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*Tools for Community Self-determination*



## How Feasible is a Food Hub for Northern Utah?

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City of Salt Lake  
by  
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## **Executive Summary**

The purpose of this study is to assess the feasibility of forming a food hub or some similar entity that would benefit farmers in Northern Utah. Specifically, the City of Salt Lake considers taking a potential role in the creation of some type of value-added processing operation to increase farmer income.

For this assessment, several potential value-added business concepts were explored: (1) an apple-cider press; (2) an apple-slicing operation to slice apples and package them into plastic bags for school snacks; (3) a school food service's proposal to freeze-dry peaches in their kitchen; and (4) slicing fresh fruits and vegetables for restaurants and institutional buyers.

Our interviews in 2019–2020 determined that only one of these suggestions has a clear champion that is dedicated to launching such a business: the SAPA Group's vegetable processing center proposed in 2019. SAPA has considerable capacity to undertake this effort. In 2021, after our interviews were complete, the Utah Farm Bureau Federation proposed a food hub in Ogden. This would have the capacity to distribute produce, cut meats, and stage the shipment of food boxes. The Giv Group also announced plans for a separate "hub" in Ogden.

This sudden outburst of interest in food hubs, combined with state legislation to help hubs get underway, elevates the importance of our research. However, our findings offer a mixed assessment of the potential for a food hub in Northern Utah with important notes of caution. The farmers we interviewed held no clear interest in getting involved in creating a food hub, and any food hub has the potential to conflict with their ongoing collaboration. If farmers are not engaged in helping to lead the effort, launching any food hub is questionable. Still, institutional buyers welcome the possibility of a food hub, and certain growers would be happy to supply one if the terms were beneficial.

Moreover, the prospect of several hubs opening at the same time poses special difficulties: if these food hub efforts are not complementary to each other, all could fail. There are a limited number of farmers who can supply them, and consumer interest in purchasing from these farms is limited. All three endeavors could be requesting funds from the same investors in ways that diminish the potential for success for any of the firms.

Moreover, our research shows that successful food hubs draw upon the unique advantages of the place where they are located. Successful hubs build the capacity of local growers, especially emerging growers, to supply local markets and gain market power. They are closely attuned to a rapidly changing food environment as more and more players get involved. The best coordinate community food trade among diverse stakeholders.

Accordingly, our research begins by examining the current context in the Northern Utah Farm and Food Economy, so any hub that may be created is effectively attuned to local conditions. Our findings are briefly summarized in this document. A complete data report is released concurrent with this one.

Next, we consider the impacts that the novel coronavirus pandemic inflicted upon the region. The “new normal” also shapes the food hub discussion, creating novel constraints and opportunities.

While farmers viewed weather as a more important disruptor in 2020, the pandemic did expose several weaknesses in the Northern Utah food system, and suggested new opportunities for fostering long-term resilience. Concern over the uncertainty of food supplies led many to propose new food hubs.

Notably, The Church of Jesus Christ of the Latter-Day Saints (LDS) ramped up its efforts to grow food on Utah farms for distribution to people who were having difficulty accessing food because of the pandemic. Food was shipped locally and nationally. LDS appears to place a stronger focus on shipping food to Utah locations as the program expands in 2021. The LDS Church also joined the Utah Farm Bureau Federation in launching a new Farmers Feeding Utah program.

The report continues by examining the strengths and potential limitations of food hubs given the context portrayed above, because any food hub will be unique to its economic environment. Food hubs are typically favored by food buyers who welcome easier access to foods that can be labeled “local.” The potential benefits to buyers are many: easier ordering, more frequent deliveries, and greater coordination of food production in the region. Moreover, food hubs tackle costs for training, education, aggregation, and distribution that are not easy for commercial distributors to shoulder.

Yet for this very reason, the costs of operating food hubs are not trivial. Many require operating support for decades. And in the case of the metro Salt Lake City market, there is already effective coordination among growers to deliver food orders to willing buyers. If a food hub weakens this collaboration among growers, it could easily make the regional food system weaker, not stronger.

Key factors for success of a food hub in the Northern Utah context are still uncertain. Many of the existing food hubs in the Western states are rather small, and have defined very limited purposes. Food hubs in other parts of the US, even those that have been in existence for 20 years or more, operate on fairly narrow margins and rely heavily upon philanthropic support. As long as food hub leaders understand that their business may serve more as a cost center than a profit center, and can tap reliable sources of investment over the long haul, a new food hub could succeed.

Given the wide variety of food hub models, it is critical to plan, not just generically to launch “food hubs,” but to focus on the specific functions any proposed food hub would fill, and ensure these are appropriate to local conditions. National experts have concluded that the primary importance of “food hubs,” as varied as they are, is to coordinate community foods networks in their region. Such a function requires long-term, patient investment.

It is not clear what role, if any, the City might play in these so-called “food hub” initiatives outside of its zoning and regulatory functions. However, the City could make a strong impact by defining a vision of the public interest and convening diverse stakeholders to uphold that vision as these business proposals progress. Another potential role would be for the City to work with

growers to construct on-farm cold storage (for those farms lacking such facilities) so that farmers would enjoy greater flexibility in negotiating with food hubs or wholesale buyers.

Our four recommendations for the short term are:

- **Construct a regional vision and civic commitment to a food system that serves the public interest**
- **Strengthen community food trade by fostering the coordination of value networks and the development of supportive infrastructure**
- **Mobilize \$10 billion of consumer spending power**
- **Invest in smaller meat processing plants**

Furthermore, no food hub will survive unless the region stems the rapid loss of farmland in Northern Utah and the Salt Lake City metro region. Development pressure is especially acute along the I-15 corridor. Ownership turnover is anticipated among heritage orchards, and trees are aging. With beautiful hillside locations and proximity to transport, this area is clearly a target for future housing and commercial development. It will be critical to protect farmland if Northern Utah and the Salt Lake City metro region themselves are to survive.

*See also two companion reports that offer more detailed data covering the rural counties of Northern Utah and the Wasatch Front metro counties:*

- [Northern Utah Farm and Food Economy \(July 29, 2021\)](#)
- [Background Data for Wasatch Front Metro Counties of Utah \(June 7, 2021\)](#)

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## Background

### **Purpose of project:**

To explore the feasibility of creating a food hub or similar facility serving Northern Utah farmers.

### **Geographic Scope:**

For purposes of this study, Northern Utah is defined as including the following counties: *Box Elder, Cache, Carbon, Daggett, Duchesne, Juab, Morgan, Rich, Sanpete, Summit, Tooele, Uintah, & Wasatch Counties of Utah.*

*Supplemental information was also compiled covering four metropolitan counties that may help constitute a market for Northern Utah growers in the future: Davis, Salt Lake, Utah, & Weber Counties.*

### **Methodology:**

- *Economic data compiled.* An economic overview of the Northern Utah Farm & Food Economy was compiled. This is summarized in a separate document.
- *Interviews.* Semi-structured interviews were held with 46 key informants (see list below); 20 farmers and 26 food buyers. Most were carried out during two weeks of field interviews: December 2-6, 2019, and February 10-14, 2020. Others were performed by telephone between November, 2019 and May, 2021. Those interviewed included farmers operating in the southern counties in or near the metro Salt Lake City, to establish a richer sense of the market context in which Northern Utah growers operate.
- *Review farm-to-school data.* USDA data sets showing patterns in school food purchasing by Northern Utah schools were consulted and summarized. These data are presented in the accompanying documents, as well.
- *Review impact of the pandemic* on Northern Utah farmers. Since the pandemic curtailed our scheduled research activities, we sought to learn about the impacts of the pandemic on Northern Utah growers, so we could learn how the social and economic context has shifted from what we observed in the earlier phases. Thus, the seven Northern Utah farmers who had been interviewed in earlier phases were contacted by telephone; four responded.
- *Research key issues in food hub launch and operation.* Practitioner reports covering food hubs were located through internet searches and recommendations from professional colleagues. The USDA data base showing registered food hubs was consulted. Key findings were summarized.
- *Recommendations for action.* Based on these findings, strategic recommendations were devised for the City of Salt Lake.



## People Interviewed

First Name	Last Name	Firm	Location
Alan	Bangerter	Chas. W. Bangerter & Son Farm	Bountiful
Charles	Bangerter	Chas. W. Bangerter & Son Farm	Bountiful
Nick	Bangerter	Chas. W. Bangerter & Son Farm	Bountiful
John	Borski	Farm	Kaysville
Robin	Carbaugh	Carbaugh Associates	Salt Lake City
Sam	Day	Day Farms	Layton
Jeremy	East	East Farms	Layton
Alison	Einerson	Urban Food Connections	Salt Lake City
Colleen	Franklin	Provo School District	Provo
Supreet	Gill	City of Salt Lake	Salt Lake City
JayDee	Gunnell	USU Extension	Logan
Jud	Harward	Harward Farms	Springville
Ben	Hogan	East Farms	Layton
James	Hunter	New Roots Farm	Salt Lake City
Mary	Kohles	Kohles Farm	Kaysville
Casey	Kress	Tooele School District	Tooele
Laura	Larsen	Provo School District	Provo
Debbie	Lyons	City of Salt Lake	Salt Lake City
Sarah	Martinez	Tooele School District	Tooele
Robert	McMullan	McMullan Orchards	Payson
Mike	Muir	Muir Copper Canyon	Salt Lake City
Mai	Nguyen	SAPA Investment Group	Salt Lake City
Mark	Openshaw	Little Opee's	Santaquin
RJ	Owen	Intermountain Healthcare	Murray
Brock	Pace	VegX	Salt Lake City
Candace	Parr	Box Elder School District	Brigham City
Sara	Patterson	Red Acre Farm	Cedar City
Steve	Petengill	Petengill Farms	Willard
Kent	Pyne	Pyne Farms	Santaquin
Jordan	Riley	Riley Farms	Perry
Tyson	Roberts	Roberts Family Farm	Layton
Robert	Seegmiller	Harmons	West Valley City
Laurie	Seron	SAPA Investment Group	Salt Lake City
Bron	Smith	Intermountain Healthcare	Murray
Reed	Smith	SAPA Investment Group	Salt Lake City
Thayne	Tagge	Tagge Farms	Perry
Sebastian	Varas	Canyons School District	Sandy
Katie	Wagner	USU Extension	Salt Lake City
Kevin	Wagner	Mountainland Co-op	Santaquin
Nancy	Webb	Canyons School District	Sandy
Sheri	Welsh	Ogden School District	Ogden
Page	Westover	Snuck Farms	Pleasant Grove
Kate	Wheeler	Utah State Board of Education	Salt Lake City
Jack	Wilbur	Utah Dept Ag	Salt Lake City
Jack	Wilbur	3 Squares Produce	West Valley City
Amy	Woolsey	Ogden School District	Ogden

*Note: An additional 13 people were contacted for interviews. 5 said they were not interested, while the other 8 did not respond to our request.*

## Current Context: Northern Utah Food & Farm Economy

*See the accompanying reports for a more detailed profile of the Northern Utah food and farm economy. Note also that interviews were largely held in late 2019 / early 2020; some of the conclusions drawn here may no longer correspond to more recent developments.*

Despite a strong heritage of community self-reliance, including the long-held tradition of households reserving a two years' supply of food to safeguard their families from economic, weather, or health upheaval, Northern Utah residents have become far removed from farmers and their food supply. Thousands of acres of fertile farmland have been taken from production by suburban development. Even as the population of Salt Lake City metro region and Northern Utah expanded, little planning has been devoted to feeding new community members.

Population in the 13 counties of Northern Utah has nearly tripled (increased 193%) since 1969, from 159,700 to 467,478. Personal income rose even faster, increasing six-fold from \$3.3 billion (in 2019 dollars) to \$23.8 billion. This means Northern Utah residents have considerable spending power for purchasing food, spending \$1.8 billion annually buying food to eat at home. The metropolitan market is even larger, with consumers in the four metro counties purchasing \$9 billion of food each year.

However, since Salt Lake City and the Wasatch front were founded on some of Utah's best farmland, the expansion of the population has taken a severe toll on the state's capacity to feed itself. Hundreds of farms were converted into housing, commercial, and industrial developments. Thus, in an era when Americans are being urged to eat more fruits and vegetables to maintain the best possible health, production of these valuable foods has actually decreased, even in prime fruit growing regions.

