

A CENTRAL MINNESOTA RURAL FOOD HUB CASE STUDY



March 2017

Impact, Lessons Learned and Aspirations

A Central Minnesota Rural Food Hub Case Study

IMPACT, LESSONS LEARNED AND ASPIRATIONS

Using industry standard descriptions, a food hub is a “business or organization that actively manages the aggregation, distribution, and marketing of source-identified food products primarily from local and regional producers to strengthen their ability to satisfy wholesale, retain, and institutional demand.”

Sprout is a 9,600 square foot nonprofit food hub in Little Falls, Minnesota. It also hosts two kitchens licensed by the Minnesota Department of Agriculture, and a 10,000 square foot warehouse for the Sprout Growers & Makers Marketplace – a unique and one of a kind market whose mission is to bring together growers of food and makers of art, in a unique opportunity to highlight the assets of this rural region, and to concentrate efforts on economic development of farmers, food entrepreneurs, artists and makers.

Hear our story:

https://youtu.be/Yoy67V_c_ks

INTRODUCTION

Food is at the heart of every community. It brings families and neighbors together, defines and blends culture, nourishes health, and fuels life. And the system of producing, processing and distributing food creates jobs, engenders opportunity, drives innovation and productivity, and facilitates creative expression, especially in underserved rural and urban areas.

In the face of resource scarcity and growing local demand, Sprout is a regional model for our food system capable of building community resilience.

Sprout is helping entities that spend millions on food — including school cafeterias, hospital institutions, long-term care facilities, and regional restaurants — buy local. We coordinate the development of scale-appropriate aggregation, processing, and distribution infrastructure to move food within regions. We support family-scale farmers, ranchers, and food processors to access markets, capital and technical assistance needed to feed their communities and steward their land. And we inspire eaters to choose and champion homegrown.

By working with numerous regional partners, Sprout is filling a niche not only in local foods, but is building capacity within market channels of value with processing and education demonstration fully licensed kitchen facilities within a warehouse destination marketplace where artisans, regional chefs, growers, producers and the public come together in an infusion of art and food, retail sales and community building.

HISTORY

Built on the history of building economic development through the value chain of local foods on her own farm, Arlene Jones spearheaded the first Farm to School efforts in Central Minnesota with the largest school district in the region, Independent School District 181 (Brainerd, MN) in 2010. Her family had been working to build the rural local food system since purchasing their farm in 2006. Participating in farmer's markets and maintaining a few small restaurant accounts, recognition was made that there was a real interest in local foods on a larger industrial scale, and potential for scaling up. However, building relationships with institutional

buyers was not a relationship that would be constructed overnight. Farm to School in Central Minnesota was a realistic possibility, but it would take more than the commodities from one farm to accommodate any real large scale demand. Building on connections through local farmer's market structures, a consortium of growers was built to begin to scale up to fill this demand. Presenting basic data on revenue potential and offering a willingness to lead the collaboration between grower supply, demand, and scaling up as successes were measured; Arlene led the first grower consortiums beginning in 2011.



KEY INGREDIENTS

Working parallel with the Resilient Region (www.resilientregion.org) efforts on understanding the fragile relationship between supply and demand, numerous agencies poured efforts into buyer relationships, grower relationships, and efforts to bridge the gaps between the two. As a direct result of the Resilient Region planning process, a basic understanding that agriculture is an economic engine was lifted up as a theme of economic prosperity, and through the work of hundreds of citizens, not only became a theme, but a belief system and world view for this rural Central Minnesota region.

We told our story, and promoted the local foods work within and beyond our region. Many of our Resilient Region Champions were our best stewards of the good word – building significant relationships and connections **beyond** our region. Significant opportunities were introduced into this work from substantial relationships outside including initial funding for foundational bodies of work which helped move the vision of a food hub with processing capacity from a table top discussion between colleagues to reality.



Leveraging relationships and finding mutually beneficial conditions has long been recognized within the collaborative work encapsulated in this rural region. Once gaps and barriers were identified on what had changed within the collaborative culture of local foods, we quickly identified the gaps in the value chain – infrastructure and resources, particularly the human capital necessary to move processes and systems building forward.

Simultaneously, many opportunities revealed themselves, along with side-by-side work in strategies to build the delicate infrastructure between supply and demand, growers and buyers, economic development and forging critical relationships. This work included, but did not limit ourselves to:

VISTA deployment, feasibility studies and business plans, deployment of community partners into food deserts for knowledge and skill building among consumers, creating connections between

Key Ingredients:

Trust

Galvanizing Issue

Flexibility in Plans & Processes

Funding

Systems Thinking

Stewards

Core Beliefs

Collaboration - Regional Vision

Accountability to Each Other and the Region

Beyond Triple Bottom Line

Interconnectedness - Inclusivity

agencies, nationwide research on BMPs in collaboration with statewide partners, creative and unique funding opportunities, fellowship applications, community engagement, integration into nationwide foundational work on food hubs, attending conferences, numerous community meetings, joining decision making boards and committees, networking, creating alignments between sectors, and never forgetting the value of the proposition, and alignment of work between agencies in our rural region, statewide and nationally.

