



DRAGONFLY FARM BOOTH AT TANANA VALLEY FARMERS MARKET (CREDIT: FSWCD)

Food Security in Interior Alaska

Increasing Production of Interior Farmers

Fairbanks Soil and Water Conservation District (FSWCD) is dedicated to improving food security for Interior Alaska by increasing the profitability of Interior farmers, providing incentives for participation in farming as a career, and expanding food production in the Interior.

Finding interest in a centralized cold storage facility as a way for Interior farmers to increase sales, FSWCD commissioned a study to investigate services farmers need and the business concept best able to meet those needs. This study was funded by a 2017 Specialty Crop Block Grant from the Alaska Division of Agriculture.

A project steering committee with members from FSWCD, the Fairbanks Community Food Bank, Bread Line, and Fairbanks Economic Development Corporation guided the direction of the study. Members brought different perspectives on how to support farmers, but all share a dedication to supporting Interior agriculture and the Golden Heart Grown initiative.

What We Found

There is an untapped market for Interior-grown produce. Local buyers—restaurants, grocery stores, community institutions—want to increase the Interior



grown produce they use and sell. Interior farmers would increase food production if this market is easier to access. Key to this, buyers and farmers need certainty and convenience to expand their market interaction.

What We're Doing About It

We will investigate solutions to growing this wholesale market. More specifically, we will find out what it would take to set-up a business that offers the services needed by farmers and buyers to create a vibrant market for local, wholesale food – one-stop shop for listing, selling and buying local food, sales and marketing coordination, packaging and delivery, cold storage space, and support with certifications and insurance.

What Can You Do?

Support local food security and Interior farmers by buying Golden Heart Grown! Ask for Golden Heart Grown when you eat at restaurants! Become a Golden Heart Grown farmer or business! Thank a farmer!

Launched by the Interior Alaska Food Network in summer 2017, the Golden Heart Grown logo is a way to recognize and encourage Interior agricultural products in the marketplace. Building on the success of the Alaska Grown logo, Golden Heart Grown aims to raise awareness among Interior residents of vegetables, eggs, honey, and more produced by neighbors only a few miles away.

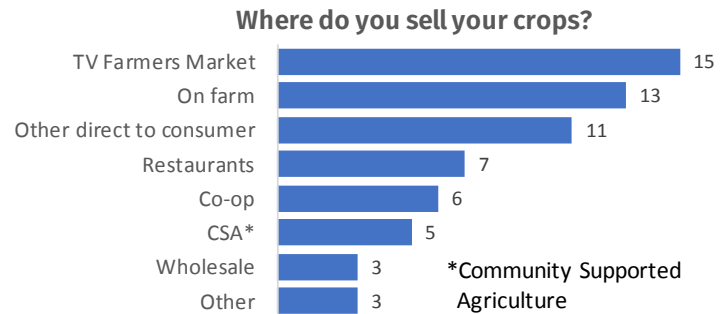


What We Heard from Farmers and Buyers

MARKET—Of the amount buyers reported spending on produce, less than 7 percent goes to Interior grown fruits and vegetables. These same buyers (all of them) said they would increase food purchases from Interior farmers if additional services were available. Importantly, those surveyed said current contracts with food suppliers do not prevent them from starting or expanding purchases from local farms.

CUSTOMERS—Most farmers sell to multiple customers. The top sales outlets are direct-to-consumer through Tanana Valley Farmers Market (TVFM), on farm sales, and community supported agriculture (CSA). For farms that sell at the farmers market, TVFM accounts for 61 percent of their total (\$) sales, on average. This is followed by on-farm sales (49 percent) and community supported agriculture (46 percent). Of the farms that use wholesale markets, the portion of total farms sales is far smaller with the highest percent of sales at the Co-op Market (29 percent) and restaurants accounting for 18 percent.

SERVICES NEEDED—Farmers and buyers identified marketing and sales coordination (centralized distribution/one-stop sales site) as the top services needed to connect buyers and sellers.



CHALLENGES TO FARMERS OF INCREASING PRODUCTION & SALES

- Staff is difficult to keep
- Time to market and sale crops
- Funds to invest in expanding operations
- Storage for more crops is not sufficient
- Land to grow more crops is limited

CHALLENGES TO BUYERS OF INCREASING LOCAL PURCHASING

- Seasonality of produce
- Availability is unpredictable
- Amount of produce is limited
- Quality and packaging are inconsistent
- Price

The biggest challenge facing young Alaskan farmers is access to arable farm land near city centers.

Brad St. Pierre, Manager, Tanana Valley Farmer's Market, August 2018

Who We Heard From

FARMERS – Thirty-two Interior farms in Delta Junction, Fairbanks, Manley Hot Springs, Nenana, North Pole and Two Rivers responded to the survey in Spring 2018. These farms were surveyed on their vegetable and fruit production. Other products sold by these farms include flowers, honey, and meat. This is out of an estimated 51 Interior farmers that grow produce for direct-to-consumer and wholesale markets.