- In 2017, 201 Northern Utah farms sold more than \$3.5 million of fruit from more than 1,071 acres of orchards.
- This is far less than the \$577,000 (\$8.6 million in 2019 dollars) sold by 2,666 farms in 1929 from 4,911 acres of orchards.
- In 2017, 249 Northern Utah farms sold more than \$11 million of vegetables from 2,414 acres.
- This is far less than the 6,130 acres of vegetables that were raised commercially in 1929, when \$509,000 (\$7.6 million in 2019 dollars) of vegetables were sold. The number of farms selling vegetables commercially in 1929 was not recorded.
- 4,774 Northern Utah farms also worked gardens in 1929 to supply their own families with fresh vegetables, worth a combined total of \$255,000 (\$3.8 million in 2019 dollars).
- Farmers' net cash income trends have been reported annually since 1969; these show that Northern Utah farmers earned \$32 million less by producing crops and livestock in 2019 than they had in earned in 1969, despite rising sales and increased productivity (See accompanying reports for details).

Similar trends are found in the counties now considered part of the Salt Lake City metropolitan region, where urban development has removed considerable farm acreage from production.

- In 2017, 269 farms in the counties that are now part of the metropolitan area sold more than \$21 million of fruit from more than 6,934 acres of orchards.
- This is less than the \$1.8 million (\$26 million in 2019 dollars) sold by 3,583 farms in 1929 from 11,821 acres of orchards.
- 270 metro area farms sold more than \$11 million of vegetables from 3,027 acres in 2017.
- This is an immense decline since 1929, when 15,750 acres of vegetables were raised commercially in these metro counties, worth a combined total of \$1.9 million (\$27.8 million in 2019 dollars). The number of farms selling vegetables commercially in 1929 was not recorded.
- A total of 4,237 farms in the four counties that are now metropolitan areas also worked gardens in 1929 to supply their own families with fresh vegetables, worth a combined total of \$169,000 (\$2.5 million in 2019 dollars).

Ironically, most of the fruits and vegetables grown in the region are now exported, even as produce imports from Mexico and California are rising.

Our interviews indicated that Northern Utah produce is often sold to buyers in Los Angeles, Denver, Boise, and Phoenix metro areas, along with other markets in California, Arizona, Colorado, Nevada, Washington State, and Idaho. Some peaches are shipped as far as Philadelphia and Georgia. Hundreds of household consumers drive from places such as Wyoming, Colorado, Nebraska, and Montana to purchase cases of peaches in the Perry region to take back to their neighbors. A few growers will also deliver fruit to these far-flung locations.

Northern Utah growers do have established markets with grocery chains such as Harmons, Albertson's/Safeway, Kroger/Smiths, Whole Foods/Amazon, Macey's, Dan's, Fresh Market, and Winco. These may be direct purchases, but typically are channeled through distributors such as Sysco/US Foods, Muir Copper Canyon (now merged with Charlie's Produce), KP Produce, Blaine Hartley, Associated, A&Z, CH Robinson, J&J, Nichols, Mountain States, Nicholas, Kessimakis Produce, and Topmade. Eagle Eye recently moved to Idaho Falls. Muir Copper Canyon appears to carry most of the Department of Defense (DOD) food sales to schools, while A&Z is the preferred vendor for the USDA Fresh Fruit and Vegetable Program that allows schools to purchase imported fruits for their educational value. Several schools in the region purchase through the Utah school food-purchasing collaborative, UCARE, using the national distributor, Sysco/US Foods.

One emerging broker/distributor in the southern counties is Little Opee's in Santaquin, which expressed a passion for sourcing locally and a willingness to deal with school purchasing. However, after several attempts, we did not connect with owner Mark Openshaw to specify this interest, so this somewhat unclear at this time.

### **Fruit growers**

Fruit production has shifted from northern counties to southern counties, with a concentration in Utah County. Several growers said they expected most all of the farms in the Perry area to be gone in 20 years, replaced by homes. Apple production has moved to southern counties. Cherries raised in the southern counties are primarily (90-95%, our sources said) shipped to Michigan for processing through Cherry Central.

Utah's larger fruit growers already collaborate in important ways, and have established strong footholds in both local and national markets. These growers would have no need for a food hub, although each would welcome new sales if these were easy to engage and prices were competitive.

Mountainland Apples is a cooperative formed around a core of Rowley family members, with others joining as associates. Payson Fruit Growers is a separate co-op, with a board of directors overlapping with Mountainland. Grocers and brokers will send trucks to Payson to pick up these fruits, because they command significant market presence.

- **Mountainland Apples** carries apples. The co-op has "9 to 11" members, of whom 5-6 are core members. It has opened a new orchard and distribution center in Caldwell, Idaho.
- **Payson Fruit Growers** handles apricots, apples, peaches, and tart cherries.
- **McMullen** raises peaches, and sweet and tart cherries, selling through Mountainland and Cherry Central, but also identifying niche markets where they can sell direct. McMullen has no processing capacity of its own.
- **Cherry Central** sells most of its products to Michigan, but has a drying room in Utah County.

**Fruit growers in the northern counties** constitute a cluster of independent operations. The three largest are:

- **Nielson's** (Perry) owns a large storage facility including cold storage. This was being leased by Jordan Riley in 2019.
- **Pettengill Fruit Farm** (Willard) owns a large storage facility with cold storage, and also has a warehouse in Salt Lake City. In addition to raising peaches, the farm grows vegetables such as sweet corn, tomatoes, peppers, cantaloupe, and many others. The farm sells everything direct, including to wholesale markets in Salt Lake City, or to truckers that convey the product to buyers. Steve Pettengill said that 85% of the farm's sales are made right from the farm stand. This includes local shoppers and group purchasers from Nebraska, Montana, Wyoming, Nevada, and Arizona who drive to the farm to pick up boxes for themselves and neighbors.
- **Tagge's Famous Fruit and Veggie Farm** (Perry) runs a large CSA operation with more than 600 shares in 2019. The farm delivers to customers ranging from Brigham City to Spanish Fork, and sells at farmers markets and 6 farm stands. They also draw customers from Idaho and Wyoming. The farm also sells to brokers. It offers a variety of vegetables and fruits including apples, peaches and other stone fruit, blackberries, raspberries, and strawberries. Tagge's also packs its own jams, jellies and salsas.
- **Jordan Riley** is purchasing his own 215-acre parcel near Perry and developing a 70-acre apple orchard. Riley expressed interest in coordinating delivery of fruits and vegetables across both the northern counties (where his farm is located) and southern counties (where he grew up and where his family farms).
- **Other farms in the northern counties include** Larson, Sanders, and Barkers, all relatively small operations.
- **At least two farms have already been sold** and no longer manage their orchards. Others are reported to be up for sale.

## Vegetable growers

Utah's larger vegetable growers have reduced competition by specializing (to an extent) based on each farm's unique skills, land, and interests. While we were not able to contact every vegetable farm, we were told that there are essentially 5-6 farms in Northern Utah that produce at significant scale for wholesale markets. Most of these growers have their own refrigerated trucks, or reliable shippers they work with. Most have access to, or own, cold storage facilities. This means they would have limited need for an aggregation center except as a market for their produce. One source, however, cautioned that some of the existing on-farm cold-storage facilities would not meet rigorous food safety requirements. This means that updating these facilities may be useful. The farms we interviewed include:

- **Bangerter & Sons** raises high-quality vegetables using hand labor, and sells to higher-end customers who are willing to pay for quality products. Grocery chains are an important market. The farm grows a variety of vegetables; one of their specialties is zucchini, which they consider the largest available in the local market. The Bangerters sell at the SLC farmers' market, the Bountiful farmers' market, and at an on-farm stand.
- **Day Farms** offers direct sales to nearby residents of subdivisions built on land purchased from the Day family itself, as well as to SLC wholesale markets. The family raises 500 acres of sweet corn, 200 acres of onions, and pumpkins. They stopped growing asparagus several years ago. Sam Day raises green, red, and yellow bell peppers as well as seedless melons on his own 6-acre plot. The family buys peaches from the Rowleys in Utah County to resell to their customers. The family leases some land from the Smith's grocery firm, and Sam Day has also purchased land further to the north.
- **East Farm** is a 300-acre operation that focuses on raising a specific set of produce items for wholesale trade, but also sells at farmers' markets. The farm raises green beans, zucchini, watermelon, hot peppers, eggplant, cucumbers, beets, carrots, yellow, butternut, and acorn squash, as well as pumpkins. The farm is large enough that grocers and brokers will pick up produce at the farm. They lease two trucks and deliver their products to California, Colorado, and Nevada, but would rather sell locally.
- **Harward Farms** primarily sells produce through its own 25 farm stands in the Springville area. Sweet corn is one of their specialties.
- **Roberts Family Farm** (Layton) especially likes to grow storable root crops such as potatoes, onions, squash, and garlic, but also raises peaches, watermelon, green beans, popcorn, tomatoes, and sweet corn. The farm sells from its own farm stands and farmers markets, including the Evanston, Wyoming, farmers' market. Tyson Roberts said a lack of labor is the critical limitation for expanding production.
- **Thayne Tagge** emphasizes direct sales to higher end customers through a CSA and farmers market sales, as noted above.

Many of these growers have access to land and labor, and the ability to ramp up production even further to meet institutional markets, but it is unlikely that institutional purchasers would pay a price comparable to what brokers, distributors, and grocers currently pay, as long as less expensive produce grown in Mexico is available in the marketplace.

It should also be remembered that despite this specialization, most produce growers could ramp up production of a different crop fairly readily, so the potential for heightened competition is always present. This is especially true given the lack of a tradition of forming cooperative

businesses in the region. Nonetheless, some informal collaboration has flourished among Northern Utah farmers who are members of the LDS Church.

### **Grocers**

**Harmons** is widely regarded by farmers as a sympathetic local purchaser. Buyer Robert Seegmiller reported that the firm currently purchases from about 20 farms in the region. Harmons has largely stopped purchasing from individual growers because of the time involved in dealing with separate farms. They do not pick up from farms. Moreover, Steegmiller said (in February, 2020) that Harmons foresees little growth in local purchasing in the near future. Ideally, he said, the store would have one distribution center bringing in product from farms in the northern counties, and another handling farms in the southern counties, to collect produce for their entire system. However, this does not seem to be an investment the firm is prepared to make at this time.

Other grocers are less committed to local purchasing. Farmers reported that grocers' interest in purchasing foods from local farms has waned considerably in recent years [although this could change given the uncertainties surrounding supply given the novel coronavirus pandemic].

- As one grower put it, "Grocers are phasing out their local [purchasing] programs....It used to be that local would trump everything. Now it is just price and supply [quantity]. This is putting the squeeze on us."
- Another added, "We used to sell direct to grocers. They used to put our pictures in the stores. They have dropped all of that. Last year they decided they would only purchase through a broker. It is all about price, they are bringing in Mexican produce. Mexico had a big influence on prices." Although this farm's costs have gone up, they charge the same prices they charged in 2008, trying to compete with produce shipped in from Mexico.
- Growers attributed these shifts to the fact that purchasing decisions are made in distant corporate offices, where no loyalty is held for Northern Utah growers.
- Smiths is now owned by Kroger, and Whole Foods is owned by Amazon. Safeway and Albertson's merged in 2016.
- As consolidation in larger chains shifts decision-making to more distant locations, growers now report they are often unable to even make contact with grocery chain managers. Their calls are not returned.

Some growers complained that brokers or grocers would feature high-quality farms in their marketing materials, but actually offer lower-quality items for sale, at times under the name of a local farm. As one grower said about the product that was placed on the shelf, "It was horrible stuff. Store managers thought it was ours." They felt this meant they lost ground with their customers.

For purposes of claiming the term "local," it seems standard to regard Idaho produce as "locally" raised. Some buyers consider Washington State to be local. One major grocer considers produce raised in Colorado to be local to Salt Lake City.

## Distribution

Farmers also reported that the Salt Lake City region produce distribution industry is consolidating into larger firms.

- Most notably, **Muir Copper Canyon** was recently purchased by **Charlie's Produce** (headquartered in Seattle, with offices in Spokane, Portland, Boise, Los Angeles, and Anchorage). An employee-owned firm, Charlie's has expanded rapidly in recent years. It emphasizes organic produce, and offers a line of processed produce items for schools. Since Muir Copper Canyon is the authorized Department of Defense (DOD) distributor for Utah, this may create new opportunities for schools, but it also represents a weakening of local ownership. Mike Muir says the merger will not diminish local ownership because Muir Copper Canyon is in part owned by its employees. He adds that Charlie's will bring new resources to the region: "They haven't done a lot of retail, but they have 128 banana rooms, more buying power, and strong internal procedures."
- Long-standing produce distributor **Carlo's Produce** (Ogden) closed its doors in October, 2019, after 90 years serving the Wasatch Front.