Moving from one school district to three, and adding numerous institutional and restaurant accounts, Sprout was established on the grassroots efforts of numerous visionary growers, economic development professionals, personal consultants, educational institutions and countless hours of “what if” within the region to identify growers/ranchers and distribution channels who came together in collaboration to dream, design and create a facility to fill institutional orders for Farm to School, Farm to Institution, Restaurant and Direct to Consumer demand for local foods. By recognizing there were gaps and bottlenecks in physical infrastructure and value added processing capacity, and that agricultural production is an important economic sector for this rural, agricultural region, Sprout was founded by:

Arlene Jones – The Farm on St. Mathias; Cheryal Lee Hills – Region Five Development Commission; Julie Anderholm – Central Lakes College Small Business Development Center; Sharon Wetteland – Consultant; Janelle Riley – Syvantis Technologies; Carol Anderson – Morrison County Development Commission; BJ Allen – BJB World, LLC; Dr. Stacey Stockdill, EnSearch, Inc., and Colette Pohlkamp, Food Services Director, Independent School District 181, Brainerd, MN.

The Central Minnesota Food Hub Feasibility Study was completed with a business plan completed in hot pursuit, and Sprout was legally launched in 2012 – all the while seeking a physical location to address the barrier of infrastructure. Primarily the result of substantial relationships identified within the region, an underutilized resource within the region was identified...a warehouse which laid off 180 people from a town of 800 when it closed in 2010.

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Employing strategies well established, a core team was convened to address the demand, capacity, and ability to continue pursuing a regional food hub in Central Minnesota. Fundamental ideas formulated from this convening included accessing built capital, trunk highway capacity, lucrative lease situation with investment from facility management, investment in funding from partners for architectural and engineering – and a committed team with foundational relationships, partnerships, and tools to move this from idea to fruition.

The region, its commitment to agriculture as an economic engine, supporting and uplifting small family farm and building the economic prosperity of its land keepers, addressing hunger disparities, and keeping agricultural land in production, has developed an underutilized warehouse facility in a rural area in Central Minnesota and named it Sprout. Geographically situated in a USDA as a food desert, its designation was considered when choosing the physical site for Sprout due to its capacity for impact, access to funding, built capital, and its trunk highway proximity for distribution capacity.

Core to the concept of building the food system, founders were committed to inclusivity in building the capacity in the consortium of growers. In recent years, numerous communities had seen a culture shift in its residents and growers, including Amish, Latino and Tribal growers. While these pockets of growers have had moderate success in gaining access to market channels, they had largely been excluded from traditional large scale participation in wholesale institutional models. In addition, buyers had long expressed concerns with working with numerous independent growers, citing potential complications with multiple transactions and verification of independent growers' compliance with food safety rules and regulations.

Gaining ground in developing markets and cultivating relationships within growers, buyers, and numerous supportive agencies, Arlene Jones applied for and received a two year Bush Foundation Fellowship. Utilizing this support, she focused on building the sustainability of food systems in Central Minnesota by engaging growers of all backgrounds; gender, age, geographical region, ethnicity, and race. While the network of farmers includes female farmers, teenage farmers, and those with very diverse backgrounds, she realized that there are many groups of farmers who had not been able to access markets. These key stakeholders brought with them the diversity of language, culture, community history, a sense of place, and an opportunity to build local communities by engagement, storytelling, and putting a face to the food. For the Central Minnesota team, inclusivity meant that when human stories are told, emotional connections are made, and communities are built.

One of the most innovative and creative programs from this region's collaboration of partners is the Choose Health Program piloted by Lakewood Health Systems. This program was originally funded from Hunger Free MN, whose mission includes reducing hunger insecurity. Conceived on the heels of a national

REGIONAL FOOD INSECURITY RATES (by county)

Crow Wing 12.1%

Cass 11.1%

Morrison 10.8%

Todd 10.0%

Wadena 12.6%

Five County Average:

11.32%

Source: Map The Meal Gap 2014

convening on food access strategies, numerous founders of Sprout again leveraged relationships and funding and successfully piloted this program. Originally impacting 50 food insecure families, Sprout is now coordinating aggregation and distribution of locally grown commodities for 150 families in coordination with three hospital systems. As successes were achieved in reducing health issues, increasing fruit and vegetable consumption, and reducing mealtime in front of a television, the program is now being coordinated by growers and concerned citizens in two additional communities within the region – impacting residents from all five counties.

Continued leveraging and engagement of community partners has garnered over \$400,000.00 for the architectural renderings, engineering plans, construction, and build out of a 9,600 sq. foot facility for the food hub work of aggregation and distribution of locally grown commodities, and installation of two fully licensed kitchens.



Ribbon Cutting: Left to Right: David Frederickson, Commissioner, Minnesota Department of Agriculture; Colleen Landkamer, State Director, Rural Development, USDA; Congressman Rick Nolan; Senator Amy Klobuchar; Arlene Jones, Sprout; Lisa Mensah, USDA Under Secretary; Cheryal Hills, Region Five Development Commission, Executive Director

A Grand Opening was held April 1, 2016 and the facility hosted national, state, regional and local legislators, policy makers, foundations, educational institutions, and hundreds of interested neighbors. The food hub work has expanded with numerous growers and buyers; and the kitchens are currently being utilized for value added processing, education, and culinary art demonstrations. But we didn't stop there. Naturally, our region conceived of other situations which would lend themselves to the economic development of our agricultural sector, but also adding diversity to the region's first potential year round indoor marketplace. It is widely recognized that economic development must include the potential of a

