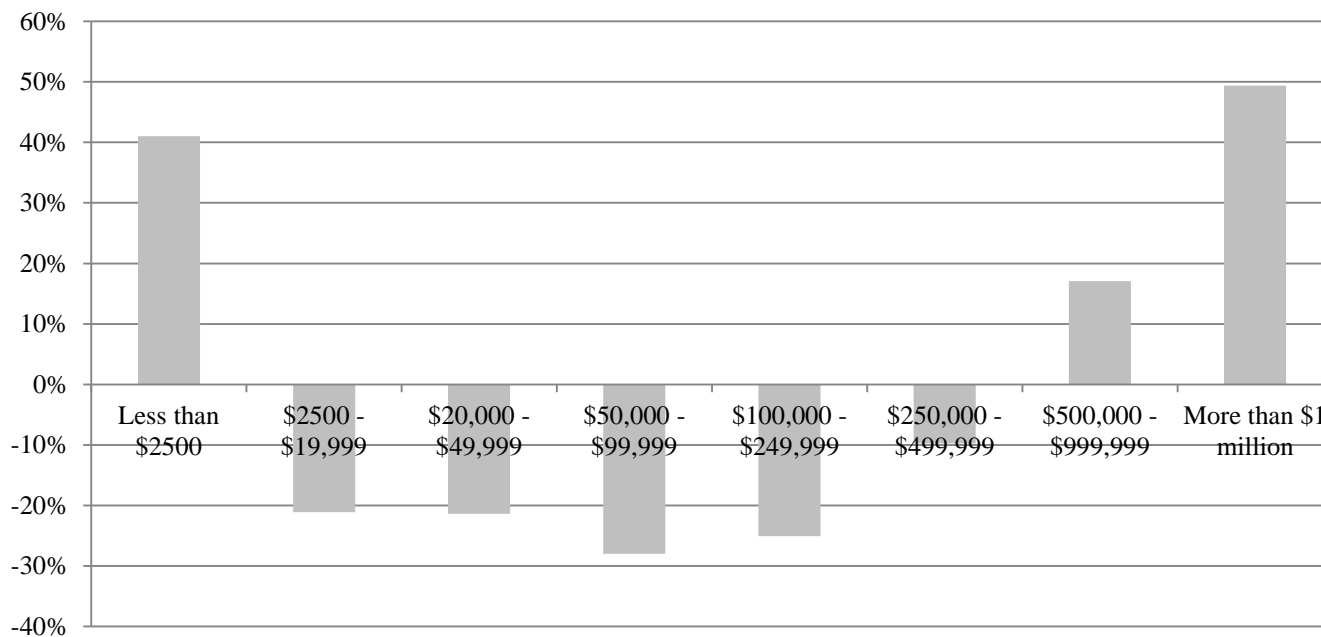




Multi-Farm Business Strategies and Policy Considerations for the Middle of the U.S. Agri-Food System

AFRI Project Directors Meeting
February 21-22, 2013
Steve Stevenson
(gwsteven@wisc.edu)

