

Governor's Local Food & Ag Summit Notes --Track 5

(Recorder: Mary Rochelle -- reach out with any questions, mary.rochelle@foodcorps.org)

Friday, October 28, 2016

- Introductions of facilitators
- Track overview & goals: Identify problems & brainstorm solutions/strategies to address issues. Review agenda.
- Intro of people in room, farmers & ranchers, distributors: (bolded are people recorder thinks are in room for sure)
----*Bolded reflects people the recorder believes were physically here*----
 - Sarah Alexander, Quality Foods Distributing
 - **Sara Andrews, Bumbleroot Foods**
 - Thomas Bass, MSU Extension
 - **Seth Bostick, Thomas Cuisine Management/ Kalispell Regional Medical Center**
 - **Abigail Breuer, Dept of Ag**
 - Bruce Burger, Land Decision Resources
 - **Andrew Coggins, NCAT**
 - **Bill Hand, Northern Plains Resource Council**
 - Erika Hartman
 - **Steph Hystad, Montana Department of Agriculture**
 - Kara Landolfi
 - **Nancy Lindberg, Quality Foods Distributing**
 - **Randy Lindberg, Quality Foods Distributing**
 - Rob Lindberg, Quality Foods Distributing
 - **Jamie Ryan Lockman, Kamut Intl**
 - **Tim McGreevy, USA Dry Pea and Lentil Council**
 - **Mary Merrill, GTO Farms**
 - **Naomi Neal**
 - **Gail Nickel-Kailin, Timeless Seeds**
 - Mitzi Racine
 - **Marilyn Ryan**
 - Katrina Stanislaw Car, Glorious Enterprise
 - Mariann Van Den Elze, Quality Foods Distributing
 - **Maggie Wilmer, Food Services of America**
 - Marylou Wilson, MSU Bozeman - Auxiliary Services
 - **Mary Rochelle, FoodCorps**
 - **Brianna Ewert**
- **Group Agreements:**
 - Willingness to pass the walking stick

- Listen well
 - Passionate debate--say what you want to say
 - Engage
 - Be present (phone etiquette)
 - Self care
 - “And” statements -- build on eachother’s ideas
- **Steph Hystad--intro of track and speaker**
- **Jamie Ryan Lockman:**
 - Kamut is registered trademarked in order to protect grain
 - Mantra is protect & promote
 - History: Kamut came to Montana in 1949 from Egypt, began being grown in Fort Benton. Bob Quinn had idea of Kamut when eating a bag of corn nuts -- thought it could make similar product. Product is high in protein and flavor.
 - Kamut has limited growing area -- cannot receive too much water. Is susceptible to mold and rust.
 - Farmers in Arizona and other places have tried growing it, but it produces inconsistent product
 - Kamut as a registered trademark: A lot of time is spent protecting the trademark
 - Has had different iterations of logo/branding/slogan since 1990s
 - Knowing the history of the grain helped shape branding
 - Identity preservation is important to companies for food safety reasons
 - Anyone growing Kamut must have it organic certified
 - In Montana, just over 1% of agricultural acreage is certified organic -- a lot of room for growth
 - Kamut International’s Local Food Values
 - Being an organic grower connects Kamut to local food values
 - Have local partners & farmers
 - Kamut has an extension agent
 - Meets with farmers regularly to share resources and information
 - Reaching New Markets
 - Italy has loved Kamut and has a high demand for it
 - Love it for the flavor, color & texture for best pasta and pizza crust
 - Korea is also a large audience for Kamut
 - Montana has high quality product that is oftentimes exported to other states and countries
 - Trade shows have helped Kamut reach new markets (eg WUSATA, International Baking Industry Exposition, and Natural Products Expo West)
 - Have colleagues in France, Germany, Italy and Spain to manage markets there
 - Distribution:
 - Challenging within state: Difficult within Montana to get it except online