BUYERS – Grocers, restaurants, food suppliers and organizations providing food service in the Interior, primarily in the Fairbanks North Star Borough were

contacted. Results from two rounds of interviews and surveys are presented. The first is from the Fairbanks Economic Development Corporation's 2014 Demand for Local Produce in Interior Alaska study. Forty fruit and vegetable buyers were interviewed in the Fairbanks area—five institutions (school district, hospital, university, and senior residences), four retailers, 20 restaurants, and 11 businesses with food service. The second round started in Summer 2018 by FSWCD is a follow-up buyer survey with 15 responses so far. The buyers include 10 restaurants and food trucks, two distributors, two retailers, and one caterer.

	2018 PRODUCER SURVEY (32 Producers)	2018 BUYER SURVEY (15 Buyers)	2014 BUYER SURVEY (40 Buyers)
Services	<p>What services would you be most interested in using?</p> <ol style="list-style-type: none"> 1. Marketing (53%) 2. Cold Storage space (47%) 3. Sales Coordination (44%) 4. Basic Washing Facilities (44%) 5. Packing Facility (31%) 	<p>What services would be most beneficial to your business or organization?</p> <ol style="list-style-type: none"> 1. Marketing (53%) 2. Sales Coordination (47%) 3. Distribution Services (delivery) (40%) 4. Packing Facility (33%) 5. Cold Storage space (33%) 	<p>What would make it easier to purchase local produce?</p> <ol style="list-style-type: none"> 1. Marketing 2. Sales Coordination 3. Increased convenience (easy invoicing and delivery) 4. Open house to meet farmers and see products 5. Long term storage availability

Service Definitions

Marketing: Platform with regular updates on produce availability, prices, and representative available to meet with retailers, troubleshoot supply or other issues

Sales Coordination: Centralized distribution center, one-stop produce listing and sales site

Packing facility: Produce sorting and packaging

Distribution/Convenience: Increased convenience through delivery, simple invoicing

Increasing Sales/Purchases	<p>Are you interested in selling to additional outlets?</p> <p>Yes 67%</p> <p>No 33%</p>	<p>With new services, would you consider increasing (or starting) produce purchases from Interior farmers</p> <p>Yes 100%</p>	<p>Do you have the capacity to scale up your local purchases?</p> <p>Yes 100%</p>
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Prices	<p>Would you consider selling your produce at wholesale prices?</p> <p>55%, said yes depending on volume and profit margin</p>	<p>Would you be willing to pay more for locally grown produce? If so, how much?</p> <p>86% would pay an additional 5-20%</p>	<p>Over 50% would pay an additional 10-25%</p>
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Recommendations

- Develop a basic local food distribution center business model, assessing the feasibility of adding services after one to five years of operation, that addresses the challenges raised by farmers and buyers.
- Consider a range of desired services, offering a one-stop shop for buyers and farmers for advertising availability and quantity of local food, reduced delivery time and increased product freshness, cold storage and an overall aim of simplifying and streamlining the market in wholesale local food.
- Partner with the Fairbanks Community Food Bank, local producers, and local buyers to identify existing and potential locations.
- Coordinate with Alaska-based food aggregators, including Alaska Food Hub and Arctic Harvest, on service delivery such as online platforms and market access outside the Interior.
- Work with TVFM and other community organizations to support new and existing farmers.

Become a Golden Heart Grown Business

Businesses who buy from and support local farmers can certify as Golden Heart Grown! Become a GHG business in order to:

- Broadcast to Interior farmers that you value their produce
- Communicate to your customers and the broader community that you are a positive actor in our food system.

For an application and more info, contact Fairbanks Economic Development Corporation at 907.452.2185 or fedc@ak.net.



SHANNON MASON AND FSWCD YOUTH CORPS HELPING AT CORINTHIAN BAPTIST CHURCH COMMUNITY GARDEN (CREDIT: JUAN DIEGO AGUILAR, FSWCD)

Golden Heart Grown Producers

907 Livestock
Arctic Alaska Peonies Co-Op
North Pole Peonies
Arctic Harvest
Bender Mountain Farm
Bormans Farm
Dart-AM Farms
Dragonfly Farm
Frigid Farm
Goosefoot Farm
Happy Trails Farm
Hawks Greenhouse
Holm Town Nursery
Jenny M Farm
Little Flower Peonies
Little Plum Garden & Peonies
Midnight Sun Greenhouse
Mugrage Hay & Cattle
Nadya's Greenhouse
Pleasant Valley Peony
Spinach Creek Farm
Sunrise Farm

Find out more about becoming a Golden Heart Grown producer:

Contact Fairbanks Economic Development Corporation at 907.452.2185 or fedc@ak.net.

FSWCD Partners

Alaska Division of Agriculture
Alaska Food Policy Council
Fairbanks Soil and Water Conservation District
Fairbanks Community Food Bank
Fairbanks Economic Development Corporation

If you have questions or are interested in becoming a partner:

Contact Fairbanks Soil and Water Conservation District at 907.479.1213 x105 or email mel.fswcd@gmail.com.

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