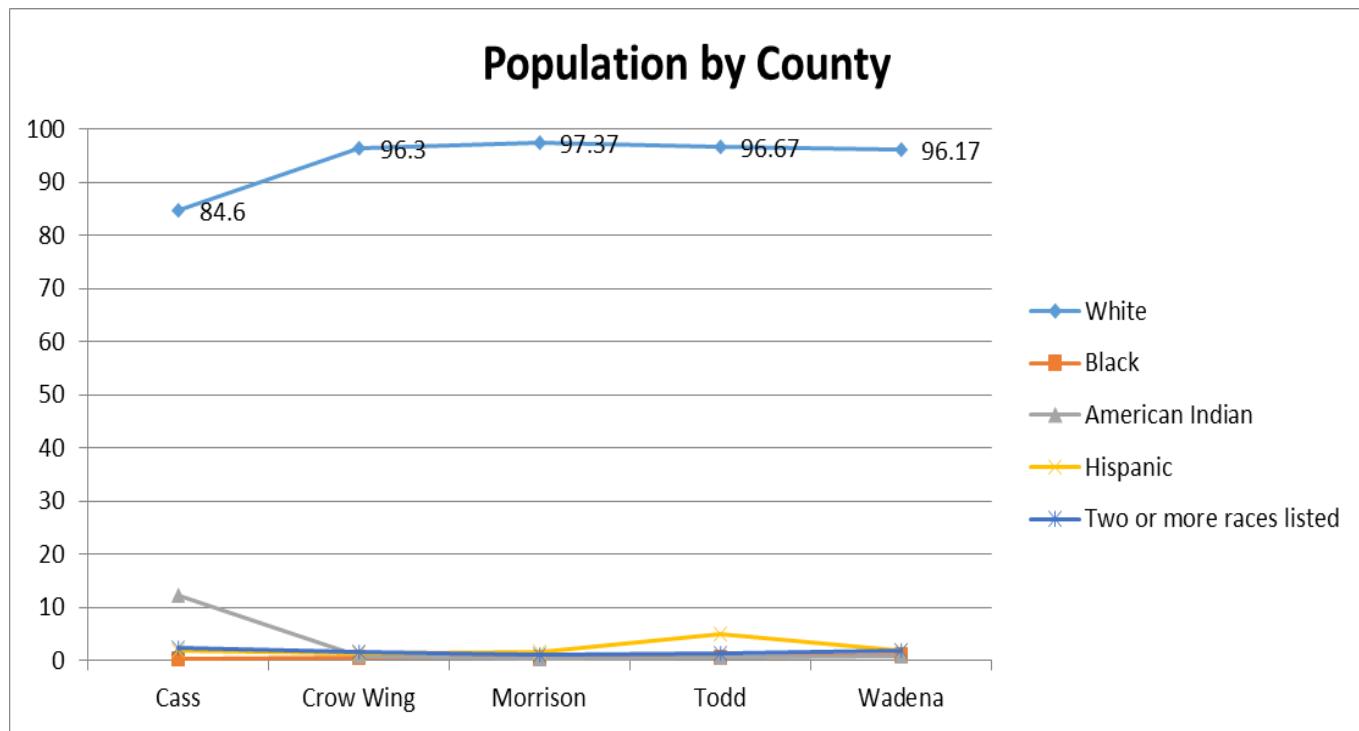
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myriad of sectors. The Sprout team has successfully launched a food hub, value added licensed kitchens and an indoor market which highlights the growers and the makers of this region, successfully blending art, agriculture and the cultural diversity of the human landscape of this region. With just a handful of market successes behind us, Sprout's Growers and Makers Marketplace has generated thousands of dollars in revenue for our local small family farms and artists. Based on the concept of tourism and destination, Sprout continues to create space – and a place – where economic development opportunities flourish for many rural entrepreneurs; and communities come together in the natural linkage of food, art and culture.

LESSONS LEARNED

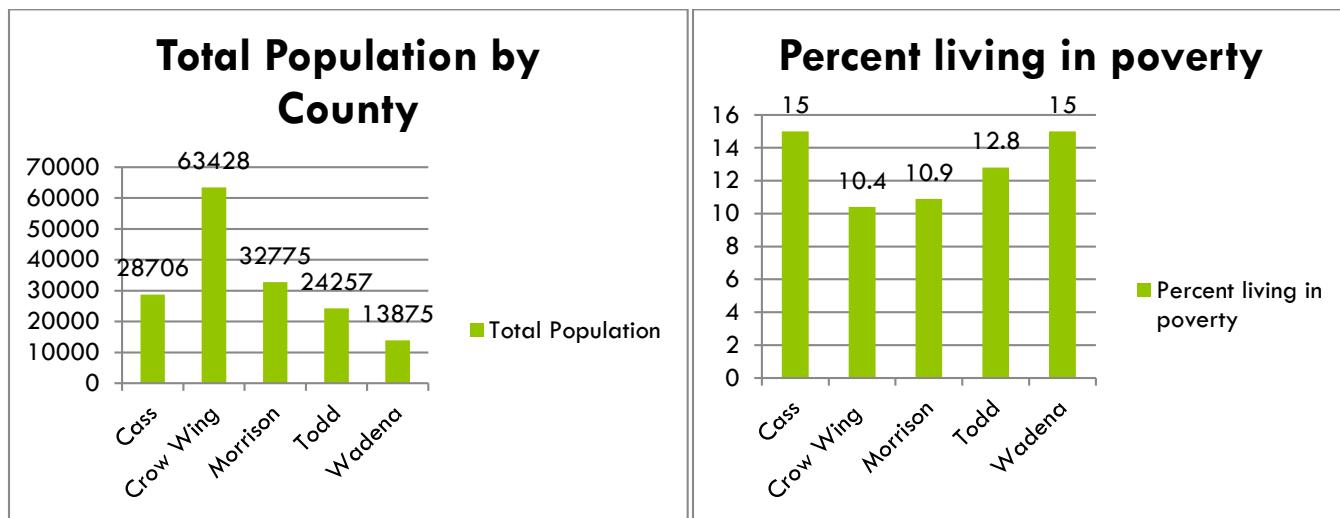
Sprout was formed by, and is led by a team of women. Gaining connections and networks in Central Minnesota as an individual or team of females leading the farming community to a new model of local food production and marketing has not always been an easy task. Additionally, when the commitment of creation of equitable markets for all growers was made, these linkages and connections, have, at times, faded away. While we've established the grower participation in this market model will ebb and flow, it has been clear that some growers have not or will not participate, with some who have discontinued participation due to our engagement with numerous diverse cultures. These shifts in participation will likely continue as we continue to diversify our grower collaborative.

