

**Department of Agriculture, Trade and Consumer Protection**  
**Division of Agricultural Development**  
**Agricultural Development & Diversification Program (ADD)**

**Grant Project Final Report**

Contract Number: 16069

Grant Project Title: Milwaukee Small Farmer Distribution Center

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DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION  
ADD GRANT PROJECT FINAL REPORT  
Grant Contract Number 16069  
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Intent of the Grant Project

The project was intended to address the marketing and logistical needs of Wisconsin small farmers by coordinating product shipments to a central distribution point, and making their products available to low-income urban consumers in the Milwaukee and Chicago areas through Growing Power's Farm City Market Basket program. Additionally, marketing strategies would be developed with information gathered as a result of this project.

Rainbow Farmers' Coop and the Farm City Market Basket program have created an ongoing guaranteed market through which 10.5 tons of Wisconsin agricultural product was distributed in Milwaukee and Chicago during the year 2002, generating over \$12,000 of additional revenue for local growers. The number of Wisconsin producers participating in the project has increased from sixteen to twenty-six. A centralized urban distribution center is available to receive deliveries of agricultural product, and transportation is available to farmers unable to transport their own goods. Fresh, locally grown produce is reaching inner city residents, and Growing Power is constantly educating the public on the value of supporting local farmers and processors. In addition, inner-city youth and adults participate regularly in processing and distributing market baskets.

Work conducted on the Project

Funds received in conjunction with this project were utilized for project salaries, to defray travel and outreach expenses, and provide administrative and logistical services. Overall project success can be described in terms of the high level of interest farmers have in the project and their willingness to participate in it. The greatest challenges to the project are developing consistency in product quality and production capacity to satisfy the requirements of available marketing opportunities.

Public Outreach

As a result of this project, Growing Power and Rainbow Farmers' Coop for use in recruiting producers and consumers have developed outreach materials. Examples of relevant literature are included herewith. In addition, the Growing Power Community Food Center Manager provides full-time outreach services.

Project Results

This project has successfully developed the basic outline of a cooperative production and distribution system designed to increase market access to small farmers

throughout Wisconsin. The Farm City Market Basket program has expanded to 25 Milwaukee schools, health care facilities and cultural organizations including the Loyola Academy, Milwaukee High School of the Arts, Esperanza Unida, Rosalie Manor and Healthcare for the Homeless. Information gathered from the project will assist Growing Power and Rainbow Farmers' Coop in creating strategies that will increase product availability, consistency and market access.

### Conclusions and Analysis

Currently, there are several factors affecting access to the urban market and inhibiting the growth of small farming in Wisconsin:

1. Product availability is limited by the number of growers, their relative geographical location, and individual production capacities;
2. Revenues are minimized by transportation costs as a consequence of limited product availability;
3. Market access is also limited by inconsistencies in process methodology;
4. Revenues are minimized by costs related to necessary farm inputs related to marketing such as packaging and process equipment.

While the activities of the project would provide many examples of the above stated challenges for individual growers, the situation faced by the Byler and Yoder families provides a relatively complete picture and is analogous to small farming throughout Wisconsin.

### The Problem of Amish Chickens.

Northern Wisconsin, especially the area west of Wausau centering around Abotfsford, has become home to Amish communities that are leaving the eastern Pennsylvania region due to rapid urban expansion and tremendous increases in property values. In order to provide young families with farmland it has become necessary for the communities to purchase less expensive property in other locations and it was in this way that many families, including the Bylers and Yoders, came to the towns of Owen and Loyal respectively. Their farms are operated in the Amish tradition without excessive use of powered machinery or electricity drawn from the grid. Transportation is provided by horse and buggy or the automobile of an English acquaintance who will drive them, often for a fee, to a particular destination. It should be noted here that all non-Amish are referred to as "English". They do not own telephones, although a neighbor's or a public phone can be used, and communication is often by mail.

The Bylers and Yoders have demonstrated the ability to raise very high quality pastured chickens. The chickens live in large pens that are moved periodically through

the fields by horses. Their diet consists of grass, insects and organic fortified grains. Since processing of the poultry is done on farm, without access to USDA inspected facilities or adequate refrigeration, output is limited to what can be kept in a neighbor's small meat locker for one day. Accessible storage facilities are inadequate to any increase in production. Generally, between two and three hundred chickens can be processed by the families in a period of two days. Processing is finished on the morning of the second day with the idea that transportation will arrive early enough to begin proper refrigeration of the freshly processed birds. To date, this plan has been successful in that no quality control or health issues have arisen with regard to consumption of these chickens, however it could be said that we are tempting fate in this way.

While there are other project participants in the area, these growers produce season specific or processed crops such as apples, garlic, potatoes or beef and all deliver directly to the Distribution Center according to its needs. The Yoders and Bylers are the only participating growers in the northern tier of the state that require the Distribution Center to transport their product. Attempts have been made to coordinate deliveries between growers in the area, but the timing of these arrangements has always been extremely problematic and generally frustrating.