One further sign of difficulty is that **Winder Dairy** closed in July, 2019, even though it was a long-established firm.

Several growers pointed out that if their farm succeeds, it is because of the relationships of support they have been able to build. As one farmer said, "It's about getting a whole network of people to support you."

## Chronic Outward Flows of Money

Our research shows that more than 90% of the \$1.8 billion of food consumed in Northern Utah each year is sourced outside the region. This means that residents send at least \$1.6 billion outside of the region annually. Losses loom even larger when the consumer market of \$9 billion for the four metro counties is considered: another \$8 billion of annual losses.

This is a significant loss, but at the same time an exceptional economic opportunity if Northern Utah can bring this business back to locally owned firms and create a more self-sufficient region.

This economic impact is only one aspect of the change. The abandonment of food production for Northern Utah residents also hinders self-sufficiency once most of the food it eats is imported. This also erodes the region's farm heritage, marking a decline in the tradition of families putting up their own food when the harvest comes in and working with local farmers to supply their own pantries.

When the region's farms largely supply distant markets, this also takes a toll on farmers' sense of belonging to the community. This in turn makes it easier for farmers to consider selling their land to developers who purchase land to take it out of farming. While some farmers look forward to selling their land for millions of dollars to a developer, others mourn their lack of connection to Northern Utah consumers.

More challenging economically, the new tax base generated by housing developments seldom covers the actual costs of the expanded social services that are required to care for an expanding suburban population, as studies performed by the American Farmland Trust concluded. Thus, even though development of farmland into housing drives considerable economic behavior in Northern Utah, it places municipalities (including Salt Lake City) in the position of having to scramble to pay more to offer new services, even as more consumer food dollars flow out of the region.

Youth are also caught by the decline of farming because they are less likely to know who farms in the region, less likely to understand how food is grown or where it comes from, and unlikely to consider farming as a career. This also makes them more vulnerable as consumers, posing an obstacle to health.

Adults as well as youth often lack awareness of the seasonality of farm produce, or the realities of farming, so they are less likely to advocate for farming-friendly policies. Nor are they committed to purchasing from local farms. Even though surveys have shown strong interest among Salt Lake City residents for buying food from local farms, the actual reality, farmers report, is that few purchase locally in a concerted manner.

### **Farmers feel detached**

Our interviews with farmers captured a sense of their profound detachment from mainstream society in Salt Lake City.

- Several farmers did not return telephone calls, even after telling an intermediary they were interested in this discussion.
- Many who did speak with us lacked interest because they have firmly established markets in, but mostly beyond, the Wasatch Range. These farmers saw no clear reason devote attention to nearby residents' food needs.
- Others faced difficult decisions: For example, Should I...
  - a) Focus my farm on selling food to the new inhabitants of the suburbs that have consumed (or are likely to consume) part of my farm?, or
  - b) Sell my land for millions of dollars to a developer and retire from farming?, or
  - c) Relocate my farm further north where land is less expensive and development pressures more distant?

### **Farmer attitudes are mixed**

Farmers' interest in working with a potential food hub was mixed.

- Those who were interested in selling to a food hub essentially said that they would be pleased to find new buyers.
- This, however, is a fairly reactive interest. Few are interested in devoting their own time to forming such a food hub; they are likely to stand at a distance from the formation of any such hub, waiting for it to find markets (or not).
- Most farmers understand that competition from Mexican produce farms will continue to be stiff, because land and labor prices are far lower there. This will be true as long as

transportation costs are relatively low and borders remain open to produce imports. The pandemic did little to stem the flows of cheaper produce coming from Mexico.

- Only a small number of farmers hold a strong preference for raising food for Northern Utah residents. While local food trade is viewed as desirable by most of those growers who would talk to us, they are more concerned with selling their products at a good price, and are content when their food is shipped to California or Arizona. Most have established connections with buyers in distant areas, and will continue to sell to them as long as they are treated well, and transportation costs continue to be low.
- This is certainly a rational position for farmers to take; however, it may well limit the success of any potential food hub, because growers are unlikely to develop great loyalty to supporting a local hub under current market conditions.

The SAPA Investment Group is currently developing a food-processing center in West Valley, and the Utah Farm Bureau has announced its intention to develop some form of food hub in Ogden. Another “hub” in Ogden is planned by the Giv Group. While these are often referred to as “food hubs,” it appears that the actual format of each is somewhat in flux. It is not yet clear to what extent the SAPA processing operation will also serve as an aggregation and distribution center, or to what extent either project will engage a broader community in the design and operation. These emerging initiatives are discussed in later sections below, along with some of the challenges and opportunities for developing a successful food hub in Northern Utah.

## Pandemic Impacts

*The novel coronavirus pandemic not only curtailed our scheduled research activities, it also changed the context in important ways. Thus, we set out to understand how conditions had changed, and who was most impacted among the region’s farmers. This is critical context for assessing the promise and potential of any food hubs in the region.*

### Growers report that 2020 was a favorable year

Most Northern Utah produce growers reported that 2020 was a favorable year, despite multiple stresses that were inflicted by the COVID-19 pandemic and several weather-related traumas. As one farmer put it, “I would trade this year for any other year I’ve had,” although he lost a considerable amount of his peach crop to the spring frost. The reduced crop meant that he had less work to manage, but also resulted in higher prices since fruit were scarce: he was earning more money with less effort. Prices also held high because consumers were often concerned that supplies would not last. Many were stocking up to prepare for even more austere times.

### Frost impacted farms more than the pandemic did

Certainly the weather was a larger factor in farmers’ reflections on the year than the pandemic. None of the commercial growers we interviewed named any specific changes they had made to their operations because of the pandemic. Nor did any report any difficulties from employees contracting the novel coronavirus.

### **The pandemic heightened consumers' attention to local farmers**

In fact, the pandemic was often good for farmers' business, because Northern Utah consumers flocked to farmers' markets and purchased CSA shares in record numbers, seeking to protect their households from potential supply interruptions. One grower reported that farmers' market sales had ballooned, and CSA enrollments had doubled to 1,200. Several of the smaller farms pivoted to online ordering platforms, while farmers' markets placed greater distance between vendor stalls, and delivered pre-ordered items directly to shoppers' vehicles.

The Downtown Alliance of Salt Lake City maintains an internet listing showing farms that offer online sales, as well as a list of CSA farms. This is already linked from the City of Salt Lake Sustainability Department web site.

### **Internet ordering platforms flourished**

Another new development, echoing national efforts, is for internet ordering platforms to offer products from a variety of growers so consumers can place a single order covering several farms, and pick up their orders at a farmers' market, or even take advantage of home delivery. In Utah, Hand Sown Homegrown lists produce from several farms on their ordering platform. These can be picked up at delivery point in Sugar Hill or a drive-through farmers' market. SLC Top Crops offers on-farm pick-up of products ordered online.

### **Not all farmers benefitted**

These trends were tempered by the experiences of other growers we interviewed. One reflected that 2020 was a "mixed" year for his farm. Sales at his orchard held steady, despite the freeze that decimated his peach orchard (he only gathered 15% of normal harvest) and severe winds that damaged his apple trees. Higher prices for the crops he sold helped. But costs were unusually high, because this grower purchased fruit from other orchards to sell to his customers. He noted that crop damage differed from farm to farm, so several neighboring farms had plenty of supply. He may well have supplemented these purchases by buying from farms outside of the region. Overall, this meant profits were slim. "If I endured three years like this one, I would be out of business," he lamented.

Another grower said that while CSA enrollment had blossomed, and consumer interest had expanded, his forced relocation at one farmers' market, for safety reasons, moved him out of a favored slot he had maintained for years, and caused a significant decline in his sales at that market. His sales flourished at other markets, he added.

The most concise response was from one grower who texted "Yes, I had a very good year." But he declined to offer further details. Several other growers who had participated in interviews in late 2019 simply refused to respond to our requests for their reflections on the impacts of the pandemic.

### **The Church of Jesus Christ of the Latter-Day Saints expanded its relief efforts**

The Church of Jesus Christ of Latter-Day Saints, on the other hand, had long ago established extensive infrastructure to grow specific crops, process, and store these foods in warehouses in the Salt Lake City area. The denomination is also able to direct food relief efforts locally and nationally. Food is delivered to the Bishop's Central Storehouse in Salt Lake City, as well as to

food banks across the country, using denomination-owned trucks. LDS official Matthew Fox noted that tens of millions of pounds of produce had been shipped to food banks across the US (The Church of Jesus Christ of Latter-Day Saints, 2020).

An October 26, 2020 press release stated that “The Church has canneries in Utah and Idaho to process fruit and vegetables grown on Church-owned farms. Crops include green beans, sweet corn, peaches, pears and apples. In southeastern Idaho, Church farmers grow wheat, sugar beets and potatoes. Grapes are dried to make raisins in California. Peanuts are made into peanut butter at a Church-owned cannery in Houston, Texas.” Crops are harvested by Church staff and volunteers. The Church also mills wheat for flour and makes pasta at the Deseret Mill in Kaysville. For local livestock growers, it raises alfalfa as feed (The Church of Jesus Christ of Latter-Day Saints, 2020).

Since the Church’s farms in Layton, Syracuse, and West Point, Utah are the “only farm[s] in the [denomination’s] welfare system that grows [sweet] corn and [green] beans,” Church officials feel pressure to produce as much as possible, and prioritized sending food to places that had been hard hit: to California and Oregon to assist people displaced by the extensive wildfires, and to New York where impacts of the pandemic were so severe in its early months. The Church’s farms reported ample yields for most crops, well in line with previous years, with larger harvests of sweet corn and green beans than usual. The exception was peaches. The manager of the Church’s peach orchard in Pleasant View noted that “I hope to get around 500,000 pounds [of peaches] this year. Some years we get up to 800,000-plus pounds....We cannot produce enough for the canneries this year. We wish we could, but it's just going to take everything we've got, and the need is huge this year” (The Church of Jesus Christ of Latter-Day Saints, 2020).

The pandemic drained inventories, and Church officials expect demand to remain high in 2021, so they plan to expand production next year, according to the October 26, 2020, press release. Diligent efforts to contact Matthew Cox, director of agriculture and storage for the LDS Welfare and Self-Reliance Service (who is quoted in the press release) were unsuccessful, so we have no direct knowledge of the LDS’ future plans. News reports did note that the denomination closed one cannery in Murray last summer, consolidating canning operations into a newer facility in Harrisville (Means, 2020).

### **New “Farmers Feeding Utah” initiative is launched**

Church newspapers also reported on the new Farmers Feeding Utah initiative launched by the Utah Farm Bureau Federation in collaboration with Utah State University’s Hunger Solutions Institute, local hunger relief organizations, and the Utah Department of Agriculture & Food (UDAF). Under this initiative, monetary donations are applied to purchase foods grown by Utah farmers for processing and ultimately delivery to food relief organizations (Donaldson, 2020; Utah Farm Bureau Federation, 2020).

Press accounts noted a rather profound turnaround for the farm of Ron Gibson, a fifth-generation dairy farmer in West Weber, over several years. Gibson also serves as president of the Utah Farm Bureau. The farm’s ongoing transformation sped up due to the pandemic. After losing money in his dairy operation (since milk was overproduced nationally and prices fell), Gibson opted to diversify as a way of protecting the farm so his son can take it over. He devoted hundreds of acres to growing onions, tomatoes, and potatoes. “We have had the feeling for the

last four or five years that we needed to adapt our business into something different,” Gibson told the *Deseret News* (Donaldson, 2020). The family built a new onion storage shed, giving them a total of four cold storage areas. Despite having a buyer he trusts, Gibson added, “We just hope we can sell them.”

The family partners with Onions 52 in Syracuse, Utah, which packages the onions for distribution. That firm was established by an LDS member, C.H. Dredge, 75 years ago and expanded by reaching out to investors in Texas. The company has now partners in California, Colorado, Oregon, Washington State, New Mexico, Texas, and Mexico. “They have big contracts with Walmart and Kroger,” Gibson told the newspaper. He added that he was humbled by the fact that grocery shelves were bare, yet farmgate prices were low. “It was a very surreal experience to go into (grocery stores) and see there is no food to buy. And yet, our markets are gone. We’re getting no money for our products” (Donaldson, 2020).