Many demographics for this five county Central Minnesota region are simply data generated by the color of our skin. This data does not begin to tell the story of our cultures, belief systems, values and world view. However, it is worth revealing:



County total % of population by race 2015 - Source: quickfacts.census.gov

It is also noteworthy to at least consider poverty rates within the five counties which Sprout concentrates its work. As we continue to develop food access strategies and move residents from food insecurity to hunger prevention, we must be aware of the high incidence of poverty within our region and its contributions to families without access to food. We must continue to develop alignments with partner organizations to provide relief, education, and access to ancillary programs.



County total population 2015 - Source: quickfacts.census.gov

True to the mission and values of its inception, intention to provide markets for all growers has been a core concept. Statistics show we have the capacity to produce in this agricultural region as demonstrated in the initial Feasibility Study. Additionally, the Sprout team knew there were numerous Amish Settlements in the Todd county and surrounding county areas. And, like any relationships to form and flourish, there must be connections. Additionally, these growers were known to have great potential for production and were also looking for additional markets.

According to Elizabethtown College, the total Amish population in 2013 in Minnesota was 4,160. In 2016, that number rose to 4,535 or a 9% increase in three years. Minnesota is ranked 12th in the nation for Amish residents, having 21 settlements and 36 districts. Source: Amish Population by State/Province, 2016. Young Center for Anabaptist and Pietistic Studies, Elizabethtown College. <http://groups.etown.edu/amishstudies/statistics/population-by-state/>

Initial relationships were formed through area farmer's markets (Staples) and through the local food cooperative with one Amish grower.

The Sprout team traveled to Clarissa, Minnesota on a windy and wintery day in April, 2013. We were invited into our grower's warm wood heated home, and sat among the table with numerous multi-generational farming family members. A special treat was offered with wood fired cinnamon rolls and old-fashioned cook stove coffee. From this initial meeting, we've grown the Amish community of growers from 1 to 12 Amish families who have worked to build the local food initiative in Central Minnesota.

The honor of this work includes the privilege of trust, honoring of culture and belief systems, and the handshake of financial transactional relationships. The Sprout team has been enculturated. When we first met the Amish community, we were very careful to ask only pertinent questions related to the

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financial transactions, communication and transportation logistics, and items necessary to have a business relationship.

Observational interviewing, listening, and even asking questions have helped us learn. We learned photography was forbidden, and that the chosen dialect for their small children was German. So we smiled and waved. Children finish school when they are 16. We did not ask for assimilation. We understood and demonstrated capacity to identify with situations, to put ourselves in their positions in a limited and very restricted way – with a mutual understanding that is a financial transactional relationship, coupled with friendship and humor in a very finite way. Metered self-disclosure, on both sides of these relationships, has proven to be very beneficial in truth. The truth of knowing each other's stories, sharing small glimpses into our own familial structure, how we came to these moments, has begun to bridge the gaps between cultures. It is now more than just a financial transaction.



At one point, there was counter motivation from the prevailing culture to add Amish to the guest list for a very public event. Conscious motivation simply could not allow Amish presence due to the potential of media, thereby violating their cultural belief system regarding photography. Not honoring this belief system would have been exploitation and could have very well jeopardized relationships. Self-aggrandizement is just not worth it.

It became clear that not wearing jewelry or makeup, which was thought to be a cultural consideration, was fake and counterfeit. The reality is that we have all grown within this relationship and they know who we are. Changing appearances could be considered inauthentic.

It is true that we carry their voices. When we represent our collaborative work, the underlying motivation to build food systems includes their voices – because we have established mutual trust.

In speaking with Amish growers for the 2016 annual meeting, one grower has dropped out. The produce production component of their small family farm could not support them. The husband has since found a job working to hand forge customized horseshoes. The wife indicates that she simply could not keep up with the gardens, a high tunnel, and raising their family. She is continuing in the market channels of shelf stable, high quality, homemade salves, which we have been able to market.

The remaining growers are eager to continue into the 2017 growing season. One grower, who is operating a certified organic high tunnel with ancillary businesses on his farm, continues to be the lead Amish grower. His family has added infrastructure to their farm, and continue to build their homebased business. With three years of business relationships, it is a delight to watch the children develop, and become more vocal in their communication with Sprout team members. We have also initiated financial transactional relationships with an additional settlement.

The Sprout Growers & Makers Marketplace, along with the potential utilization of the licensed kitchens by the Amish community presents a conundrum. Transportation is the biggest issue and traditional models

employed by the Amish population of “car hire” are not financially feasible. In addition, as stated above, Amish culture forbids photography. This is an issue that cannot be entrusted to the general public. We continue to pursue strategies to overcome these barriers, including Amish growers and makers offsetting the cost of staff support for a booth at the marketplace. We continue to embark on strategies to overcome this barrier.