Three pickups were made during the 2002 season for a total round trip distance of over 1500 miles and total received product volume of approximately 800 chickens (4,800 pounds). Transportation costs have been calculated at one dollar per mile. Cash was paid on delivery of product at \$1.50 per pound or \$7,200 over the 2002 season. Acquisition and logistical expenditure for this product was \$8,700. While the Farm City Market Basket has distributed about 60% of the chickens as an add on to the market basket program, there still remains a significant quantity of product in cold storage since the retail cost of these chickens is too high for our targeted low-income urban market (a typical chicken must retail for at least \$10 to \$12). Returns for this product in the 2002 season amount to less than \$6,000 or a net loss to date of more than \$2,700 without considering distribution expenses. Additionally, since the chickens are not processed in a USDA inspected facility, they cannot be sold on the wholesale or retail market and the Distribution Center must incur expenses in holding product until it can be sold through legally available outlets. The total loss to the Distribution Center in connection with handling this product will amount to over \$3,000.

In this case then, product availability is limited by the production and storage capabilities of the growers; revenues to the Bylers and Yoders are minimized by the necessity to purchase packaging materials, labels and chicken feed in small quantities (meaning higher prices) and would be reduced further if transportation costs were taken into consideration; revenues to the Distribution Center are reduced to the point of loss by these same transportation costs which are exacerbated not only by distance but by the geographic isolation of the community as well as the total quantity of product moved and; the marketability of the product is limited by the process capabilities of the growers, i.e. non-USDA inspected facilities and methodologies, which make access to certain markets illegal and therefore reduce demand for the product.

### A solution to the problem of Amish Chickens.

The USDA inspected poultry processing facility nearest the Wausau area is in Iowa. The Distribution Center had been in contact with this plant and was prepared to make necessary arrangements regarding the upcoming season when it was contacted by a farmer named Larry Eggman, who heard of the project through the rural grapevine and approached Henry Byler to learn more about it. Mr. Eggman is a producer himself and works with farmers in the area to coordinate their marketing efforts. As he explained to us, the entire region faces a situation similar to that of the Bylers and Yoders in that it is isolated from major market areas with revenues being minimized by the factors enumerated above. Mr. Eggman learned of the Iowa plant through Mark Nichols of the USDA FSIS. On his own, Mr. Eggman probably would not process enough chickens to meet the 750 chicken minimum requirement of the Iowa plant, but in conjunction with the Amish community this minimum run can easily be met. The Iowa plant will furnish transportation from the Wausau area, and the Distribution Center can arrange transportation from Iowa and distribute the chickens in Milwaukee and Chicago. In addition, Mr. Eggman is in contact with producers of cheese, pork, beef, goat and eggs – all of which will be marketed by the Distribution Center.

### SHARE and the Community Action Coalition

The project also worked with SHARE during the 2002 season, moving 1000 market baskets, 34,000 pounds of onions and 24,000 pounds of cabbage through its distribution system. Since most of this product is consumed by rural families, these and other similar transactions were not quantified in the Final Report as the issue with respect to the project was distribution to urban communities. SHARE operates a centralized national purchasing system that, due to a rather severe budgetary crisis, has reduced product quality and variety and the Milwaukee SHARE office has been limited in its ability to purchase locally. The SHARE consumer base has fallen from approximately 30,000 in the mid-1990s to less than 8,000 today and SHARE's future is, to some degree, uncertain. The Distribution Center will continue to work with SHARE regardless of this uncertainty and is currently coordinating plans for the 2003 season.

The Distribution Center also worked with the Community Action Coalition in Madison. While sales during the first season were modest, this is a promising outlet since the Coalition seems well funded and committed to distributing local products. We look forward to working with the CAC next season on an increasing basis.

Discussions within the Distribution Center have focused on the approach to be taken for the 2003 season. We are committed to continuing relationships with all member growers regardless of the current profitability of these relationships since we assume that as an end result of our efforts, these growers will eventually become part of a network that will make these operations economically viable. However, emphasis will be placed on recruitment in three designated geographical areas where member growers are already located and there is sufficient density of potential members to justify

transportation and distribution costs. The Wausau area discussed above is one of these geographical areas. David and Barbara Perkins of Vermont Valley Farms will act as intermediary with local growers to introduce the Coop's representatives to potential members in the region west of Madison from Mt. Horeb as far west as Dodgeville. Pete and Bernadette Seeley of Springdale Farms will do the same in the Plymouth area. In this manner we feel our energies can be focused on cost effective operations with most the potential for growth without jeopardizing current relationships or ignoring the needs of farmers who cannot be served as fully as we would like.

It is possible to improve the state of small farming in Wisconsin by efficient utilization of urban markets. Growing Power and Rainbow Farmers' Coop are formulating an approach that will:

1. Continue the intensive recruitment of new and existing farms to expand the production base statewide;
2. Create a more sophisticated logistical support system to cooperatively utilize resources from within the farming community in order to reduce transportation costs;
3. Continue to train and educate in process methodology to improve quality and consistency and increase market access;
4. Develop a bulk purchasing system to reduce the cost of necessary farm inputs related to marketing.

Additionally, the only groups expanding significantly into small farming are the Hmong and Amish populations. Production by these farmers is limited, overall, to subsistence levels and the market garden and is unlikely to grow unless certain economic, educational and cultural roadblocks are removed. Our efforts are to pool production areas and build networks so that we can gain access to processing and transportation efficiencies and to market the urban marketplace opportunity a reality for some farmers.