

Regional Food Hubs and the Michigan Food Hub Community of Practice

What is a food hub?

Working Definition

A business or organization that actively manages the aggregation, distribution, and marketing of source-identified local and regional food products primarily from small to mid-sized producers to wholesalers, retailers, and/or institutional buyers. (There is no formal USDA definition.)

Some core components of a regional food hub include:

- Aggregation, distribution, and marketing of locally/regionally produced product from multiple producers to multiple markets.
- Buying from small to mid-sized local producers whenever possible.
- Utilizing one or more product differentiation strategies (e.g., identity preservation, group branding, sustainable production practices, etc.) to ensure that producers can get a good price for their products.
- Working closely with producers to ensure they can meet buyer requirements by either providing direct technical assistance or finding partners that can provide this technical assistance.
- Aiming to be both financially viable and have positive economic, social, and environmental impacts within their respective communities.

Regional food hubs can:

- Serve as aggregation points for regional distributors/wholesalers.
- Provide a reliable and ready supply of local/regional products.
- Offer a broader and more diverse selection of source-identified and branded local products.
- Increase supply of local/regional products by providing training/technical assistance to “grow” more producers.
- Take advantage of the existing infrastructure available at wholesale/terminal markets across the country.

Key Points:

- Regional food hubs help fill a market niche not adequately addressed by the current distribution system: the aggregation and distribution of food products from small to mid-sized
- Regional food hubs can support mid-sized farm businesses and encourage smaller farmers to scale up their operations.
- In order for food hubs to be successful they must be supported by a business cluster of input supplier businesses, financiers, university and community college research and education opportunities, technical assistance from state agencies, as well as support from state marketing and commodity organizations. Using a business cluster network, or community of practice framework, we can build this learning network.
- A network of long-term, sustainable food hubs can help the state reach its health and wellness goals by increasing the consumption of fresh fruits and vegetables in our state; and can create new jobs in farming, food processing, and other agri-business endeavors; and provide nutrition education, job training, and business development opportunities for Michigan residents.

Michigan Food Hub Community of Practice

The Michigan Department of Agriculture and Rural Development (MDARD) and its partner the C.S. Mott Group for Sustainable Food Systems at MSU are convening a network of regional food hubs to create and expand markets for local and regionally grown agricultural products.

We have named this effort the Michigan Food Hub Community of Practice (think learning network) so that it aligns with a newly created National Food Hub Community of Practice that includes USDA-AMS. This link should also help increase our chances of receiving USDA funds and technical support for our Michigan work.

The Michigan Food Hub Community of Practice will:

- Seek funding for a grant program to support the creation/expansion of sustainable regional food hubs that include aggregation and distribution of food products, food processing and value-added opportunities, and farmer training and education.
- Support food hub efforts in both rural and urban areas of the state to foster growth and encourage opportunities statewide.
- Conduct research on food hubs in relation to profitability and economic impact and achieving food access goals, as well as evaluate the effectiveness of the network (C.S. Mott role).
- Establish a point person within MDARD to serve as a contact for the regional food hub network.
- Convene regular meetings and coordinate information sharing of best practices and training opportunities for the state food hub collaborative.
- Link to the National Food Hub Community of Practice, sharing experiences, and learning from other food hubs across the country

National research and regional participants in the Michigan Food Hub Community of Practice have identified the following areas where a state assistance and a collaborative network of regional food hubs can have significant impact:

- Financial support
- Accelerating innovation
- Technical assistance and business development services
- Community support and wider stakeholder engagement
- Building effective networks and peer-to-peer learning platforms