Our relationships with our tribal neighbors has been limited with Leech Lake Band of Ojibwe due to an inability to establish initial relationships, geography (large distance between actual locations), but also due to understanding financial transactional relationships. However, as we move forward in developing the Marketplace, these relationships are embedded with great promise in new relationships. We have been working to create strategies on shared services in Farm to School within the Mille Lacs Band of Ojibwe and have held initial meetings with tribal leaders and community food system entrepreneurs in the tribal system.

Sprout’s work with the Agua Gorda growers in the Todd County area has been reinforced this past year. A mutual relationship with economic development professionals, the local hospital system and multilingual extension educators has established the first prescriptive CSA program in Long Prairie. Initial figures indicate that 19 out of 25 families in this program are non-English speaking residents. This program has been carried through the winter with all of those 19 families participating in a winter CSA program. Sprout has been working with interpreters to provide all recipes and fun facts in Spanish.



Agua Gorda growers in Long Prairie MN

Agua Gorda growers were 4% of the market share for Sprout for 2016. While this may seem insignificant, it was less than 1% in 2015. A new farmer’s market was created in 2016 and was the direct result of beginning a new prescriptive CSA program. Latino and Amish growers participate in this weekly market housed on hospital grounds alongside the CSA participants.

It is our hope that with some additional programming in this rural region, we will see successes in these geographic areas with our Latino growers, students and general population. With the successful relationships of numerous multilingual educators who are currently working in the Long Prairie area, we are excited to see this realm of work in the region blossom.

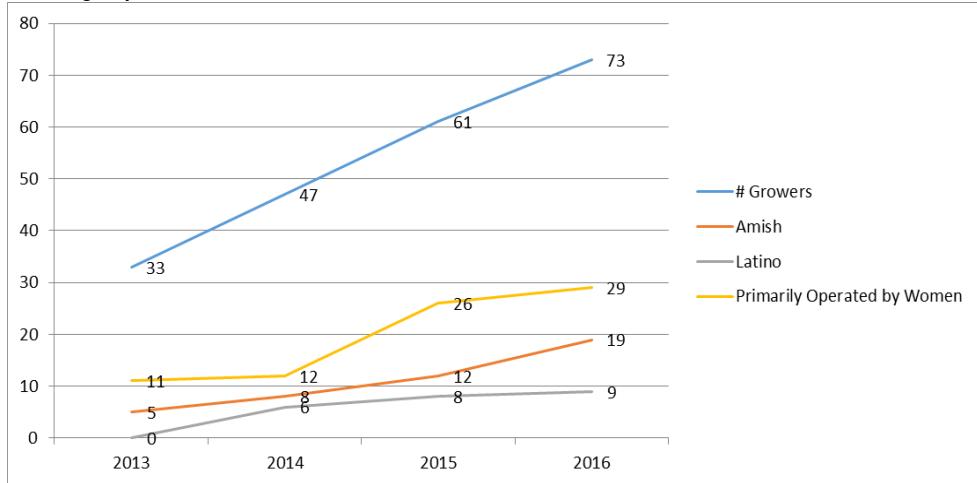
IMPACT

Financial Capital

Demand, and building transactional relationships, has been paramount from the beginning. From one grower and one farm, Sprout is now working with 82 (73 in transactional and training relationships through the food hub and 17 in training opportunities only). While growers earning market share through the food hub waxes and wanes, it is noted that successful relationships have been forged with 82 small family farms (many with multiple growers participating in each farm which would indicate the

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number of growers is much greater) within 15 counties throughout Minnesota. Historical grower demographics can be broken down as follows:



Sprout Grower Demographics

In addition, and to the extent that can be known, many growers, particularly Amish growers, are reporting that their participation in the Sprout food hub model, has raised their household incomes by as much as 10% per year. One Amish grower is participating in the University of Minnesota's multi-year "Financial Benchmarks and Economic Impact of Local Food Operations" study. It is our hope that he will share his experience with Amish growers within and beyond his community to strengthen strategies for bottom line revenue.

Sprout has been able to raise its total gross income in 2016 by 32% (target was 25%). Much of this is attributed to the prescriptive CSA program. Targeted goals for 2017 include adding one additional staff to focus solely on institutional sales (schools, hospitals, restaurants, food cooperatives) and to focus sales to geographic areas that make logistical sense with respect to transportation. In addition, due to participation with the food hub, three growers have added acreage into production and have hired staff to assist in individual operations.

Sprout has been able to work with three Amish growers to become licensed by the Minnesota Department of Agriculture for egg sales. This entailed assisting with licensing requirements, paperwork, packaging and labeling. Egg sales are upwards of 15% of total commodities as they are a year-round commodity.

Additionally, Sprout has worked with two growers to become individually licensed to operate the Sprout kitchens. This work entailed navigation of a conundrum of licensing regulations under the Minnesota Department of Agriculture, packing and labeling. These growers are now processing value added commodities, expanding their markets, and providing additional revenue for Sprout through leasing space. Lastly, Sprout has been able to assist numerous growers to receive,



