Chena Hot Springs, Alaska

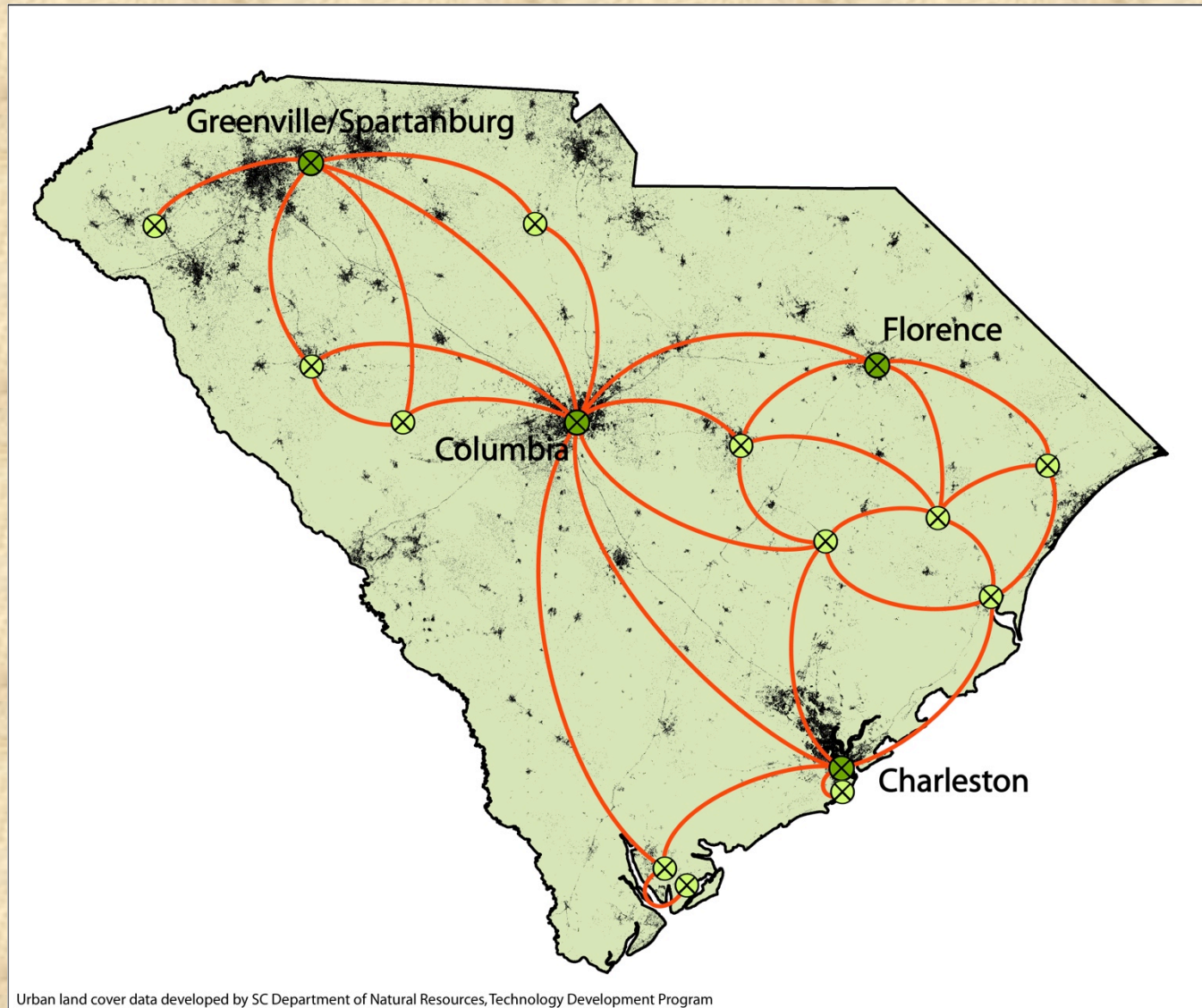








# South Carolina “Food Web”



**Meter & Goldenberg, Making Small Farms into Big