### **New resource pages available**

Utah State Extension posted a resource page for farmers and food businesses that are adapting to the pandemic. This page offers links to reports covering a wide range of topics including Community Gardens, Community Supported Agriculture, Farms and Small Businesses, Farm Labor, Farmers Markets, Farm Stands, Financial Assistance Programs for Small Businesses, Food Safety for Consumers and the Food Industry, Gleaning, Marketing during COVID-19, and U-Pick Farms (Utah State University). The Utah State Board of Education (USBE) Farm to Fork Initiative posted resource pages and maps showing farmers and food buyers that have expressed interest in supplying area schools.

### **Food workers contract the novel coronavirus**

The *Salt Lake Tribune* reported in early June that nearly 300 workers at the JBS meat processing plant in Hyrum tested positive for the novel coronavirus. Operations were temporarily cut back as a result (Stephenson, 2020). KUER Radio said that the JBS outbreak accounted for most of the COVID-19 cases in Utah as of early June (Reed, 2020). Two smaller processors in Payson and Draper closed totally for short stretches of time. This forced growers to keep animals on their farm longer than they intended (Stephenson, 2020).

The *Salt Lake Tribune* also noted that 17 food-distribution work sites experienced at least one coronavirus outbreak sometime between March and June (Stephenson, 2020).

### **Sheep and lamb farmers hit hard as processing plant closes**

The sheep and lamb industry in Utah was also hard hit due to a combination of infrastructure and market pressures. In the sixth-largest sheep producing state in the US, Utah farms sold 230,000 lambs for market in 2018, earning \$54 million, and earned an additional \$4.1 million selling wool, the Utah Wool Growers Association reported (Richards, 2020.)

Most of this meat is sold to restaurants, UWGA said. When dining was scaled back, sales fell so fast that the second-largest lamb processing plant in the US, owned by a farmers’ cooperative and located in Greeley, Colorado, was threatened with foreclosure and opted to declare bankruptcy (Bean, 2020). This forced Idaho and Utah farmers to drive longer distances to California processors. Moreover, sheep farmers rely heavily on sales of wool. The wool market

essentially dried up, in large part because of its dependence on exports to China. Exports of wool fell in value by 88%, while sheepskin exports declined 76%, the American Sheep Industry Association said (Richards, 2020).

### **Technological innovations also emerge**

Fox News 13 reported on a technological innovation that one local farm is installing in an effort to reduce production costs. In this system, a “vertical farm” grows wheat grass in a mechanized operation, and these grasses are fed to confined cattle. A Utah firm, Grōv Technologies, is installing this system at Bateman and Mosida Farms in Mosida (Hogan, 2020).

Farming operations partner Brad Bateman said that during the first month of the pandemic, the farm had not been able to order enough feed to satisfy their dairy and beef herds. The farm hopes that this new technology will allow them to raise feed for themselves in a controlled environment.

Each vertical tower is capable of producing as much as 6,000 pounds of feed grass during each 6-day cycle in a controlled light, water, and fertility environment. “Each of these machines represents between 35 and 50 acres of land, so in this case here, it's the same as 50 acres of land but it's only covering 875 square feet of the ground and it uses 95% less water to grow the crops,” claimed the president of Grōv Technologies, Steve Lindsley. As an automated process, it also requires less labor, he said (Hogan, 2020).

### **Schools experienced severe financial trauma**

Schools are financially stressed by the pandemic since so many students have stayed home from school, and funding is dependent upon meals served. The Food and Environmental Reporting Network concluded that schools nationally had suffered a combined \$483 million loss (Piser, 2020).

School closures in the spring led to a drop of almost 400 million meals served in March and April, compared to the previous year, according to a recent report from the Government Accountability Office. Thus, school meal programs that were already cash-strapped faced a decline in federal reimbursements and cafeteria sales just as they were forced to take on new expenses linked to the pandemic, such as investing in protective gear for staff and students, sanitizing facilities, packaging for to-go meals, and purchasing tablets and other technology to manage student information.

Even if schools adapt to feeding fewer students, that will do little to offset the damage, since the cost per meal tends to go up as participation declines. Schools are reimbursed only for meals served, but whether they serve 1,000 meals or 50, many costs — cooks’ salaries, equipment, etc. — remain fixed.

Even when schools pivoted by sending meals home to students who were logging in for classes through internet sites, considerable uncertainty abounded. School nutrition programs might not know from week to week whether to prepare to-go meals or to set up the in-house lunch line. One Northern Utah school we spoke to that had expressed interest in processing locally raised produce was simply unable to devote attention to that prospect in light of the pandemic.

### **Hospitals stand at the front line**

Hospitals have been stressed in more intense ways, because they have been on the front lines of testing and medical treatment of COVID-19. One hospital food service in Northern Utah that had expressed strong interest in purchasing from regional farms did not respond to our requests for an update.

### **The Church of the Latter-Day Saints (LDS) anticipated the crisis**

As outlined above, the LDS relief effort is certainly the most visible and most effective coordination of a food system we have encountered in our work so far. This is a network that encompasses the entire farm-to-plate spectrum, from growing food to processing to warehousing to distribution, including allocation of foods to lower-income residents and those who were harmed by the pandemic. This system was designed to respond to crisis. The network places strong emphasis on foods that can be processed and stored, to suit LDS instructions that each church member to store a two-year supply of food for emergency preparedness. In this way it anticipated this pandemic, as well as future outbreaks or disruptions. As an expression of a prominent religion with its own media outlets, it can achieve considerable visibility without undue expense. Yet there is also a certain lack of transparency here, as well, since information remains closely held within LDS circles. Nor is it clear whether farmers hold significant voice in making production and marketing decisions in this network.

This network appears to draw upon subsidy from the denomination. Growers are united to some extent through common religious understandings, and are supported financially through purchases made by LDS organizations.

The essential fact is that this is a food-relief system that assumes the prevailing supply chains will be disrupted from time to time, and has established alternate ways to grow, process, store, and convey food to those who are uprooted by any disruption. Critically, it also can mobilize the resources required to respond to crisis, by planting additional acres, purchasing additional produce, adding processing capacity, and mobilizing more storage and distribution. In this respect it is a model for what a more effective future food system in Salt Lake City might look like. Certainly, its experience and expertise should be consulted as the City makes plans for the future of food and farmland in Northern Utah.

Moreover, LDS efforts are potent because of the denomination's presence in the region. Our interviews showed that several farmers are long-term members of The Church of Jesus Christ of the Latter-Day Saints (LDS). They meet each other at worship services, and often are selling to buyers who are also members of the LDS faith. When combined with the LDS call for individual households to store up two-years' supply of food items in their houses in case of crisis, this religious core serves to both encourage a common set of values and a reliable local market. Yet individual households seem to be increasingly stocking their root cellars with products that are commercially processed rather than with products of nearby farms, so this market appears to have softened.

### Utah Farm Bureau expands Farmers Feeding Utah

The Utah Farm Bureau Federation (UFB) announced on May 17, 2021 that it is expanding its Farmers Feeding Utah program, which was launched in the middle of the pandemic. The UFB reports that it gave away food with a retail value of \$3 million in 2020 to Utah residents in the Navajo Nation, northern Utah, West Salt Lake, Vernal, Provo, Ogden, Richfield, St. George and to smaller community pantries throughout the Wasatch Front. A news report from KUTV noted that this new expansion was possible due to a large donation from The Church of Jesus Christ of Latter-Day Saints.

The program will give free food grown by Utah farmers to “any residents of the listed areas and surrounding counties,” but will prioritize outreach to those who have recently become unemployed. The first location will be in Duchesne, and the program intends to expand to Layton, Orem, Oakley, Tooele and Richfield. Partners include Utah State University’s Hunger Solutions Institute, Cogburn Wire Company, and UDAF. The Farm Bureau web site states that one May 26 event intended to donate food to 300 families. Each was to receive bags of Utah-grown food, including potatoes, apples, beef, milk, cheese, eggs, mushrooms, and tomatoes. The partners have expressed a desire to expand the program by creating their own “food hub.”

## An Overview of Food Hubs

### What is a “food hub”?

The most common definition of a “food hub” is the one used in a report summarizing a survey of food hubs nationally run by Michigan State University and the Wallace Center, which will be cited later. This report defined food hubs to be “businesses or organizations that actively manage the aggregation, distribution, and marketing of source-identified food products, primarily from local and regional producers, to strengthen their ability to satisfy wholesale, retail, and institutional demand.”

One of the pioneers in articulating the food hub concept, James Barham of USDA, further delineated some of the key characteristics of food hub (Barham, 2012), as shown in italics below.

### ***Defining Characteristics of a Regional Food Hub***

*Regional food hubs are defined less by a particular business or legal structure, and more by how their functions and outcomes affect producers and the wider communities they serve. Defining characteristics of a regional food hub include:*

- *Carries out or coordinates the aggregation, distribution, and marketing of primarily locally/regionally produced foods from multiple producers to multiple markets.*
- *Considers producers as valued business partners instead of interchangeable suppliers and is committed to buying from small to mid-sized local producers whenever possible.*
- *Works closely with producers, particularly small-scale operations, to ensure they can meet buyer requirements by either providing technical assistance or finding partners that can provide this technical assistance.*
- *Uses product differentiation strategies to ensure that producers get a good price for their products. Examples of product differentiation strategies include identity*

*preservation (knowing who produced it and where it comes from), group branding, specialty product attributes (such as heirloom or unusual varieties), and sustainable production practices (such as certified organic, minimum pesticides, or “naturally” grown or raised).*

- *Aims to be financially viable while also having positive economic, social, and/or environmental impacts within their communities.*

However, once the concept of a “food hub” came into popular use, practitioners began adapting the term to use for any facility that played a role in fostering community food trade. This was in part because the concept of a food hub was quite easy to sell politically, so people called whatever operation they sought to launch a “food hub,” hoping to curry favor with USDA or investors. Secondly, the financial realities of launching a processing business intervened as well. Entering into wholesale markets has proven elusive for many food hubs, so a broader range of projects have been launched under the name “food hub.” Many serve household customers rather than wholesale accounts.

The list below shows all of the food hubs located in the Western states east of the Sierras that are registered with USDA. This list includes 17 hubs, or 8% of the 219 hubs listed nationally. Two appear to be inactive. Many of the hubs listed below have formed to serve residential customers in smaller towns or rural regions. Each, we have to assume, tailors its business model to the unique conditions in its community. Salt Lake City’s situation is perhaps most similar to Denver’s, since both metropolitan areas hold considerable acreage devoted to growing produce. But Salt Lake City’s position at the intersection of two major freeways and the wealth of farmland that was historically available near the metro area has enabled the region to support several wholesale produce firms. These serve metropolitan regions as diverse as Las Vegas, Los Angeles, Phoenix, and San Francisco.

Among the food hubs listed below, the most common format involves aggregating fresh produce and locally processed items for delivery to household customers. Some run group Community Supported Agriculture (CSA) operations, through which several farmers jointly supply household consumers or corporate employees. Several sell wholesale to larger accounts. Sponsors include family businesses, cooperative groceries, private commercial firms, nonprofit organizations, colleges, refugee groups, and an economic development commission. Curiously, even a marketing and lobbying organization registered with USDA as a food hub.

Several of the food hubs list education and network-building as key elements of their mission. The food hubs that are emerging in Colorado have further formed a supply network connecting different hubs in the state so they can more effectively collaborate to supply consumers across the state.