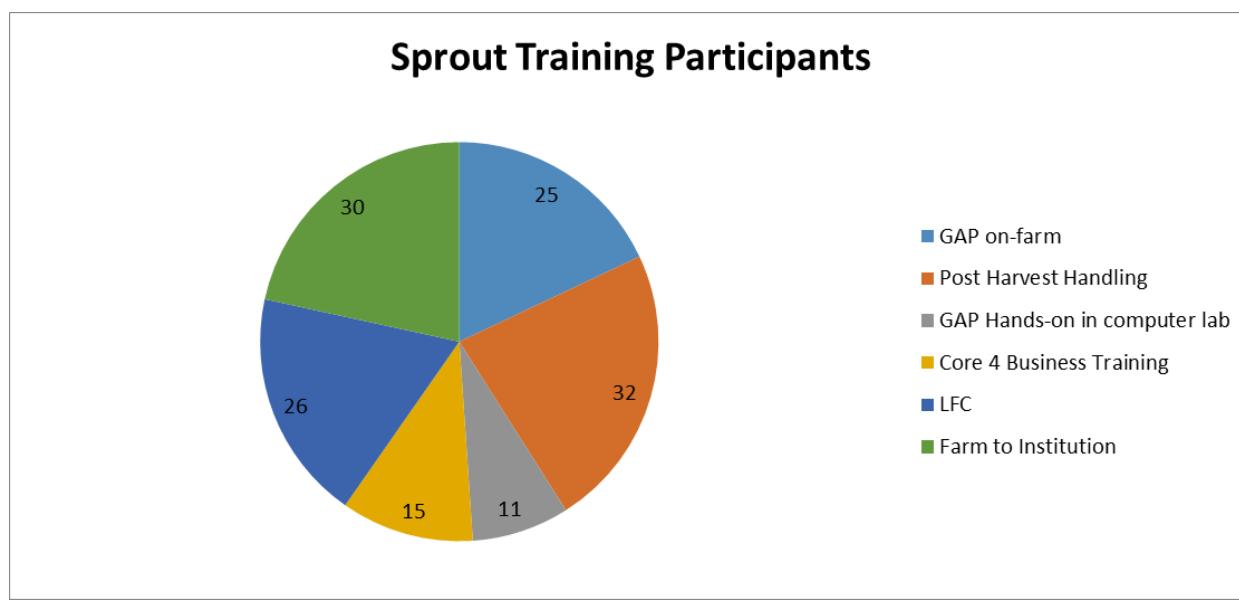
Annie Humphrey, performing artist from Leech Lake Tribal Community

understand, and implement the Cottage Food Law, which has allowed growers the capacity to move beyond the previous regulatory cap on sales from \$5,000.00 per grower to \$18,000.00 per grower, per year.

Intellectual Capital

To meet food safety standards, Sprout has hosted numerous grower trainings in collaboration with the University of Minnesota Extension, Renewing The Countryside, Sustainable Farming Association – Central Chapter, and the Minnesota Institute for Sustainable Agriculture. Within the framework of these trainings, growers participate in order to increase their intellectual capital and compete in a market ever changing by food safety standards.

Growers who attended these trainings come from numerous social and cultural backgrounds. All of them are dedicated to providing utmost quality products and adhering to food safety standards. Specific focus was made to provide transportation arrangements for Amish growers, and to work with cultural leaders in the Latino communities, who attended the training with Latino growers. Providing the structure for these training sessions includes organizing training, obtaining sponsorships to offset/subsidize the cost of the training for growers (Regional Development Partnerships and Central Lakes College), site logistics, transportation, and communication. Ultimately, the goal is to continue to provide education and technical assistance, understanding that on-farm food safety is critical in continuing to build and maintain market channels for Sprout's grower consortium. Numerous growers have not only completed on farm food safety plans, but have implemented strategies to scale up to continue to meet demand. None of this can occur without continuing to increase market channels.



Sprout Grower Training Demographics

In a recent survey (2017), growers are indicating the primary training they would like to receive is marketing and marketing plans and a continuation of "Post Harvest Handling." A majority of growers, including Amish and Latino, have participated in the previous "Post Harvest Handling" trainings. Additionally, growers are indicating growing interest in "Vendor 101" training. This training would be directed to "market growers" on market strategies, customer retention, drawing folks to your booth, telling your story, booth décor, etc. Throughout the course of this deeper review of Sprout and its impacts, we have held nine instances of training in a classroom setting, and six instances of training which were either in large groups of similar participants (Amish, Latino, Tribal) or, at times, one-to-one with

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growers who required this type of technical assistance. Topics of these courses include business planning, marketing, financial planning, access to local foods, how to purchase local foods, the value of the food hub to buyers, health food access through agriculture, Cottage Food Law, value added, post-harvest handling, labeling, navigating licensing, funding opportunities, consumer health education, joint purchasing, best management practices on small farms, good agricultural practices, one to one computer labs and writing on farm food safety plans, farm to school, the ripple effects of purchasing local, Sprout overview, how to participate in the Marketplace, economic impact studies, production strategies, produce selection, shared resources, co-collaboration for Farm to Tribe (Mille Lacs and Sprout), market participation (LLBO for wild rice harvest), and many more. Estimated number of growers and consumer health advocates impacted is estimated at 329 persons.

Individual Capital

The prescriptive CSA program is generally the best example of lifting up and rising individual capital. Each program has provided exemplary examples of improved health, improved relationships within their communities, and some even improved mental health. Summer shares have increased to 150 with three hospital systems, and 144 winter shares. Winter shares have allowed Sprout to go beyond fresh produce and begin to diversify inventory with shelf stable items such as wild rice, honey, sunflower oil, local meats, local grains, locally grown and milled flour, and to advance value added within the scope of Cottage Food Law for numerous growers, which fills many of our intended capitals.