- Resurgence of stone-ground, artisan breadmakers -- like Kamut and have been buying -- all out of state
 - Challenges:
 - Local Distribution
 - Food Cultures
 - Trademark Monitoring
 - Has recently become more of a priority and that has made it easier and easier
 - Labelled as a premium product -- boosts value of products that use Kamut
 - Picky about partners -- making sure companies that they're working with share values
 - Organic Acres
 - Meeting Demand
 - Most popular products: puffed kamut cereal
- Marketing Kamut Brand Khorasan wheat
 - Trademark and License agreements
 - Licensed exclusive partners, one each in US and Canada
 - Full-time CEO and professional regional offices
 - Trade shows and events
 - Website, social media, newsletter
 - Recipe development
 - Partnership with the San Francisco Baking Institute
 - Professional PR activities (media events, photography, film)
 - Research program supporting health claims
 - In-House Extension Agent
 - Quinn Farm, Big Sandy, MT
 - Working-demonstration/experimental farm
 - The Oil Barn (Organic Safflower oil) -- used at a lot of universities and schools
 - Kracklin Kamut wheat snack
- Bob Quinn -- Founder and President of Kamut Intl
- Other notes from Q&A:
 - Montana products are sent out as commodities not specialty crops, so sometimes qualities of grain aren't used as well as they could be
 - Distribution issues --- milling sometimes takes place in CA and is then shipped back up to MT
 - Partners:
 - Patagonia Provisions has focus on supporting growers
 - Blue Apron and food subscription services are increasing relevance for today's consumers and may be a great distributor
 - Online shopping

- GMO cross contamination -- is this a concern?
 - There is no GMO wheat on the market yet (only in research/test plots now)
 - Organic by definition is non-GMO
- Kamut is not gluten-free -- have been combating misinformation

Jamie Ryan Lockman, Regional Director -- North America

Jamie.lockman@kamut.com

406-251-9418

Key takeaways from audience:

- Trusted partners
- Access for all
- Ability to scale up through wide area of distribution, international (regulatory issues?)
- Medium-sized companies being best partners

-----LUNCH BREAK----

Purpose: Get to know who is in the room and our values

Get Grounded in track: Why this topic at the summit?

Exercise to find out where people fall on scale of international - hyper-local

Ends of spectrum:

- International: freelance journalist writes abroad
- Hyper-local: Extension agent starting community-oriented store

Asked folks to move on spectrum to represent where they'd like to work:

- People wanted to move from both international to local *and* local to international, for different reasons
 - Seeking new markets
 - Wanting to be connected to roots and values

Keywords associated with "local": diversity, soil, connection, relationships, accountability, quality, stories, jobs & way of life, integrity, transparency, sustainable, fresh, fuel-saving, economics, local dollars, community, culture & tradition

What's the value of scaling up local businesses?

- Financial sustainability
- Bringing values into a larger market and distribution channels
- Better margins
- Better contracts & terms (pre-payment, cash flow)

- Understanding your product in a different way
- Scaling up while staying local is possible (Montana markets can still be expanded)
- Ag co-ops

What is lost when businesses scale up and expand into new markets?

- You don't *have* to lose anything -- if you're bigger, you're more financially sustainable and can grow the good things
- Environmental costs -- packaging, transportation, fuel
- Market appreciates specific values
- Identity preservation is at risk
- Respecting partners & distributors that share values
- Trusted partnerships

---AFTERNOON PANEL----

Intro--asking how marketing/distribution is relevant to their work:

- **Seth Bostick -- Exec Chef at Kalispell Regional Medical Center:** We market food to people age 3-103. Our goal is to institute healthful food to customers without telling them it's healthy. We have an obligation to work with local foods. We want people to understand that if they have healthy foods, they'll not only support their local farmers but have more health down the road. It's not a matter of cost to me-- it's a matter of getting my guest to *want* to want it. It needs to be appealing to someone of any age. Think about the benefits and then market it -- if people understand the benefit then they will pay more
- **Angie DeYoung, Montana Dept of Commerce:** Used to work at Dept of Ag in marketing. Marketing can be something that falls to the wayside for business owners because they wear many hats. Distribution is very important and complex.
- **Randy Lindberg--Quality Foods Distributing:** has background in organic distribution. Moved to Montana and saw the need, based on the number of producers and products. Realized that many producers struggle with distribution around state. Timeless Seeds was an early advocate and customer. Distribute around in all of Montana and some parts of WY and ID. Helps entrepreneurs who want to expand their distribution.
- **Jamie Ryan Lockman, Kamut Intl:** One challenging area: Distribution. How to get product to people who want to buy it (Boise for example)
- **Joe Jansen, MSU:** Has background in both conventional & organic agriculture. Marketing is important, because....economic viability is number one concern at end of the day. Marketing and Distribution gets farmer a price that makes his business viable.

Q: Why do you buy local food?

Seth: I want to buy quality food. If it tastes good, it's easier, and better for everybody. We are going to use less ingredients of higher quality, we don't have to spend more money. The goal is to be able to take what's already there, in our backyards, -- buy those products and then build our recipes around them.

Randy: We've found a niche--there are large distributors that service these areas. We try to find items that are unique, that are small suppliers. We can actually make a difference with our company, we can help small, local producers, which is gratifying.