### **Food Hubs in the Intermountain West Registered with USDA**

*Source: USDA Agricultural Marketing Service*

*<https://www.ams.usda.gov/local-food-directories/foodhubs>*

*A total of 219 food hubs are currently enrolled at this site; this is not an exhaustive list*

#### **Arizona (3)**

Copper Communities Food Hub	Globe	<i>Project of econ dev commission</i>
Iskashitaa refugee network	Tucson	<i>Delivers shelf-stable foods</i>

Yuma Organic	Yuma	<i>Last update to USDA 2014</i>
<b>Colorado (5)</b>		
Farm Runners LLC	Hotchkiss	<i>Connects farmers &amp; buyers, CSA</i>
High Plains Food Cooperative	Denver	<i>Delivers to homes &amp; businesses</i>
LoCo Food Distribution	Fort Collins	<i>Distribution firm</i>
US Potato Board	Denver	<i>Research and marketing organization</i>
Valley Roots Food Hub	Mosca	<i>CSA aggregation and distribution</i>
<b>Idaho (1)</b>		
Kraay's Market & Garden	Bellevue	<i>Family-run home delivery service</i>
<b>Montana (2)</b>		
Montana Co-op	Polson	<i>Home delivery or pick up at grocery</i>
Western Montana Growers Co-op	Missoula	<i>Growers cooperative</i>
<b>Nevada (1)</b>		
Fallon Food Hub	Fallon	<i>Education, market, and distribution</i>
<b>New Mexico (5)</b>		
Beck and Bulow	Santa Fe	<i>Butcher shop; delivers fresh meat</i>
Desert Spoon Food Hub	Las Cruces	<i>Coordinate, aggregate, deliver</i>
La Montanita Distribution Center	Albuquerque	<i>Cooperative grocer with multiple sites</i>
San Juan College Harvest Food Hub	Farmington	<i>College; hopes to build comm'l kitchen</i>
True Food	Las Cruces	<i>No web site found</i>
<b>Utah</b>		
<i>(None listed)</i>		
<b>Wyoming</b>		
<i>(None listed)</i>		

### Potential Benefits of Food Hubs

Proponents of food hubs argue that food hubs make it possible for smaller growers to aggregate their produce into larger loads and tap wholesale markets that would otherwise be out of reach.

Buyers also like food hubs because they can order food from nearby farms by placing an order with one single firm, rather than maintaining commercial relationships with a large number of growers. For example, Intermountain Healthcare (IHC) staff interviewed for this study reported that they made extensive use of food hubs in other markets because ordering was so much easier.

In practice, however, many hubs find it easiest to work with larger growers, who can supply greater volume at lower prices than small or emerging growers. Often these growers have a stronger voice in setting policy, as well, because of their market clout and their ability to simply sell independently of any hub. This has provoked tensions in some food hubs. The most collaborative hubs make use of the scale of the larger growers to ensure reliable deliveries, and

raise separate funding to offset the costs of helping smaller growers find an effective niche in aggregation.

It is also important to note that there is no reason to establish a food hub simply to reduce the transaction costs for wholesale buyers. To do so would be to divert public resources into subsidies to established profit-making companies. This would also mean opening a new business that is essentially the same as that of existing distributors, but perhaps with greater dedication to selling produce from local farms.

One of the clearest benefits of food hubs is that they coordinate community foods activity:

- Growers have someone to call when they are looking for a buyer, and buyers have someone to call if they need additional supply.
- A food hub may convene diverse stakeholders to frame a common vision, or help mediate disputes among them.
- A food hub may serve as a business or organization that symbolically represents community food trade in a given region, and that attracts investors who support the development of community food systems. This can help capital focus its efforts.
- Many food hubs work with growers to help them ramp up production, obtain food safety certification, stage their products according to wholesalers' expectations (such as placing product in clamshells, arranging it in boxes in appropriate caseloads, loading cases onto pallets for shipment, etc.).
- Some serve as intelligence centers. A new grower might call a food hub early in the course of launching a farm, to ask what products are needed in the market. Researchers might work with a hub to study the dynamics of food flow in a given region.
- Food hub staff and their partners might help identify the infrastructure investments that need to be made to build a stronger food system in a given region.
- Food hubs often packaged food boxes for health workers or low-wealth residents during the pandemic.
- Some food hubs run training kitchens where low-wealth individuals can build their food preparation and handling skills.
- Some food hubs run shared-use commercial kitchens where individual residents or local chefs can process foods for later consumption (e.g., make salsa for offseason use, prepare fermented foods to sell at farmers' markets, etc.)
- Several food hubs train school food service staff how to cut fresh produce in school kitchens, assuming schools have facilities and staff for that purpose.
- Some food hubs carve out narrow niches. One food hub we work with specializes in representing immigrant farmers to immigrant consumers.

The most successful hubs tailor their operations to the true needs of their communities, and provide key infrastructure that allows the community's food system to become more efficient and more resilient. As one example, in some markets, long-term food distributors take on one or all of the roles listed above (or additional roles). In a well established marketplace such as metro Salt Lake City, where multiple distributors and processors already are engaged in business, it is difficult, and perhaps sensitive, for a new "food hub" to establish a market presence unless it forms a loyal group of growers, buyers, and consumers.

Often the food hubs that wish to work with smaller growers focus on household consumer markets, while those that wish to sell to wholesalers gravitate toward larger growers that can supply large quantities of produce.

The term “food hub” has taken on so many different meanings in different places, that we prefer to identify any proposed food business not as a “food hub,” but as a food business with specific purposes: for instance, a food aggregator and distributor, or a fruit and vegetable processor. This helps minimize the potential for the term to create confusion.

### **Key elements of a successful food hub**

Several elements have to be synchronized in order for a food hub to be successful.

A **vision** rooted in the actual conditions in each community for constructing a community food system that meets the needs of local residents.

One or more **champions** who are committed to working strenuously to operate each hub against great odds.

**Growers** who can effectively and reliably supply the hub over a sustained period of several years. Buyers are looking for supply year-round, so the seasonal nature of farm production poses challenges.

**Collaboration among farmers and processors**, as well as between farmers, the hub, and its external partners.

**Staff who care** deeply about implementing the hub’s vision.

**Investment capital** to build facilities (storage, warehouses, coolers, processing equipment, trucks, loading docks, etc.), databases, computers & software, and operating systems appropriate to the food hub’s vision.

**Operating capital** for each food hub’s first years of operation. This is especially true of food hubs that focus their energies on educating farmers, consumers, and other partners because this is work that commercial operators seldom take on; it rarely pays for itself. *We know of food hubs that have operated for 20 years as effective and trusted food handlers, but still require considerable subsidy through grants or donations to cover even the operating costs of distributing food, let alone educational components.*

**Detailed business plan** that takes potential disruptions, such as the pandemic, into account. *The basic rule is to treat any potential food hub as a cost center rather than a profit center for many years.* Developing two income streams, one from product sales and another through donations, is a valid social enterprise model as long as financial resources are available.

**Technical skills** in fields ranging as wide as: skills in safe food production (GAP), safe food handling; safe food processing (HAACP); food buying; marketing; branding; collaboration and conflict resolution; pandemic (or other disruption) safety training; farmer outreach; distribution

logistics; systems planning; accounting; financial reporting; advertising; and more. These skills are likely to be developed as the operation matures; not all need to be in place at the onset.

A support base of **dedicated consumers**, whether that be household buyers, wholesale buyers, institutional food service directors, or others. Loyalty is especially important since several competing suppliers are already delivering food to local markets at relatively low prices.

**Food safety certification and training.** Growers who wish to sell to hospitals require GAP certification and may also need to adopt extra procedures to ensure healthy products are conveyed to places where people are challenged in health. Schools generally require GAP certification, as well. Other buyers may have no legal requirement to purchase certified products, but insist on it to reduce potential liability. Processing steps require HAACP certification.

**Product liability insurance.** Most commercial buyers will insist that farmers and/or the hub itself maintain as much as \$5 million in product liability insurance, if it is to sell to larger accounts. Some distributors have offered to assume this liability for the farmers, and some farmer cooperatives have greatly reduced rates by purchasing group policies.

**A supportive policy framework.** Regulatory compliance is especially a concern, since food safety inspectors can play either a supportive or oppositional role.

*This list is not exhaustive.*

One valuable resource is Shane Tiernan’s excellent 2013 review, “Can a Diversified Locally Grown Food Aggregation (Hub) Facility be Economically Sustainable in Iowa?” Although focused on Iowa, the paper raises all of the general questions that a banker would consider when deciding whether to support a food hub operation, and considers the challenges to forming an effective hub. Tiernan is an Iowa banker.

Another is the Minnesota Department of Agriculture’s December, 2015 report, “The Status of Food Hubs in Minnesota: A Report to the Minnesota Legislature.” This was written by Cooperative Development Services in Minnesota. It concludes with several critical cautions:

- Food distribution is a highly competitive business.
- Food distribution is a high volume/low margin business.
- Achieving success in mission often requires trade-off with economic efficiency.
- Seasonal operation is a challenge for several reasons.
- Most food hubs that appear to have reached break-even are located near, and service, major population centers. *[This statement is based on an intensely commercial model; several innovative efforts have succeeded in more remote rural areas—KM]*
- Serving direct to consumer markets is very different from meeting wholesale market expectations.

### **Results of the National Food Hub Survey (2020)**

Both reports offer excellent context for reviewing the most recent survey of food hubs, produced by Michigan State University and the Wallace Center: *Findings of the 2019 National*

*Food Hub Survey* (Bielaczyc, et al, 2020). It makes use of the definition of “food hub” listed above.

This is the most important survey of food hubs nationally, and the fourth in a series of similar surveys taken from 2013–2019. Out of 400 food hubs that were contacted (nearly twice the number of “hubs” officially registered with USDA), 108 responded. Of those, 73 supplied financial data and 56 supplied detailed purchasing data. Since this is not a random sample of food hubs, and food hubs are entering and leaving the market on an ongoing basis, it reflects the conditions reported at each food hub that responded at the time of the survey, but is not a comprehensive review of food hubs nationally.

It should be pointed out that the purpose of the survey is often to paint food hubs in a positive light to encourage capital investment in food hubs; anecdotal reports we have received from other food hubs often cast a more restrained tone. Of course, there is also selection bias in our anecdotal outreach, since it may be that the food hubs experiencing the most complexity that are the most likely to share their stories.

The 108 food hubs that responded to the survey purchased or procured products from 2,861 farms and ranches. The 56 hubs that offered financial data reported purchasing a combined \$31.8 million of food in 2018 from small and midsized farms in quantities that varied from \$100 all the way to \$6.5 million. Aggregate revenue for these hubs was \$207 million, including \$174 million of product sales (which also included sales of products purchased from larger farms and not included in the overall total shown above). Fresh produce and herbs accounted for half of all sales, but eggs, meat and poultry, dairy products, and grains, beans or flour were also significant. Eighty-eight of the responding hubs hired a total of 1,469 employees; 56% of these were full time year-round.

A variety of organizational forms were represented in the sample:

Nonprofit	40%
For-profit	36%
Cooperative	17%
No formal legal structure	5%
Other	2%

The report concluded that two-thirds of all the reporting food hubs were breaking even or profitable; this calculation included grant income. One of every three depended heavily on grant funding, the survey concluded. Half of the hubs convey food to lower-income customers. Among the sales models included were hubs that sold exclusively wholesale, those that blended sales income with other sources, such as grants or fees for professional services, and those that sold primarily direct to consumers.

Interestingly, while there was little overlap between respondents who replied over the four years of the study (2013, 2015, 2017, 2019), sales to distributors; small independent grocers; restaurants, caterers, and bakeries; and large supermarkets were all trending downward. This was also true about sales to household consumers, but this may reflect the fact that the survey focused on wholesale trade, or that those hubs that successfully tapped wholesale markets could no longer focus on household customers that had been critical in getting operations underway. Sales to food processors had plummeted, while sales to colleges had risen from 9%

to 16% of gross sales, and sales to K-12 schools held relatively steady. Hospital sales were quite small at 3%.

The survey found that the food hubs tended to hover near the break-even point, whether drawing income primarily from wholesale, hybrid sources, or direct to consumer markets.

The largest challenge food hubs reported was balancing supply and demand, since their primary competitors were both larger wholesalers and individual farmers selling independently of the hub. This, of course, highlights the importance of both farmer-to-farmer collaboration and loyalty from buyers.

### **The Central Role: Value Network Coordination**

In 2018, the USDA and the Wallace Center began to realize that their focus on food hubs had been overstated: one of the critical elements of any food hub was not simply its profitability, but the fact that it could play a strong role in coordinating community food activity in its region. Thus, the Wallace Center began to put forward their reasoning for covering the importance of what they call “Value Chain Coordination.”

As noted in my book, *Building Community Food Webs*, I prefer the term “Value Network Coordination,” because food webs are complex networks not easily portrayed by a linear “chain” model. Moreover, the “chain” imagery evokes images of slavery.

Several resources are available at the Wallace Center web site and listed below:

Value Chain Coordination is a market-based approach to developing local and regional food systems that better serve communities. Value chain work includes the development of collaborative ties among businesses along the food supply chain, with the expectation that the economic position of these supply chain members improves. Value Chain Coordination describes leveraging the soft infrastructure, in the form of skills, competencies and relationships, in a food value chain. With a strong soft infrastructure, individuals and organizations are far more readily able to acquire and utilize hard infrastructure in their communities.