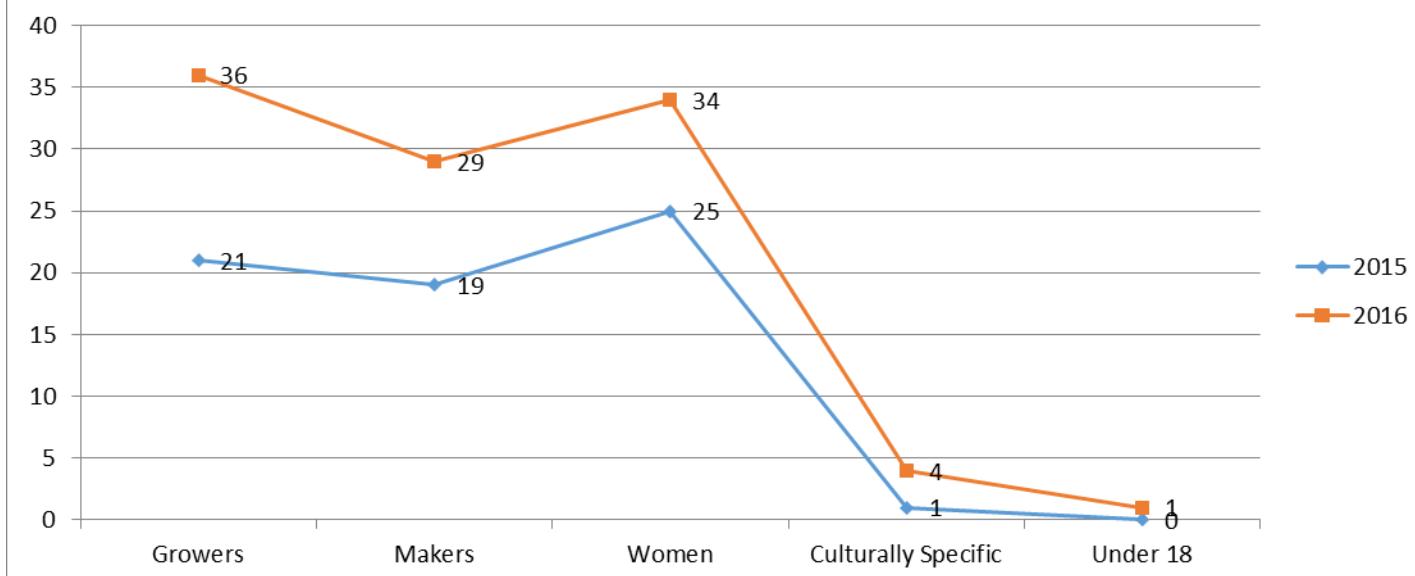
Sprout is one of four Minnesota food hubs engaged in collaboration to identify systematic processes and best management practices to assist in sustainable growth for all food hubs. This effort is being funded through a Minnesota Department of Agriculture Specialty Crop Block Grant and is being led by Jim Gehrke, founder of the Minnesota Valley Action Council food hub.

In addition to the work of aggregation and distribution of locally grown foods, Sprout Growers & Makers Marketplace has cultivated new relationships with food entrepreneurs and artists, continuing to add value to the local foods market channels instituted in Central Minnesota. Sprout has now held twelve indoor markets and has published a very robust 2017 market schedule. The initial 2017 market had a focus on youth. Austin's Acre's is operated by 15 year old Austin, who grows and processes his locally grown commodities in a very impressive line of local sauces, jams and pickles. Austin and his family have committed to attend EVERY market in 2017. Austin's entrepreneurship will also be featured this fall in a side-by-side cooking demonstration with a local chef, utilizing Austin's products.

Market opportunities have been widely expanded within the direct to consumer model for numerous growers and makers as follows:



Demographics of Growers & Makers Marketplace



Sprout Demographics of Growers & Makers Marketplace

Political Capital:

Political capital is also achieved by the relationships and networks created within and beyond the Resilient Region and Sprout with outstanding relationships with numerous local, state and national agencies; numerous foundations; local, regional and state legislators who are fully advised of this regional food work; and the hundreds of citizens who recognize the value of local purchasing, the ripple effect of their purchases, and the creative social and cultural environments that are forged and sustained through this work.

The planning and implementation spurred by the Resilient Region recognized that there should be a focus on developing land use plans that keep farm lands in production and to promote local agriculture and affordable food production (<http://resilientregion.org/cms/files/Economic%20Engines%20Goals.pdf>). This is a fine example of policy makers from all five counties recognizing value in parallel ordinances, and best management practices.

ASPIRATIONS

We continue to pursue funding to continue to create a marketplace in a way that honors all cultures in this region. We know we are continuing to see rises in our Latino and Somalian communities. We strategically chose Little Falls, Minnesota because of its location to accentuate not only trunk highway transportation, but to be closer to the communities who are underrepresented in this Central Minnesota region (see figure 4). We are also working to expand capacity by greater access to other diverse cities, including St. Cloud.

The culture and history of Little Falls, and the building where Sprout is headquartered, is core to building inclusive opportunities, honoring our past, present and future:

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The past: Paul Larson began a lifetime career at the age of eleven when he built his first boat. The founder of Larson Boat Works and Crestliner, Inc., Paul was born in 1894 to Swedish immigrants. When he built his first boat, he was living on a farm near Little Falls, Minnesota. A pond on the farm served as the testing site for his boat. (Source: Morrison County Historical Society). Historically, Little Falls has been defined equally by boat building and the Mississippi River, on whose banks this central Minnesota town of about 8,000 sits. Crestliner has been in Little Falls since the 1950s. The facility closed in 2010, laying off 180 employees and shifted operations to New York Mills (sources: Morrison County Historical Society and StarTribune article).

The present: Currently, there are 23 businesses located within the campus complex including Department of Economic Development, Tri County Community Action and numerous manufacturing companies.