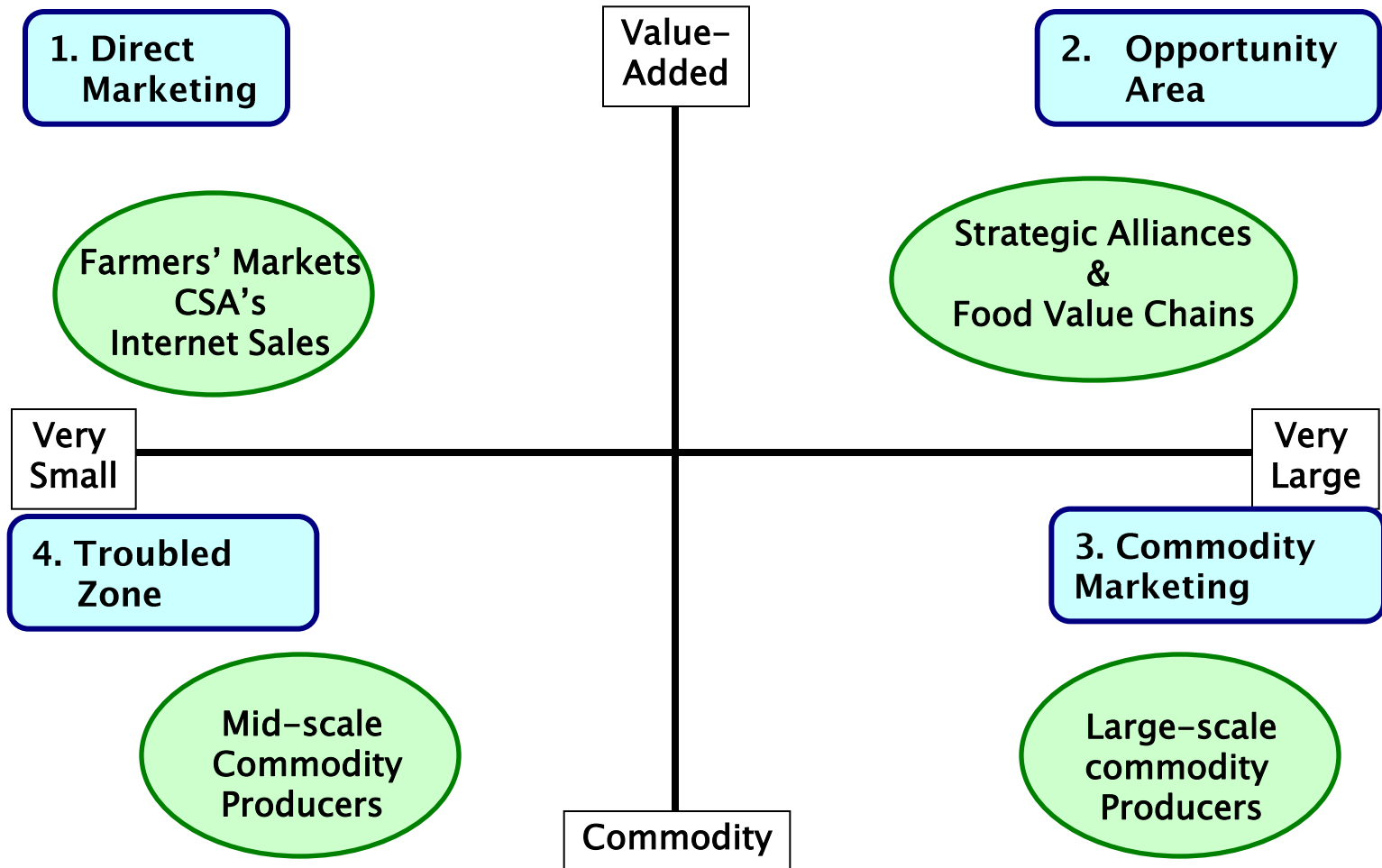
Change in U. S. Farm Numbers by Sales Category, 1997-2007*