These “Quicksheets” are designed to be easy to read, yet packed with information. The first two are meant to introduce the skills of value chain coordination, and the impact effective value chain coordination has on a community. The second two are meant to assist value chain coordination practitioners in measuring the impacts they have.

[Roles of Value Chain Coordination](#) is a primer, and describes value chain coordination as a set of roles that foster soft infrastructure development to build regional economies and communities.

[Funding Value Chain Coordination as a Place-Based Development Strategy](#) builds the case for communities to invest in value chain coordination as a long term and stable wealth creation strategy.

[Evaluating Economic Outcomes](#) considers strategies that Value Chain Coordinators (VCCs) can use to report the economic outcomes related to their work.

[Evaluating Convening Events: Social Network Analysis and Rapid Stakeholder Surveys](#) offers value chain practitioners two approaches that can be used to track value chain coordination relationship-building efforts through convening events.

One of the greatest risks is that competition among food hubs will render some or all likely to fail. We have worked in one community where multiple food hubs operate; each strives to be the “best” food hub in the region, positioning itself to compete with the others. A more positive scenario would be for each food hub to define a unique identity distinct from other hubs, purchase distinct equipment and specialize its functions, serve different purposes and/or clientele, and intentionally collaborate for mutual benefit of each hub as well as the entire region.

Once again, this research offers further confirmation that effective coordination of the Northern Utah region value network is critical.

## **A Northern Utah Food Hub? Challenges & Opportunities**

### **Would Northern Utah farmers need a food hub?**

Those who would benefit the most from any food hub are food buyers. Many would like to feature more locally grown food to please consumers, but find the costs prohibitive or the supply uncertain. Many buyers prefer to order from one single vendor rather than accepting trucks from multiple farms at their loading docks. And indeed, coordinating local deliveries and making sure that community food trade is efficient are critical to the success of community foods efforts.

Yet it is also true that the costs of such coordination are real, and substantial. That is precisely the reason that long-established distributors do not shoulder these burdens. They work in a highly competitive context and strive daily to trim operating costs, not to add new complications to their workdays. In particular, the educational process that allows growers to collaborate more closely, and that brings emerging growers into the skills required to suit institutional market demands, takes considerable and sustained funding over several years. Any effort to construct a food hub facility must budget for these costs and find investors willing to shoulder them over the long term.

There is also an ethical concern involved in supporting food hubs. If public funds are to be expended simply to make it cheaper for buyers to purchase locally grown foods, or easier for established farmers to earn more income, this does not clearly constitute a public purpose in itself. It amounts to a public subsidy of private firms. On the other hand, creating opportunities for emerging growers to enter the market place, solidifying coordination among food system players in ways that ensure equity do serve as public purposes. If the City is not prepared to define the public purpose (or find a similar sponsor to define and uphold such a purpose) and

help other stakeholders live up to that public vision, any food hub could serve as an institution that heightens inequalities, or misuses public funds.

Another core issue is whether established growers would benefit from a food hub. Most of the larger farms, already selling through commercial channels, have very little need for a food hub. Any new intermediary that positioned itself between growers and buyers would have to charge about 30 to 40 percent of the value of these transactions. Few growers are interested in adding costs (or reducing their margins) in the midst of a competitive marketplace.

Moreover, the market itself is mature enough that growers have informally carved out unique niches to minimize competition among growers. Some growers will not grow a certain vegetable that a nearby grower can grow and sell more effectively. Given this specialization, each grower prefers to deliver to its own customers, unless harvests fall short and the grower needs to ask another grower to help fill an order. Only in rare cases (e.g., when a trusted farm can consistently supply several semi loads) will a distributor's truck drive to a farm to pick up products. However, this also means, as one grower pointed out, that the same small group of farmers is driving up and down I-15 in their own trucks at the same time. Jealousies have also been reported among growers when one lands a contract with a significant buyer.

- These **larger farms** already have established customers, own or have access to on-farm (or near-farm) storage facilities, and own or have access to refrigerated delivery options, either using their own trucks or hiring a driver or logistics firm.
- Most of these farms also have direct connections with brokers or wholesale buyers.
- These commercial growers would gain little by selling through a new intermediary such as a food hub. Any intermediary, whether an existing distribution firm or a new food hub, would have to take a cut of something like 30 to 40% of the value of each transaction.
- Most commercial growers will opt to sell as directly as possible to the ultimate client in order to gain as much as possible from each sale; they would have no reason to add one more intermediary to the transaction, unless sales increase so much they can afford to sell at lower margins.
- Even if current produce growers in the region do not require a food hub today, or do not see value in having one launched, over the long term, a food hub might play a central role in encouraging new growers to serve regional markets.
- On the other hand, **smaller farms that hope to grow into larger wholesale farms** may benefit from joining an aggregation effort as part of a food hub. Still these smaller growers typically do not grow enough to attract consistent attention from institutional purchasers, or to cover the costs of operating a food hub.
- If a food hub were launched **with these smaller farmers in mind**, the hub should be prepared to spend several years if not decades working with these farms to ramp up production to successful wholesale levels (or to a level suitable for household consumers), obtain food safety certification, and establish loyal connections with buyers. As an educational process, rather than a strictly commercial venture, this would require considerable ongoing financial support.
- Other **small farms are small because they want to be**, and want to sell direct to their customers because it is more rewarding financially (to sell at a retail price rather than

wholesale), and personally (to know their customers and find out what they want through direct conversations over time).

- While farmers who sell direct have limited options for gaining a comfortable livelihood by farming, they nonetheless have considerable independence and freedom to shift gears in response to changing market demands. Certainly, a healthy food system will have solid entry points for new farmers, including those with limited resources, and this means ensuring strong market niches for small farms on an ongoing basis.
- An effective Northern Utah food system would work to assure success for **each of these three types of farms**.
- No farm should be pressured to move into commercial trade unless they determine for themselves this is the direction they wish to pursue. Those who do wish to move into the commercial arena should ask themselves whether:
  - a) Am I truly interested in ramping up to commercial production, or would I prefer to sell direct to individuals or selected wholesale customers, or to a mix of direct and wholesale?
  - b) Am I interested in certifying this farm for food safety?
  - c) Can I grow the volume of produce required, either to satisfy institutional purchasers' demand, or to cover the costs of running a food hub?

USDA experts calculate that a food hub must attain well over \$1.5 million in annual sales in order to pay for operations and a basic staff. This is difficult if a food hub is limited to working with small farms that are just beginning to ramp up to commercial scale. Some smaller models have proved workable in other regions; this requires careful business planning based on the unique qualities of each hub in each regional market. Note that the average sales earned by the hubs that reported to the survey team was \$570,000.

### **Northern Utah farmers have constructed effective, but limited, networks**

#### **Northern Utah is unique because its commercial produce farms are effectively networked**

- Commercial growers coordinate shipments very effectively with each other, and specialization helps reduce competition among growers.
- The growers largely know each other, and have formed collaborations when trust is sufficient.
- Yet some schisms do exist among growers. This does not always prevent them from trading with each other.
- If any of the commercial farms requires additional product to fulfill an order or to fill out a CSA box, it is often able to order produce from some other farm in the region.
- This coordination appears to be quite seamless. A given grower looking for additional product simply calls or texts a companion farm to arrange delivery.
- This collaboration places the farmers in Northern Utah at a competitive edge over farmers in other regions where such coordination is lacking.
- The downside of this informal coordination is that a buyer may request a product from one farm, only to find that what was actually shipped was grown on a different farm, without revealing that fact.
- There also are likely to be increasing food safety concerns as buyers face additional pressure from UDAF and FDA to document that each shipment derives from a farm that was certified, and has been handled safely in transit.

- This is not to suggest that growers do not routinely handle food safely. Still, the increased pressure for a paper trail may complicate this informal trading.

**A food hub could undermine this existing collaboration, to the detriment of growers and consumers**

Northern Utah has quite a few storage facilities, a wealth of food processors and distributors, and a diverse range of refrigerated delivery vans and trucks. Farmers are already aggregating among themselves. While new facilities could certainly make this **more effective and efficient**, it seems that **the major gaps are coordination of these deliveries, and ensuring that someone is focusing attention on how to build a long-term food system**, rather than counting on individual firms or farms to address a broader public interest.

Yet if coordination were inappropriate, it could **disable the existing networks** of collaboration that farmers have already constructed, to the detriment of both farmers and the region. Whatever the City may decide to do, it should strengthen the capacity of these farmer networks, helping them contribute to a broader regional vision, rather than weakening existing grower collaborations.

Still, there is support among some growers for better communication and coordination. Most of those we interviewed understand that relationships of support are critical to their businesses. Moreover, as one grower pointed out, “It is important to have a web of communications.”

**Three initiatives that consider themselves “food hubs” are already underway**

**Salt Lake County**

The SAPA Investment Group located in Salt Lake City is planning to launch what it calls a “food hub” in West Valley City. In its earliest stages, it appears to be primarily a produce processing facility, initially intended to supply SAPA restaurants. SAPA suggests it may also expand to serve as an aggregation and distribution center delivering food to other customers.

- SAPA hired Laurie Seron, formerly director of the “Utah’s Own” initiative sponsored by the Utah Department of Agriculture and Food, to help coordinate this effort. Seron is well placed to make direct contact with growers and buyers.
- The SAPA restaurant group owns about a half-dozen restaurants in the metro area and aspires to expand to some 17. SAPA envisions that culinary staff working for the restaurant group will process a full range of fruits and vegetables at this location.
- The Nguyen family (owners of the group) say they wish to make a strong community investment that will benefit others besides themselves.
- The family appears well placed financially to do so. Their commitment to supporting the hub stands at about \$1.5 million, SAPA said in early 2020.
- SAPA is also asking other investors to help share in the endeavor.
- SAPA already owns a building in the West Valley that will be outfitted to serve as a processing center. They have engaged with other food processing centers nationally to define a list of the essential equipment to install at the new hub.
- SAPA expects to make use of its own accountants, chefs, and business managers to reduce the costs of operation for the hub.

- SAPA does not currently feature local produce items on the menu of their flagship restaurant, nor does it list any local farms on its menu. SAPA leaders told us this is difficult to do until their food hub is in operation because the costs of purchasing locally run higher. This does not stand as a clear signal that the interests of Northern Utah farmers will take priority as the hub is developed, but certainly does not exclude the possibility.
- Several growers we spoke with have attended initial meetings with SAPA. These growers held only limited interest in the effort. Two said they had made suggestions for what would make this project work best for their farms and did not feel heard. Others adopted a “wait and see” attitude; essentially hoping they could sell to the hub once it is up and running, but not expressing interest in helping shape the effort in its early stages.
- These initial grower reactions were collected before Seron took her position at SAPA; it is quite possible that communications have improved since then.
- If growers continue to play a relatively passive role in the effort, the SAPA hub is unlikely to provide a definitive alternative to the existing brokerage or distribution channels, and could potentially undermine the existing collaboration among growers by dividing their attention.
- While the potential benefit of the food processing operation to the SAPA restaurant group is clear, the potential benefits to growers are not as specific at this stage.
- In late Spring of 2021, Seron said that she has not identified strong interest for the food hub among the larger growers in the metro area; she says that her priorities have now shifted toward creating a hub that will focus on serving the emerging small growers in the Salt Lake City region.
- Seron further added in 2021 that SAPA’s plans to invest another \$1.5 million in constructing a meat slaughter and processing plant in Sanpete County have been shelved.

It is unclear whether the SAPA food hub will pay its own way. It may not need to. SAPA leaders have been informed that they may need to subsidize its operation over the long haul. SAPA feels confident that their model will work, and say that their purpose is to serve the community, not to reap large profits.

It is difficult to imagine any competing effort to launch a food hub in the region being as well financed as the SAPA program is, nor is there a clear reason for opening a competing food hub in the Salt Lake City market. Since SAPA has only shared limited information with our team it appears the City’s best stance is to wait and see how this vision develops over time, and try to ensure that a broader public interest is served.

However, a more active role can be contemplated given the new directions SAPA says it is taking. The City’s ongoing efforts to assist emerging urban growers may well dovetail elegantly with SAPA’s plans to work with emerging small farms. Indeed, this could become a close partnership if all sides are willing to engage with considerable transparency.

### **Ogden**

The Utah Farm Bureau has announced its intention to open a “food hub” in Ogden. Second-hand reports state that this hub will be dedicated to two purposes: (1) Aggregating fruit and other

products from Utah farms into shipments through the Farmers Feeding Utah program (see below) and LDS food-distribution channels; (2) processing animal carcasses into cut meats, and perhaps cooked meat products that can be included in food box shipments. Farm Bureau officials did not return our calls asking for further information.

