Agriculture-Food Production Cluster

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Dairy Sub-Committee Co-Chair: Amber Hewett (amber.hewett@charter.net)

Fruits & Vegetables Value Chain Mapping Meeting Notes

February 21, 2013 - 10:30 AM-12:30 PM

Farm Market Kitchen, Algoma

Attendees: Andy Barta, Amy Kox (NWTC), Jennifer Brown (KCEDC), Sam Perlman (DCEDC), Jeremy Pazczak (Country Ovens), Toni Sorenson, Diane Lupke (Lupke & Assoc.), Ron Kysiak (Lupke & Assoc), Mary Pat Carlson, Connie Loden (EDCMC), Victoria Cerinich (Wyatt's Gallery), Peter Wyatt (Wyatt's Gallery)

Vital Economies – Jim Haguewood & Neil Gamroth - via phone

1. Connie provided a brief introduction to the Lakeshore Industry Cluster Initiative and that the Dairy mapping was done previously and now we are looking at the Fruits and Vegetables.
2. Jim Haguewood went over an introduction as to why we look at the value chains to identify opportunities.
3. Jim also went over the objectives of the value chain mapping session today. These are listed in the PPT for today's meeting (posted on www.lakeshoreinitiative.webs.com)
4. Jim started with getting input from the participants regarding:
    a. Major Trends:
        - Weather – last five years have been very poor years for the fruits and driving the price up for those who use cherries or fruits in their products for value adding – due to weather issues.
        - There is a national marketing association - that is based on production so with bad years the marketing reserve has dwindled creating concern of losing the market place.
        - Not the same direct consumer opportunities – as most is distributed by thru distribution channels.
        - Packaging is currently limited – all is 5 plus one – 5 pounds cherries to 1 pound of sugar.
        - The type of cherries grown here are more pie filling and cherries for processing than for fresh fruit eating.
        - 2011 – produced 230+ million cherries.
        - Grapes have been replacing some of the cherries – however there are advantages to both. People want to see the grapes .
        - There are abandoned cherry orchards – that have caused some pest issues.

- Organic cherries are quite difficult to grow due to the pests.
- Funding for Buy Local Foods has been cut so challenge for promoting local foods.
- Opportunity for producing for the local institutions
- New Apple varieties – Sweet Tango- Zestar – with University of Minnesota and Ag Research Station
- Hospitals are promoting the eating of local foods
- Commercial use of these foods is an additional opportunities
- Use of Farmer Markets increasing – Door Co. went from 2-3 farmers markets to 12. Many new CSAs.
- Country Ovens in expanding in the Canadian market - currently that is stalled due to lack of berries
- Weather has created some extra plantings. Created difficulty on the bulb markets – garlic. Traditional crops failing some with new crops introduced .
- Loop Houses might be a new opportunity to expand production.
- Distribution may be something to look at more closely and potential of value adding in thru the Farm Market Kitchen.
- Opportunity in the hops. Huge return on investment for hops versus some other crops – requires a lot of other investment – and hand work.
- Wheat – is shipped out of the area – ground and then shipped back.
- Trends around green house operations – tremendous demand - particularly for year-around product and organic products. Challenge is the energy cost. Still cheaper to ship product from California, then grow it here. The green house predominantly use LP -- but the farmers could not afford hooking into the Natural Gas lines. If this could happen would decrease the cost of heating.
- Energy cluster is looking at Bio-gas and how that might be produced and distributed –
- Some places are using geo-thermal to save on energy
- Trend around the acres planted --- mostly on a small scale farm expansions.

5. Mapping Slide –
Crop Production – Add Sweet Corn to the list on the slide / remove cranberries
Definition that was agreed upon for cluster consideration was: fruits and vegetables for human consumption
Wheat is used for the liquor production – Death's Door has 300 acres harvested
Add grains – wheat and hops to slide.
Commercial vegetable crops– carrots, beans, peas, sweet corn , beets

Action needed 1. Define what the production quantities are.
2. What are the Harvest Windows (Suggestion: Cross Roads – Dennis presented information regarding a calendar for planting season information.)

Inputs – seeds, fertilizers, chemicals, equipment, technical, cost of soil, cost of water, energy

Technical Expertise used locally: Michigan State Univ & Research Station in Sturgeon Bay (funding cuts)– provides most of the expertise for technical support . Equipment specialty is coming from Michigan.

Seeds **-- Ag Research Station - (funding cuts limiting this expertise**). Storage of the Gene bank for potatoes. This is on the legislative agenda for the region to retain the funding levels for the research station. Research Station contact – Matt (Toni will contact him). Maybe including the research station into a potential i6 Challenge Grant.

Labor still a challenge for agriculture.

Transportation –
Food Processors – Lakeside Foods, Seaquist Orchards, Cher-co, Highline Orchards, Robertsons (Soft Cider), Country Ovens (juice in MKE), Hillside, Econofoods Grocery in Sturgeon Bay

How much is being processed in the region? - almost all the Cherries are processed in the region. Most peas and beans would be processed by Lakeside – some of the peas are processed outside of region.

Action needed – How many CSAs are operating and what is the $ amount of their sales.
Local Producers Guide on line at UW Ext. 3 seasons - $690 – half a bushel a week.

Processing straight to consumer – 5% of business goes straight to retail
Potential Research Action: Grocery Stores may have data on what they purchase locally from producers.

6. Value Chain analysis questions – See PPT Slides
    a. Where is demand not being met?
    b. What percentage of the available land is being utilized? What are micro-climate locations?

Potential Areas to explore further:

- Opportunity on the processing side - Local Foods – to restaurants, grocery stores, -- need a joint processor that could handle many farms – Co-Op processing and distribution. – Some Examples /Models to look at – linking to existing models.
  Appalachian Sustainable Agriculture Project http://asapconnections.org/
  SW Wisconsin http://www.driftless.wisc.edu/wp-content/uploads/2010/04/Nicole-Penick-SW-WI-Local-Food-Initiative.pdf
  http://wilocalfood.wordpress.com/about/wlfn-strategic-plan
- **Legislative Days – Ag Research Station - Immediate Action**
- Hops – exploring the feasibility - market, demand, ROI
- Organic – status is demand- however very difficult to meet

Meeting adjourned.