Q: What resources are already available to help MT local producers reach markets?

Angie: Randy is a good resource for producers/small suppliers. Dept of AG has a whole marketing group that can help, including grant funds. They can help develop websites/brochures/packaging, etc. Small business development centers are around the state, they'll help you to develop business plan, financing. Dept of Commerce can then help you sell out of state to other markets. Dept. of AG has a guide on "Selling to Grocery Stores." Build your price backwards -- make room for your price to include a distributor and marketing. Lots of resources are available. Start with your friends at NCAT, Dept of Ag -- people are willing to point you in the right direction, so just ask. Dept. of Commerce also has a trade show assistance program

Q: What resources do you see that we need or need to be strengthened?

Angie: We need to help Randy grow for sure -- he is the gap filler to driving it around yourself and working with a larger distributor. It's difficult to get into a larger distributor. Supporting regional distributors is key to continuing growth

Randy: A lot of companies ask us about how do we get onto your distribution? Lots of times they're not ready because they don't have marketing in place -- the state can be really supportive in these areas -- you need a sales sheet, facebook page, branding, in-store demos. We are a great starting distributor, and are a great first step to get to bigger ones. We are very helpful to new producers--have our own promotions, marketing -- but we need producers to help sell. The most successful suppliers are ones who support their products by doing in-store demos, talking to chefs, etc. We want them to stay engaged and in contact with customers

Q: What do suppliers/producers need to know about distribution?

Randy: I spend a lot of time explaining what distribution does. We buy the product from you in bulk, bring it into our inventory, it's listed in our category, promoted by our sales team, we deliver throughout region, collect receivable -- we work on a 25% margin typically. A lot of people don't plan on a distributor, so their products' prices don't accommodate that.

Seth: Food safety -- when I deal with a distributor, they assure me of food safety. They also provide some marketing which I can pass on to my customer. They make life easier.

Angie: Take care of receivables ---saves a lot of headaches on invoicing and paperwork. Better cashflow.

Randy: MT is huge -- and we have a huge variety of customers.

Q: Successful models of supply chains? What are good models of collaborations?

Jaime: Companies that adopt technologies that make it more efficient are headed in the right direction.

Randy: Working closely with local growers to determine what they should plan to grow for the next season. Sharing feedback on what's most popular. Growers need to be prepared for customers who want to buy high quantities.

Seth: As a customer, it has to be predictable. We need continuity.

Joe: The share of the food dollar that goes to the farmer is important, *but* hearing all of this we hear how different parts of the chain are important and valuable

Q: What's your timeline for needing to know the available supply to plan your menus?

Seth: Right now I'm planning 9 months out -- I plan way ahead of time, so I need to have a good idea pretty in advance. 6 months ahead at least, preferably 12 months ahead of time.

Brianna: MOUs are very helpful tools for supply chain collaboration.

Q; What are the trends in agriculture you are seeing that are affecting local food?

Joe: Looking at the big picture of food -- the cost of food is going down throughout history -- why? Because technology is helping drop prices. The market is very competitive and people are not willing to pay a certain amount for their foods. It's important to understand why food buyers have preferences for local foods? Taste, flavor, environment. Kamut did a great job of controlling the quality of their product by trademarking it. Origin/geographic indicators to reflect quality. Marketing it on that indicator needs to be real and distinguishable.

Another trend is rising incomes changes preferences for taste. Lower income folks are less likely to pay more for better taste.

Jaime: Kamut has used trade show assistance from state of Montana. Trade shows are beneficial to understand how you fit into the greater marketplace -- including packaging inspiration. Bigger food companies are purchasing smaller companies to have the perception of being local. People are eating healthier--our whole food culture is changing, soda sales are decreasing. I have optimism that we're getting healthier.

The price of products -- food waste is a big issue. Eliminating those waste costs or using products that last a little longer.

Seth: Meat and dairy are easier to freeze and so have less waste, which is better for everybody.

Randy: Trade publications feature trends -- and it's still local meats & produce. It's good for their business, their customers want that. Those restaurants expect the local to cost a little more

Q from Sara Andrews: What about direct to consumer? We need fulfillment centers, do you know of any?

Randy: I don't believe there is

Q Is anyone able to track food grown in MT , sold in MT?

Look at USDA data on calorie consumption and import/export based on state sales.....

SPINS data is a possibility

Joe: It's difficult

Gail: things get messy, sometimes they get shipped out of state/country to be processed and then come back to us

Q is there room for more distributors?

Randy: We're still young and growing, there's room to grow geographically into maybe SPOKANE, SLC, etc. We have products from other states and that helps make us more viable.