A second food hub in Ogden is being conceived by the Giv Group. Once again, our calls to the group to learn more about their plans went unanswered.

#### **New state funding available for food hub start-ups**

Senator Gene Davis (D–Dist. 3; Sugarhouse) sponsored an appropriation that allocates \$112,500 for start-up costs for food hubs in Utah. Applications for the initial funding round were to be open from July 1–21, 2021.

#### **Intermountain Healthcare (IHC) considers itself a potential customer**

IHC food service staff seem keenly interested in sourcing food from a local food hub for use at the hospital cafeterias system-wide.

- As the largest employer in Utah with 39,000 workers, IHC sees itself setting a public tone through local food purchasing, increasing access in low-income communities, and encouraging healthy diet and exercise.
- As a nonprofit hospital IHC is also required by federal tax law to invest up to 5% of its revenues in preventive health work in their community.
- At the time we spoke with IHC food service staff in 2020, however, it was not clear how the food service was connected to the firm’s investment in the SAPA initiative.

Second-hand reports state that IHC has opened two “food pharmacies” in Utah where fresh foods are available on something like a “prescription” basis to those who need it for medical reasons. This food appears to be largely purchased from the International Rescue Committee (IRC) New Roots farm. The medical center was contacted twice in spring and summer of 2021 asking for an update on current plans, but no response was made.

#### **School food services may offer opportunities**

The most recent USDA farm to school census, covering the 2018–2019 school year, was released in July, 2021. A majority of Utah schools responded to the census, with 130 of the state’s school food authorities (roughly speaking, school districts) reporting. Of those, 77 districts (59%) said they were pursuing farm to school activities. This covers 606 schools enrolling 417,021 students. Sixty-five of these school districts reported that they use locally raised foods in their food services. This was a substantial increase in interest in farm to school over the 30 districts that responded to the 2015 survey.

A total of 16 public school districts in Northern Utah and the metro counties reported purchasing nearly \$29 million of food for all purposes in 2018–2019. Of this, they considered nearly \$5 million (17%) of this to be “local” food. However, school districts did not follow a consistent protocol when reporting “local” purchases (see below), and one larger metro district did not report its purchasing data at all. So actual spending is not clear from the data provided in the census.

Kate Wheeler, Utah State Board of Education (USBE) farm to school coordinator, noted that schools did not always report local purchases accurately; some districts said they had bought “local” bananas. It seems that for some schools, a food item purchased from a local vendor was considered “local” food, no matter where it may have been grown.

To some districts at the low extreme, “local” means the food was raised within 25 miles, or in the same county, as the school district. To others at the more expansive end, the term means “grown in Utah or Idaho,” or even Colorado. Several metro school districts had no specific definition of “local.”

This means that the data in this section should be interpreted cautiously. The amount of “local” food purchased by Northern Utah and metro schools ranged from \$800 to \$2.2 million per district. Of the \$5 million of “local” food items purchased, \$2 million was milk processed by local creameries, making milk the most popular item.

One relatively easy way for schools to order fresh local produce is through the Department of Defense (DOD) Fresh program, which subsidizes schools that purchase from an approved vendor. Schools reported more than \$1 million of purchases through the DOD program, but only 20%–34% of this was listed as local (again, it appears that some of the purchases marked “local” were merely purchases from local vendors).

As mentioned above, schools primarily purchase domestic produce through DOD programs (via Muir Copper Canyon/Charlie’s), and procure imported fruits and vegetables through A&Z. UCARE and Sysco are also significant distributors to several of the schools we spoke with.

One food service director said that Muir Copper Canyon does not ship a great deal of local produce. Smaller growers also stated that the prices Muir Copper Canyon pays are not high enough to attract their business.

Many of the items Muir ships are already grown on Northern Utah farms, but schools do not always insist that suppliers report the specific farms that provide the foods they purchase. Moreover, often a staple food such as potatoes or onions is likely to come from Idaho, but be counted as a “local” purchase by the distributor. At this time, given the lack of data, it is very difficult to know how much school purchasing brings direct economic benefit to Northern Utah growers (Detailed data are available in the accompanying data reports).

Schools also specify purchasing from GAP-certified farms. This could pose an obstacle to smaller farms that have not yet been certified. Many of the larger farms we interviewed are already GAP-certified, and SAPA is already assisting growers to gain GAP training.

Most school districts would welcome an aggregation hub for the ease of ordering it would bring. Yet schools have limited budgets, and need large quantities of staple foods, so any hub would have to meet those constraints in an environment in which Charlie’s/Muir Copper Canyon has considerable presence. This could prove difficult, given that price points for produce purchases are often below what Northern Utah farmers could sustain. USBE is trying to alleviate this price gap by offering special meal enhancement funds (see below).

At this point, schools primarily focus on very discrete events, buying a few local items when they are in season for special days, such as Apple Crunch day, or fresh peaches when they are ripe for summer feeding programs, or sweet corn in season. Most purchase whole fruits or vegetables for these special occasions, not processed items. Often, for these special events, a school purchases directly from a nearby farm that delivers to the district. Sliced apples are highly desired for school snacks but are typically purchased from Michigan where a low-cost processor supplies Muir Copper Canyon.

Some metro school districts are large enough that 15-20 locations may need to be serviced. Some farms have the capacity to do this, and others do not. This means that, for example in one district, sweet corn was delivered to a small number of elementary schools, and students performed the labor of husking the corn because this would have proven too expensive for staff to do. That small group of schools received the corn, while others waited for a later year.

Actual amounts purchased from Northern Utah are relatively small. Utah products specifically mentioned by the schools we interviewed include:

- Apples, whole fresh
- Peaches, whole fresh
- Pears, whole fresh
- Broccoli
- Salad greens
- Salad bar vegetables
- Carrots
- Grapes
- Mushrooms
- Raspberries
- Blackberries
- Plums
- Nectarines
- Zucchini
- Eggplant
- Squash
- Potatoes
- Pumpkins
- Milk

These following farms and suppliers were specifically named. *This is unlikely to be an exhaustive list:*

- Mountainland Apples
- Jordan Riley
- Kohles Farm
- New Roots
- Adams Farm
- Thayne Tagge
- Luke Peterson
- Crandall's Farm

- Johnson Farms
- Lost Creek Farms
- Mount Naimo Farms
- Green Canyon Farm
- Dairygold
- Gossner Foods
- Granato’s Produce (now Veg X) can process fruits and vegetables, but has stopped slicing apples for schools because it cannot compete with one distant supplier. One farm hires Granato’s to cut squash.

The following products could be grown in Northern Utah but mostly are sourced from outside the state (although some Idaho, Washington, Colorado, or other farms may be considered “local” by suppliers:

- Apples, sliced (Michigan)
- Lettuce
- Tomatoes (since DOD specifies US grown, some schools do not use DOD funds for tomatoes because these come from Mexico).
- Onions
- Potatoes (Idaho)
- Carrots (California)

Each school district sets its own purchasing policies, so any effort to supply schools must take these district preferences into account. We interviewed a small number of schools. These were recommended by Kate Wheeler of USBE as the most advanced in their farm to school work. Two additional schools expanded local purchasing since our interviews were completed; When Jordan and Salt Lake City schools are added to the list of top achievers, 68% percent of the “local” purchasing by Northern Utah and metro area schools was accounted for. (A detailed summary of school purchasing is included in the accompanying farm and food economy study).

- **Box Elder** School District has 20 schools. 60% of the K-12 students in the district are served, food service staff said. Food is delivered to a central warehouse and dispersed to individual schools from there. Since purchasing locally has been set as a priority as part of its wellness policy, the district specifies in its contract with UCARE that deliveries must be completed from farm to school within 48 hours of harvest. The district defines “local” food as food grown within 100 miles of the district. Several years ago the district built a warehouse, intending to start processing more of their own produce items, but construction costs were higher than anticipated, so no equipment has been purchased yet. The district reported \$264,000 of local food purchases in 2018–2019, all but \$3,000 of this for milk.
- **Canyons** School District includes 42 schools serving 18,000 students per day. Food service officials expressed strong interest in purchasing from local farms, and listed purchases of \$400,000 of food items in the previous (2013–2014) census, along with \$600,000 of local milk. But Canyons did not report purchasing data to the 2018–2019 census. The district defines “local” food as food grown within 200 miles of the district.
- **Ogden** School district has 18 school sites, serving 8,000 lunches per day, and 4,000 to 5,000 breakfasts. The district hires one driver who must transfer food items from their central warehouse to the truck to deliver to school locations. The district defines “local”

food as food grown within the state of Utah. In 2013–2014, Ogden schools reported local food purchases of \$110,000 and another \$425,000 of Utah milk in the earlier census, but only \$40,000 of local purchases in 2018–2019. \$30,000 of these were milk.

- **Provo** School District has 18 school sites serving 16,000 students. Some farmers deliver to all 18 sites, or to a more limited set of schools when supplies are constrained. The district has a central warehouse and their own trucks, but does not always have the capacity to distribute foods to each school. Provo schools reported \$15,000 of local food purchases in the 2019 census, none of it milk.
- **Tooele** School District has 16,000 students in 25 schools, plus 5 additional sites serving 250 students per day. In this farming community, the school has effectively purchased from a variety of Northern Utah farms. Tooele schools reported \$5,000 of local food purchases in 2018–2019.
- **Jordan schools** were not interviewed, but reported \$2.2 million of local purchases, including \$900,000 of milk, in the 2018–2019 census.
- **Salt Lake City** schools were not interviewed, but reported \$842,000 of local food purchases in the 2018–2019 census, including \$466,000 of milk.

Some school food service directors reported a general lack of dedication on the part of parents, who were seldom committed to ensuring that food services source foods locally. Greater interest from parents will be essential for encouraging local purchasing.

### Desired products

While no school we spoke with offered specific commitments to purchase more local products if available, several had wish lists. Here are some of the items most often mentioned. This is a cumulative list drawn from all the schools, so not each school would desire these products:

- Tomatoes, fresh (cherry tomatoes fit most easily into food services because they do not require slicing).
- Bell Peppers
- Carrots (mini-carrots, bagged, because “that is what the kids will eat.”)
- Corn, sweet (if husked and frozen)
- Peas, snap (fresh)
- Strawberries
- Lettuce, romaine
- Cherries (fresh for summer snack programs; frozen or dried for school year use)
- Beef, lamb, pork (but local price points are high and some schools say they are not allowed to cook raw meats due to health regulations)
- Bread
- Prepared food products (frozen cubed squash, for example. VegX reports that it currently processes squash from one area farm)

Most districts cited difficulties they encounter in placing orders outside of normal channels, and price constraints, as the key reasons for not purchasing more food grown on the region’s farms.

While most every school would welcome local apples if they were sliced, treated with citric acid, and packaged in plastic, actually making this work is difficult primarily because one Michigan firm supplies Muir Copper Canyon with large quantities of sliced apples at relatively low cost. When we spoke to VegX, a Salt Lake City firm that had sliced apples for area school districts, we

confirmed what food service directors told us: VegX cannot compete for price with the Michigan apples. The firm stopped offering sliced apples to schools in 2019, after recognizing it could not offer a suitable price point to area schools.

One school food service director concluded, “Maybe a hub of information would be most valuable, so we know what is available.” This aligns with grower comments that greater coordination would be critical.

USBE’s Farm to Fork Initiative has added key resource pages recently. Along with resources for school districts, producers who have expressed interest in supplying Utah school districts, and buyers involved with Childhood Nutrition Programs are shown on maps at this site (USBE web site).

### **New and pending farm to school policy initiatives**

In 2021, Kate Wheeler added that funds from Utah liquor tax receipts are now available to schools to enhance school meals with local foods, under new rules written by USBE. For the 2021–2022 school year, USBE has \$250,000 available for schools to use in expanding food purchases from Utah farms. To obtain these funds, schools must spend the money on the front end and then apply for reimbursement.

USBE also reports a bill may soon be drafted for the Utah Legislature that would allocate funds for a more formal farm to school network engaging Utah schools, and create staff positions at both UDAF and DOH to complement existing staff at USBE. While it is not expected to pass immediately, this would be a significant investment in the infrastructure required to sustain farm to school programming over the long term. At this time, no funding for increased school purchasing is contemplated as part of this initiative. USBE intends to offer special campaigns and other incentives in the summer of 2022 to encourage schools to buy food from local farms when they prepare summer meals.