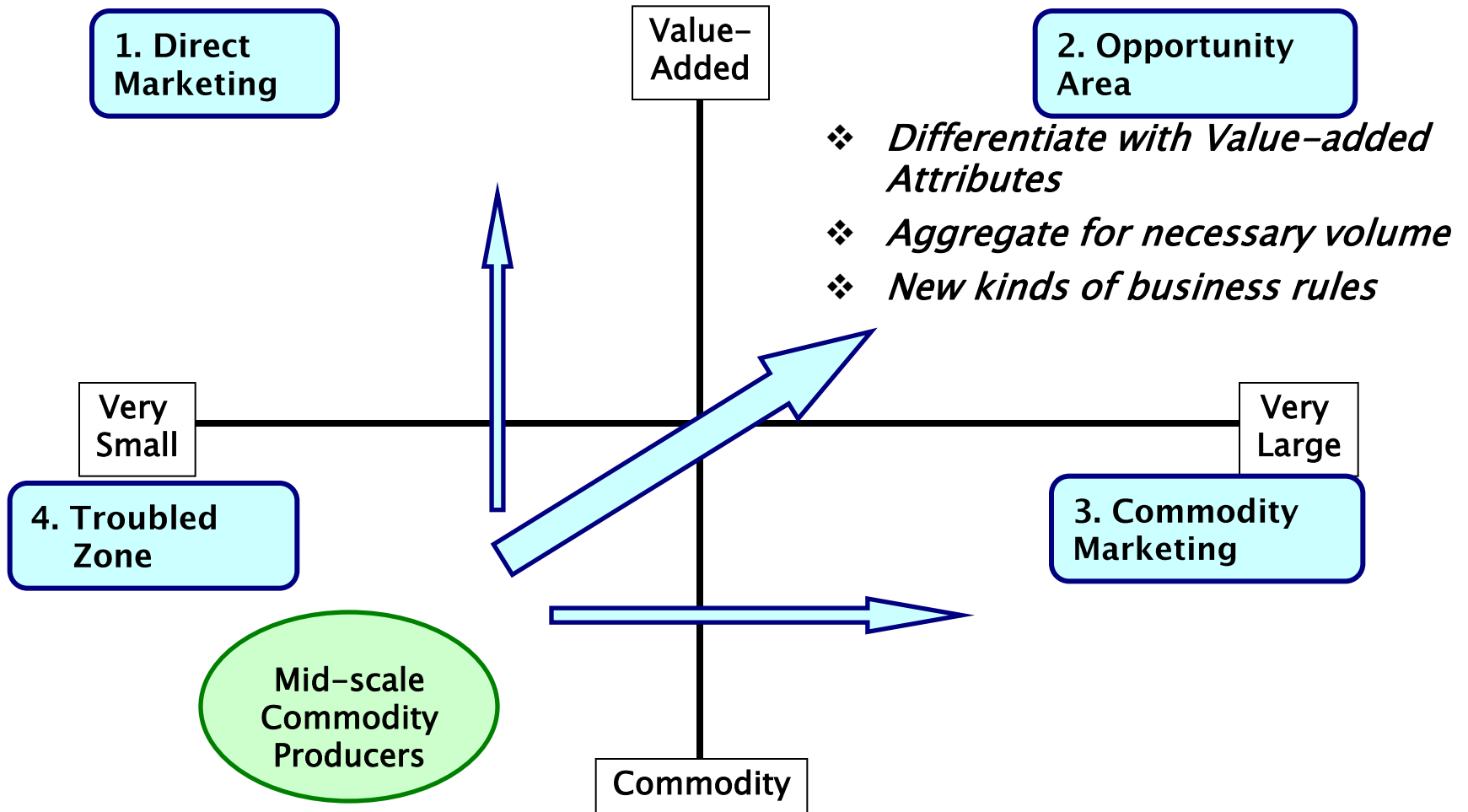
Source: USDA 1997 and 2007 Census of Agriculture