Business (2003)**

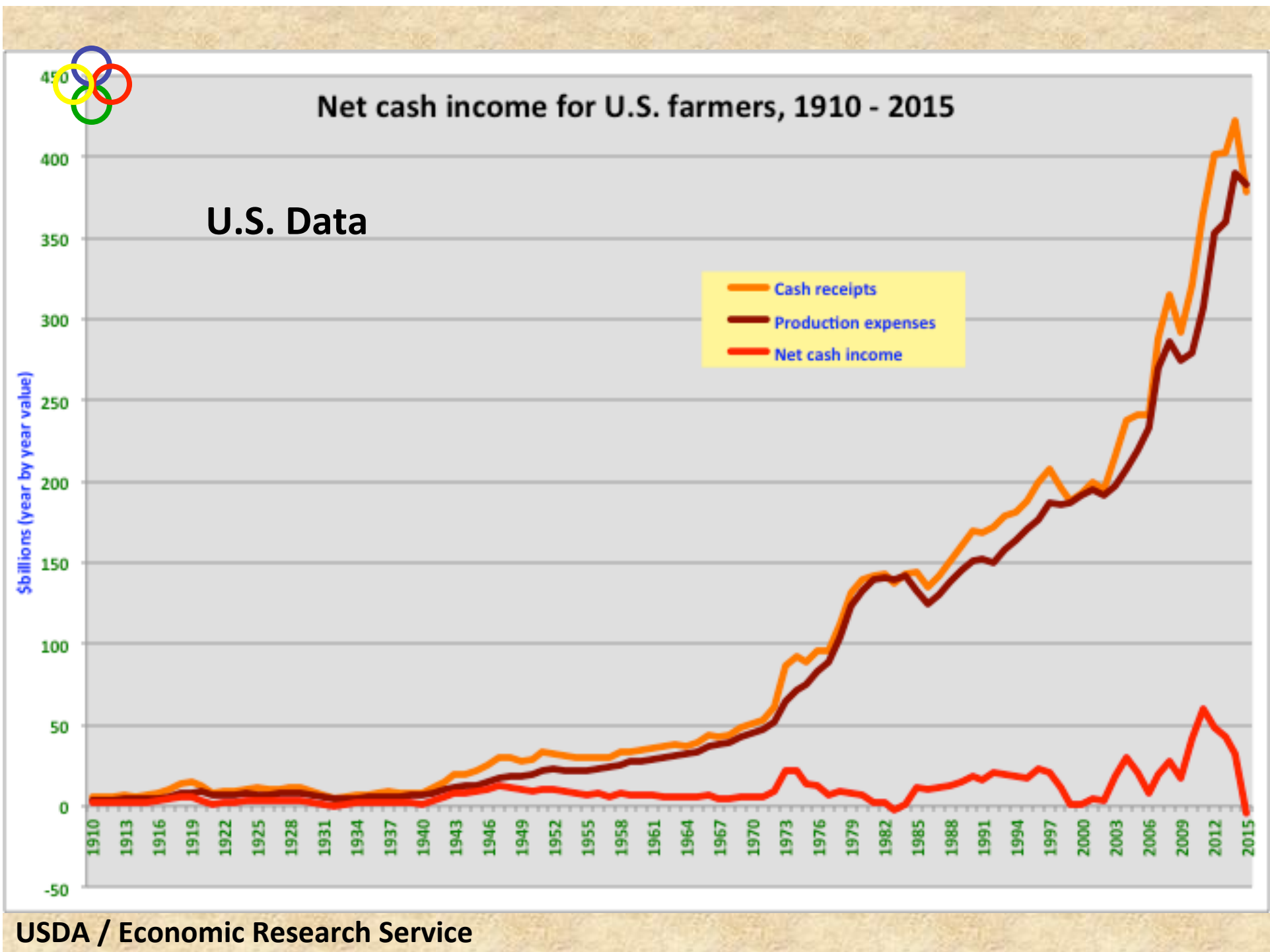




**U.S. data**





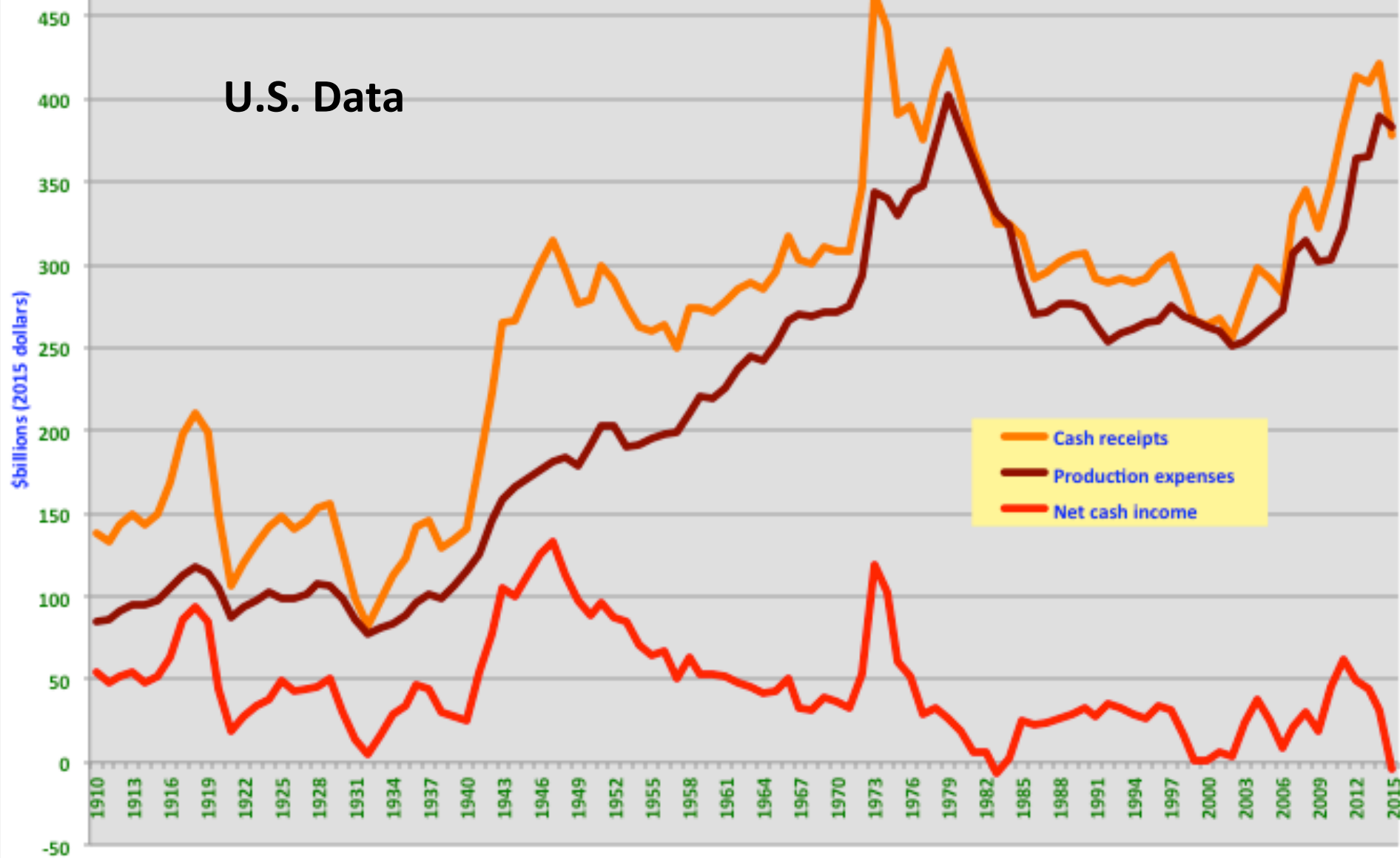




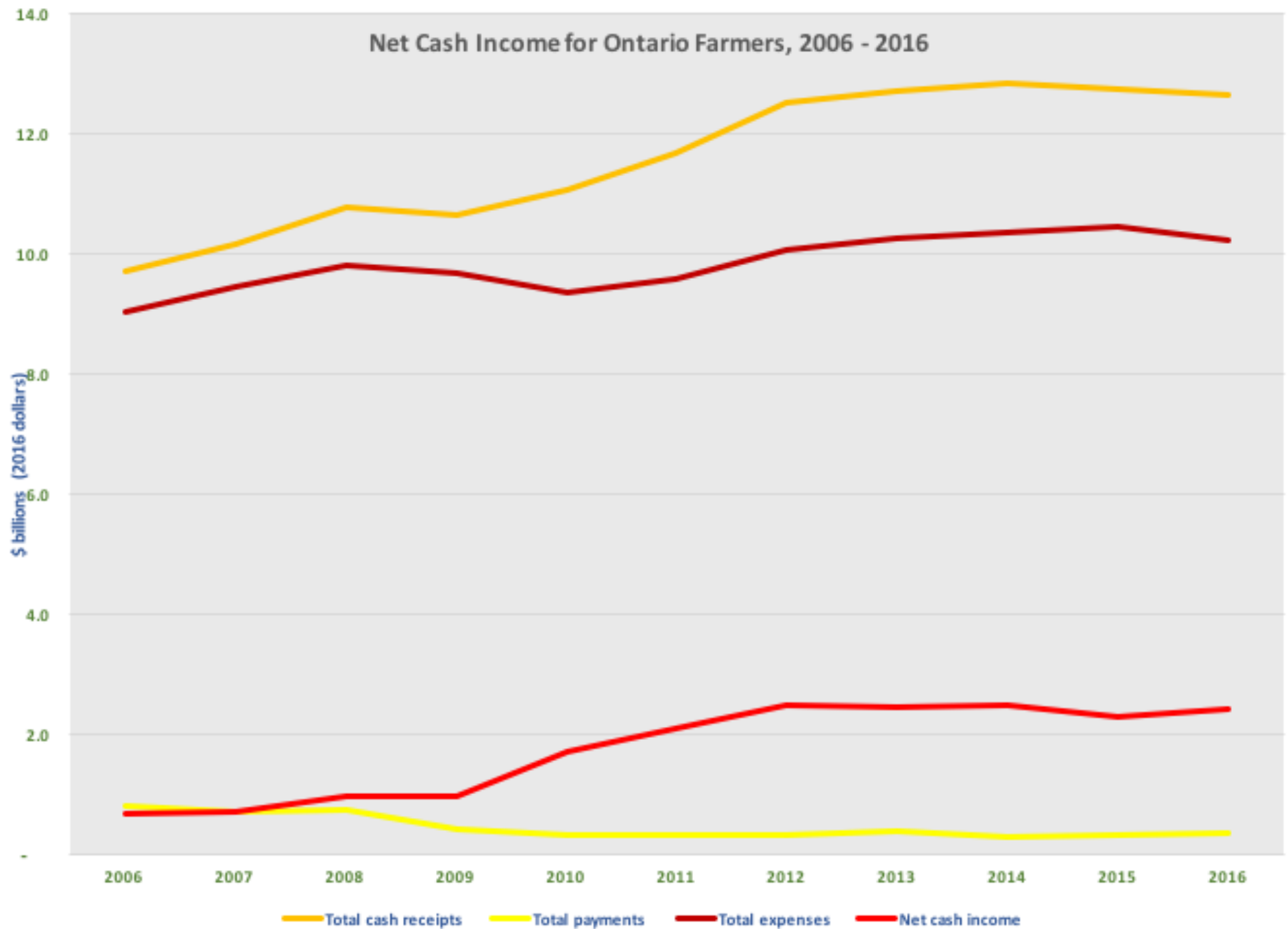


## Adjusted net cash income for U.S. farmers, 1910 - 2015

U.S. Data











# **Local Farm & Food Economy Studies**

**Ken Meter & Megan Phillips Goldenberg  
Crossroads Resource Center**

**[www.crcworks.org](http://www.crcworks.org)**

**[kmeter@crcworks.org](mailto:kmeter@crcworks.org)**

**(612) 385-8664**