The future: Sprout is the headquarters of a rural, regional food hub, with licensed kitchens for value added processing, education, demonstration, building the economy for food entrepreneurs, and the Growers & Makers Marketplace. In unique, collaborative private and public partnerships, this endeavor has created not only a niche in local foods, but in building the hub into a destination year-round grower and maker's marketplace where artisans, regional chefs, growers, producers and the public come together in an infusion of art and food, retail sales and community building. Utilizing the premises of creative placemaking, we are actively pursuing a guiding philosophy to build resilient communities through education, and building practical skills; and imagining, adapting, and creating communities within the natural bridges between agriculture, art, culture and local foods.

It is well documented that up to 40% of all grown produce is either sold at or below cost or wasted altogether. There are many buyers looking for processed or preserved produce they can use throughout the year.

Additionally, there is a growing market for artisan, locally made food products such as jams, salsas, dry goods, canned and/or frozen items. Sprout is leading the way and addressing many key issues in the utilization of "cosmetically challenged" or grade B fruits and



Chef Matt Annand with Prairie Bay and Three Cheers with students vegetables. Because infrastructure needs among small growers and entrepreneurs are relatively consistent, a single shared-use commercial kitchen or contract processor can meet the needs of many local businesses and growers. Sprout has the necessary equipment, infrastructure and food safety qualifications necessary for food manufacturing **and** for users to create and market value-added products. A "Gleaning Program" is fully underway in a partnership between Sprout, Central Lakes College, Region Five Development Commission and Lakewood Health Systems. A VISTA support person has been approved with partnership with Central Minnesota Initiative Foundation and will assist in creating the body of work necessary to implement, guide and achieve a successful region-wide gleaning program. Targeted Goals 2017

Continue to advance the economic vitality of small family farms in Central Minnesota:

- Continue to grow and sustain the prescriptive CSA model beyond grant funding by utilizing existing tax structure systems for all regional hospitals. It is estimated that the CSA figures will remain stable for 2016 with hospital systems committed to a three year program (through 2018). These dollars are direct payments to our growers and recirculate through our community.
- Long Prairie, with an estimated 30% Hispanic population (source city-data.com), has seen an increase in participation in the newly formed farmer's market with Agua Gorda growers and a prescriptive CSA program with 76% participation by Latino residents. These markets continue to advance revenue for small family farms in the Long Prairie area, and in particular, Latino growers through the Agua Gorda Cooperative.
- Continue work to build capacity within Tribal communities.
- Increase value added capacity to \$25,000 in year one with a 25% growth in year two. With over \$25,000.00 in new kitchen equipment purchases, we are beginning to see mild increase in facility utilization. Value added capacity must not be measured by the hours of use for the facility, but by the income growth for users of the facility.
- Increase small family farm incomes by not expanding base, but by sustaining current grower base with a focus on building capacity in the buyer side of market channels. Revenues have fallen in all other market sectors EXCEPT the prescriptive CSA. With five years of continued training, growers have the capacity to scale up. We must focus on strengthening the market with committed buyers who scale up.

Advancing health outcomes through local foods:

- With the growth of the prescriptive CSA model, we are now impacting 175 low income families by offsetting food costs, nutrition education, greater healthier food access, and building community through food. In an effort to maintain engagement, we are coordinating 144 winter shares, utilizing a variety of local products beyond produce to include local meats, oils, grains, oats, and value added processed goods.
- Educational opportunities through the value added and demonstration kitchens (nutrition education, cooking skills (selection, preparation, processing, storing), stretching food dollars, food sovereignty and production practices.

Advancing education through:

- Providing food safety education, good agricultural practices, post-harvesting practices, licensing requirements, MN Statute education, FSMA education, business development and education, marketing and marketing tools, and workforce education through Sprout partnerships with University of Minnesota, Land Stewardship Project, Renewing the Countryside, Central Lakes College, and others.

A Central Minnesota Rural Food Hub Case Study

Outcome Deliverable	Reported on page:
Evaluation and impact assessment with learnings will share impact on low income and underserved communities.	Submitted May 1, 2016
Evaluation learnings will be imbedded into future work as well as Sprout.	Wealthworks has been adopted as the new measure of impact for R5DC, Sprout and NJPA. Additional funds have been secured by R5DC through USDA to support the replication of this work through 6 Wealthworks hubs throughout the nation, including Oregon and Minnesota.
By applying the evaluation recommendations, Sprout will create a new food system model that specifically encompasses populations who have been excluded from traditional market channels.	Pages 14 – 18.
Sprout will expand its grower's base 50% and add an additional twenty-five (25) low income family farms to the food hub. This expansion is anticipated to create job opportunities for thirty (30) additional low income and underrepresented growers.	Pages 14-18.
The food hub will add a value added processing line which will create additional markets for its internal products as well as independent growers. Within a year this component will add \$25,000.00 of revenue to its business. Sprout will assist five (5) growers in developing private labeling which will open new markets and higher margins for current food products.	Pages 14-15.
Sprout will provide fourteen (14) community education and technical assistance events in grower food safety, business education, value added processing, consumer health education and workforce development options. All of these will increase the regional presence of Sprout and strengthen the connections between food growers and consumers in Central Minnesota.	Page 16.

Additional information on Sprout and its community partnerships:

Choose Health short video: <https://www.youtube.com/watch?v=EZ72rPKgOAw>

Choose Health Year One Evaluation:

<http://resilientregion.org/cms/files/Choose%20Health%20Project%20Update%202%20FINAL.pdf>

Eat Smart Video (St. Gabriel's Hospital, Little Falls, MN)

<https://www.youtube.com/watch?v=QA52MARbmjo&feature=youtu.be>

Sprout "In The News": <http://sproutmn.com/in-the-news/>