*All farm sales categories adjusted for inflation using the Consumer Price Index

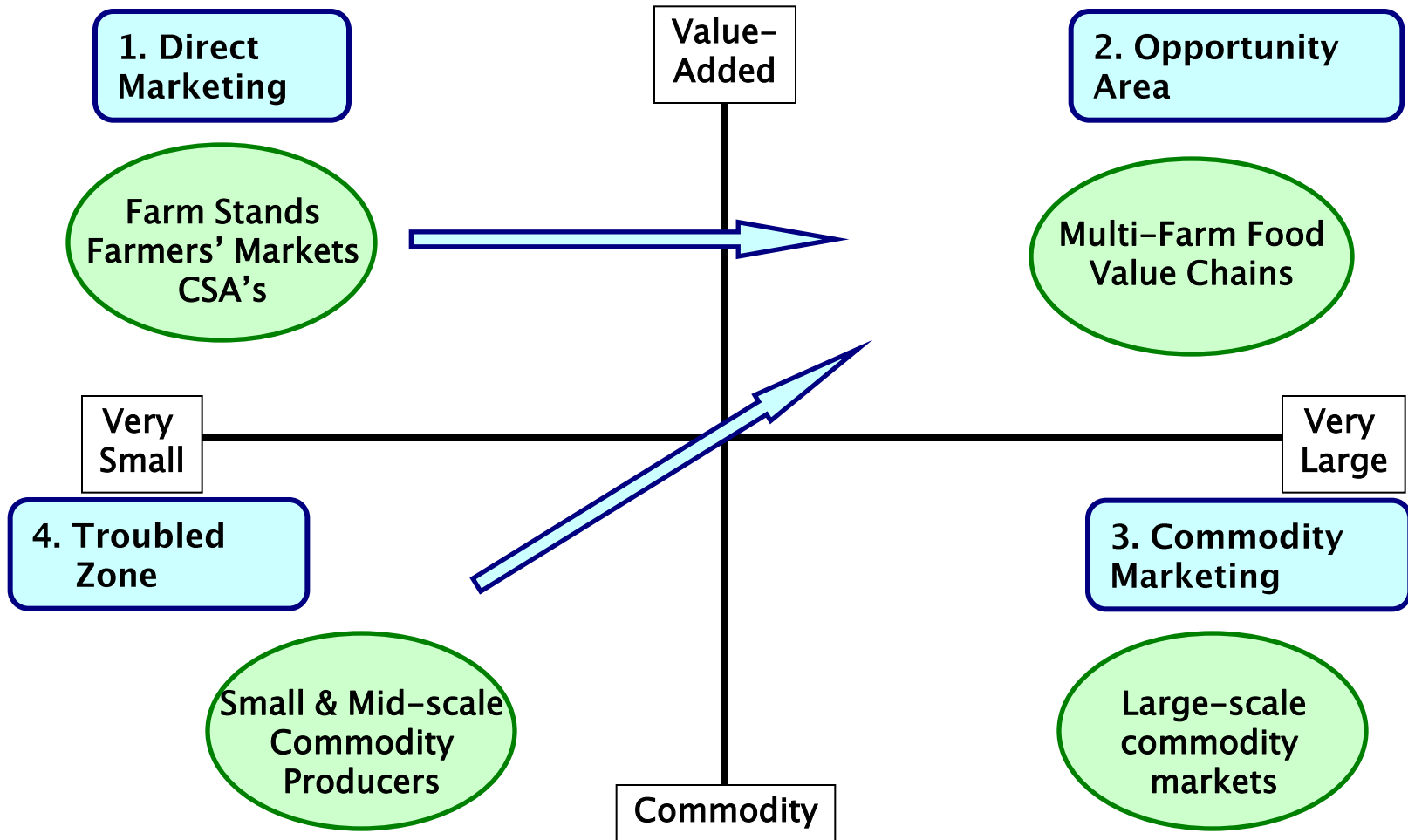
Business & Marketing Options



Strategies for “The Middle”



Business & Marketing Options



Multi-Farm Food Value Chains are Strategic Business Alliances that:

- Deal in significant volumes of aggregated, high-quality, differentiated food products;
- Treat farmers as strategic partners, not as interchangeable input suppliers;
- Distribute rewards and responsibilities equitably across the supply chain;
- Emphasize strategic interests in the well-being of all partners (farmers, processors, distributors, retailers);
- Build value beyond the product to include stories of the farming families and farming practices; and
- Operate effectively at regional levels.

Agreements Among Value Chain Partners Ensure that:

- Prices are negotiated on the basis of acceptable profits above production costs;
- Agreements are for appropriate time frames;
- Opportunities exist for farmers and ranchers to control their brand identity up the supply chain

Direct-to-Wholesale Case Studies

- Country Natural Beef
[www.oregoncountrybeef.com]
- Shepherd's Grain
[www.shepherdsgrain.com]
- Organic Valley Family of Farms
[www.organicvalley.coop]
- Red Tomato [www.redtomato.org]

Direct-to-Consumer Case Studies

- Good Earth Farms
[www.goodearthfarms.com]
- Idaho's Bounty
[www.idahosbounty.org]
- Full Circle Farm
[www.fullcirclefarm.com]
- Co-op Partners Warehouse
[www.cooppartners.coop]

Values-Based Food Supply Chains: Foundational Areas

- Appropriate Volumes of High-Quality, Differentiated Food Products; Coupled with Value-Adding Stories of People, Land, and Farming Practices
- Effective Supply Chain Management and Logistics
- Strategic Business Partnerships Based on Equitable and Win-Win Relationships

Big Theme

- Value Chains Can Be the Foundation for a “Third Tier” in the UW Food System...A “Marketing Middle”
 - 1) Competitive Advantages when Combining Volumes & Differentiations
 - 2) Complements Other Tiers
 - 3) Supports Regional Identities & Economic/Community Development

Other References

- www.agofthemiddle.org
- Thomas Lyson, G.W. Stevenson, and Rick Welsh, eds. 2008. *Food and the Mid-Level Farm: Renewing an Agriculture of the Middle*. The MIT Press: Cambridge MA.
- USDA Multi-State Research Project, #NC1198