### **Federal funding may soon be available**

In early June, 2021, Secretary of Agriculture Tom Vilsack announced a new \$4 billion initiative to “invest in a more resilient food system” as a result of the food supply disruptions that occurred during the pandemic. Four key elements of the food system have been prioritized: (a) food production, (b) food processing, (c) aggregation and distribution, and (d) consumers and markets.

Among the priorities mentioned by Vilsack will be additional funding to support expansion of existing USDA-inspected meat processing plants, construction of new capacity, and funding for food hubs. Vilsack further highlighted the need to increase funding for emerging farmers and socially disadvantaged farmers. While none of the actual programs are entirely clear at this point, all these priorities are all among those being considered by stakeholders in Northern Utah and the metro counties.

Initially, it would seem that these will primarily be expansions of existing programs, since the agency would lack the authority to create new programs without specific legislative action and concrete regulations. But this also shows some promising new directions in thought at the agency. At this writing, it is not known at what point any of these initiatives will go on line.

### **Considerations for the City's Role**

Considering all of the above, one potential role for the City of Salt Lake would be to foster on-farm infrastructure such as cold storage, freezers, staging and packing areas, loading docks, and other facilities that would provide more market flexibility to growers who wish to sell to SAPA, the Utah Farm Bureau, or to wholesalers. Constructing an effective network of these facilities, and mapping out their locations and devising efficient distribution routes among them, could be exceptionally important.

The first question in launching such plans, however, is to ascertain which farmers who wish to supply wholesale markets do not actually have these facilities at their disposal. In the case of the larger growers, the next question would be how to build such a network of facilities that complements the facilities growers already have on their farms. Smaller emerging growers in the metropolitan region would be most likely to benefit from such a strategy, helping them to aggregate shipments most effectively. As just one example, the City might offer technical assistance and financial support to emerging growers who farm near each other to develop shared washing, packing, cold-storage, staging, and shipping facilities (such as a warehouse with a loading dock).

Such a strategy also points once again to the need for more effective collaboration among growers, forging a common vision for the community food system, and improving communications among food system stakeholders, so that any such investments are broadly supported and actually contribute to creating a more resilient and efficient food trade in Northern Utah and the metro region—not simply making it easier for buyers. Indeed, we recommend that agreement on this vision be regarded as a prior step.

Another role would be to ensure that each produce shipment can be transparently and accurately traced back to the actual farm where it was produced. That is to say, if a farmer ships a neighboring farmer's peaches or apple cider, the identity of the farm that grew the peaches would be known to each buyer, with labeling attached to the appropriate shipment. Knowing the identity of the farm that raised your food is critical if consumers are to develop loyalty to purchase from Northern Utah farms. As the City works with emerging urban growers, it would be relatively easy to establish such a tracing system and proper labeling from the start, and this would lend some comparative advantage to urban growers.

On the other hand, established growers and aggregators are likely to resist such efforts, even if they provide long-term benefits, because it would require more paperwork and consume additional time. Extra costs would be involved in printing new labels, mounting outreach campaigns, and enforcement. For larger growers, then, such an effort would likely need to be coordinated and funded by the State.

## Recommendations

The Northern Utah region has lost so much agricultural infrastructure that it will be difficult for more than a handful of financially secure, highly motivated, and well connected farms to survive unless public action is taken. The region has also lost much of the expertise it once held in growing food; this will need to be built from scratch over several decades. Several urgent needs have been defined through our research and interviews. Based on these we recommend that the City:

### **1. Construct a regional vision and civic commitment to a food system that serves the public interest**

- The City's Department of Sustainability should work with its community food partners to adopt a formal mission statement that commits a core group of key leaders (including at least the Salt Lake City Food Policy Council) to building a community-based food system in the Salt Lake City area. One starting point for this vision, which must be refined by its members, involves at minimum:
  - The group will operate with great transparency.
  - The group will be inclusive, incorporating diverse viewpoints among those who have been marginalized in the past.
  - The group will place a priority on assisting collaborations among growers, collaborations that engage growers equitably, and clusters of food businesses that serve a broader public interest, rather than assisting individual growers to launch or expand single businesses.
  - Members of the group will dedicate considerable time to honest conversations that help build mutual trust and common visions among its members.
  - Members of the group should offer to play a strong role in coordinating the activity of the SAPA, Farm Bureau, Giv Group, or other "food hubs," so that these initiatives complement each other in strengthening community foods trade.
  - One model for the group to consider emulating or adapting is the coordination of growing, storage, processing, distribution, and publicity that The Church of Jesus Christ of the Latter-Day Saints appears to be mounting; if possible the group should meet with LDS Church officials to identify the strengths of this approach the City may wish to emulate, and consider any gaps in this system that the City may be able to help fill.
  - Members of the Salt Lake City Food Policy Council's Processing & Distribution Working Group should meet directly with the Utah Department of Agriculture and Food and others who are also working on food hubs to establish unique roles that each will fill, and ensure that all food hub efforts coordinate effectively with each other.

## 2. Strengthen community food trade by fostering the coordination of food trade and the development of supportive infrastructure

- **Coordinate food production, harvesting, warehousing, and distribution** so that community food trade is increasingly efficient, economically competitive, safe, equitable, and resilient over time.
  - This must be performed in a manner that augments, rather than detracts from, existing collaborations among farmers. It appears that the SAPA food hub is well positioned to ensure that a value-network coordinator is in place to communicate directly with growers of all sizes through telephone calls, texts, e-mails, an internet platform, or other means. If not, the City should work with its partners to either provide this coordination service, or identify a sponsor that can provide this coordination on an ongoing basis.
  - The easiest role for the City to play in this regard would be to work with emerging urban growers to help them coordinate with each other, connect to buyers, facilitate aggregation and distribution of their products to wholesale and institutional consumers in such a way that the identity of each farm is known to the ultimate consumer. This is likely to require offering financial assistance to growers to develop branding, suitable labels, and outreach campaigns, and may involve equipment purchases such as sprinter vans with refrigeration.
- **Foster supportive infrastructure**
  - Augment the development of the SAPA, Utah Farm Bureau, Giv Group or other “food hub” projects by fostering supportive infrastructure. This could include, for example: offering technical or financial support to build on-farm cold and freezer storage; construct packing, staging and distribution sites on or near Northern Utah farms supplying Salt Lake City markets; and creating information infrastructure (see below) that promotes transparency and equity. This would be to build a network of support for Northern Utah farms, the SAPA processing operation itself, and the UFB facility, that a single facility might not be able to attain on its own.
  - “Information infrastructure” includes food system assessments such as this one, data bases showing local food trade (sales and purchases) over time, farmer-led research that helps new production techniques or crops be developed and used, identifying key system levers that would promote broader change, convening food system practitioners to reflect on strengths and weaknesses of community food trade, evaluating progress, etc.
- The City’s **best roles** may perhaps be to:
  - Serve as a convener that makes sure that diverse voices, especially those of marginalized communities, are involved in community food system planning, creation, and evaluation.
  - Compile ongoing data covering community food trade and post these data on a public internet site.
  - Coordinate with Utah State University extension agents and researchers to foster farmer-led research efforts on urban farms.

- Coordinate with UDAF to ensure that broader transparency measures (farm products are labeled with the farm name and address, etc.) are in place throughout Northern Utah.
- Identify and coordinate with external stakeholders (UDAF, UFB, USU, USDA, etc.) to bring additional resources to Northern Utah to facilitate the construction of a community food system.

### **3. Mobilize \$10 billion of consumer spending power**

No food hub, even if built, will survive unless food buyers and household consumers support it with their consumer dollars. Our calculations show that Northern Utah and metro consumers spend more than \$10 billion each year buying food. Moreover, if each Northern Utah resident purchased \$5 of food each week directly from some farm in the region, this would generate \$121 million of farm income annually — 16% of what the region’s farmers currently sell in a year. This means consumers hold significant power to transform the food system, if only their purchasing power were mobilized. Moreover, it implies that if Northern Utah loses its agricultural sector, the region will ship even more of this money to producers in distant places, at a significant loss to the region.

As an extension of the existing Eat Local Week, we propose an “Eat Five, Buy Five” campaign that would mount a campaign similar to those previously run in Colorado and Alaska. This phrase signifies eating 5 fruits and vegetables each day for health, and buying \$5 of food each week from some Northern Utah farm. This could be run as a campaign during the harvest season, or even year-round, to encourage more residents to purchase \$5 of food each week per person all year from local farms.

Such a campaign would include public events, food tastings, “meet the farmer” opportunities, outreach campaigns such as a local food challenge in which residents commit to purchasing \$5 of food each week all year from local farms, media outreach, and more. It could extend to metro residents as well as restaurants, food processors, institutional purchasers, and other food businesses. The City appears to have partnerships in place to extend this campaign.

There are a variety of ways such a campaign could be initiated, and the specific design depends heavily upon which partners commit themselves to the effort. In Salt Lake City, this could be viewed as an extension of the ongoing Eat Local Week coordinated by Urban Food Connections. Such an “Eat Five, Buy Five” campaign would mean extending the duration, and placing a stronger focus on the potential economic and health benefits.

In Alaska, key partners included several independent grocery chains, the Alaska Farm Bureau, and the state government (See Alaska Farm Bureau web site). Kiosks featuring locally grown foods were placed at the entrance to several grocery stores in Anchorage and Fairbanks, so shoppers knew where to look for food raised on nearby farms. Local growers were featured in advertising campaigns, and in-store displays. Local newspapers reported on the campaign, attracting new shoppers. Tribal villages established their own challenges to promote traditional foods for health (Lill, 2017).

#### **4. Invest in smaller meat processing plants**

It is not clear from our research to what extent meat processing has emerged as a concern among Northern Utah consumers, but the pandemic impacts noted above certainly suggest that additional investment in smaller meat processing plants, both to upgrade their physical facilities and to protect workers, would be important. Additional meat processing capacity is also required if Northern Utah is to build more resilience as a region. The Utah Farm Bureau has announced plans to open a facility in Ogden that would break down carcasses into smaller cuts. \$500 million in federal funding is now being allocated to assist smaller meat processing businesses open and expand.

- The City of Salt Lake should convene a group of smaller meat processors to discuss what upgrades might be most desirable and most strategic to make, from their perspectives.
- Parallel discussions should be held with livestock growers who sell to Northern Utah and metro markets.
- Connect these two discussions directly if constructive openings are identified.
- Results from these discussions should be compiled into specific recommendations.
- Once priorities are determined, the City Food Equity Program Manager would work with City, County, State, and federal governments to procure political support and financial resources.

We also note that the SAPA group held discussions in 2019–2020 toward opening a new meat slaughter and processing operation in a southern county, but SAPA officials now say this project has been delayed.

#### **Long-term efforts to protect farmland are critical**

Although land conservation was not the primary focus of this study, it cannot be overemphasized that farmland is under severe threat in Northern Utah. One glance at the Interstate 15 corridor is sufficient to make this point. Over the long term, if Northern Utah does not ensure the survival of healthy soil, clean water, fertile farmlands, farm businesses, and supportive food infrastructure, the very survival of the metro region is at stake, particularly in the event of future disruptions such as pandemics or changing weather. It is also obvious that for Northern Utah and the metro area to build one or more food hubs, or a network of community food facilities, is senseless if farmland is rapidly succumbing to development, or becoming too expensive for farmers to pay for.

Established farms in the greater Perry region, especially, are under significant threat from development pressure. Many of these farms are small, with no clear successor to keep them operating. Landowners could reap millions of income by selling their properties, and these hillside locations would be viewed as highly desirable building sites for prosperous home buyers. If these farms succumb, Northern Utah will lose self-sufficiency, and significant elements of the Northern Utah heritage will be lost forever. Tax costs are likely to increase, and Salt Lake City consumers may find themselves unable to eat locally raised fruit. Future housing and commercial development is also likely to have consequences for global warming, increased congestion, air quality, and soil health.

As Northern Utah builds an effective core group of people who can marshal this discussion, it will be critical to work with state and federal legislators to allocate funds to purchase land at their development value, and retain it for agricultural uses. Potential partners include the Utah Department of Agriculture and Food, Utah Farm Bureau, individual farm owners, The Church of the Latter-Day Saints, Northern Utah residents who wish to protect rural landscapes, and Salt Lake City consumers. Although it is not a lobbying group, Utah State University could play a key technical role.

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