Angie: It's somewhat short-sighted to think about selling your products just in Montana -- we're limited in population, so rather than competing with other Montana businesses, let's compete with ID, WY, China, etc. to have a net gain for our state.

Randy: We have a market in Jackson Hole and other places regionally--and we can pick up other products. By customer request, we've brought on national products.

--BREAK--

Reflection exercises:

- **What are we doing well? What did you hear about today that's really exciting?**
 - Successful businesses
 - Supportive state agencies
 - Innovative producers
- **What is something you want to see in 2026?**
 - Jobs. More food processing. Value added
 - Double the # of FoodCorps service members
 - Increasing local market of consumers
 - Knowledge sharing between producers statewide
 - Improved communication in supply chain. Missed opportunities exist right now, better communication would result in maximum efficiency and less stress
 - Distribution networks. Can commercial distributors connect with regional food hubs?
 - More connection between food and health
- **Driving Forces:**
 - Awareness & marketing
 - Innovation and technology
 - Farm to institution
 - Passionate people and passionate organizations
 - Policy
 - Can we harness warmer climate?
 - Collaboration--need to share information
 - Coordination
 - Governor's Summit --more often
- **Opposing Forces:**
 - Food safety for small producers
 - Climate Change
 - Average farmer age
 - Big Food/Big Ag
 - GMOs
 - Land -monocropped

Barriers to changing forces:

- Education doesn't teach skills to set up distribution business
- Different problems need different solutions, no one solution fits all

Initiative Ideas:

- 1.) How to maintain local food ethics as they grow? What models should we develop to successfully build local food value chains?
 - a.) Profit-sharing models for expansion (big co-ops)
 - b.) Better communication w/ buyers thru summits & mtgs for sharing best practices
- 2.) Distribution chains
 - a.) Leverage existing truck infrastructure (eg UPS) -> liability issues (how to make simpler? tax?)
 - b.) Use existing marketing/branding campaigns (Made in Montana)
 - i.) more effectively/more accessible
 - c.) Investigate/expand co-op model
 - i.) Producers
 - ii.) Distributors
 - iii.) Purchasers
 - d.) Systems based on bioregions/watershed regions
- 3.) What resources are needed to help Montana producers and food businesses to access and succeed in new market
 - a.) Expanded broadband in rural areas
 - b.) Shipping/fulfillment center
 - c.) Climate & natural resource mapping by bioregion -> planning
 - d.) Food industry directory-needs to be consolidated & expanded
 - e.) Local Food Lobby (State & fed levels)
 - i.) Northern Plains Resource Council
 - f.) Grown in Montana -- point of sale materials
 - g.) More foodcorps in more schools
- 4.) How do we efficiently market local food across Montana?
 - a.) CHS-like co-ops for smaller companies
 - i.) small/watershed dist./proc hubs ->federated
 - b.) Local food challenges/initiatives

Saturday, October 29, 2016

- Intro & overview of day.
- Review of feedback from yesterday
- Intros of folks in room:

----*Bolded reflects people the recorder believes were physically here*----

- **Sarah Alexander, Quality Foods Distributing**
- Sara Andrews, Bumbleroot Foods
- Thomas Bass, MSU Extension
- **Seth Bostick, Thomas Cuisine Management/ Kalispell Regional Medical Center**
- **Abigail Breuer, Certified Wildlife Friendly**
- **Bruce Burger, Land Decision Resources**
- **Andrew Coggins, NCAT**
- **Bill Hand, Northern Plains Resource Council**
- Erika Hartman
- **Steph Hystad, Montana Department of Agriculture**
- Kara Landolfi
- Nancy Lindberg, Quality Foods Distributing
- Randy Lindberg, Quality Foods Distributing
- Rob Lindberg, Quality Foods Distributing
- **Jamie Ryan Lockman, Kamut Intl**
- Tim McGreevy, USA Dry Pea and Lentil Council
- **Mary Merrill, GTO Farms**
- **Naomi Neal**
- **Gail Nickel-Kailin, Timeless Seeds**
- **Mitzi Racine**
- **Marilyn Ryan**
- Katrina Stanislaw Car, Glorious Enterprise
- **Mariann Van Den Elze, Quality Foods Distributing**
- **Maggie Wilmer, Food Services of America**
- Marylou Wilson, MSU Bozeman - Auxiliary Services
- **Mary Rochelle, FoodCorps**
- **Brianna Ewert**
- **Bonnie Buckingham, CFAC**
- **Michael Shuman,**
- **Jan Brown,**
- **Kay Ann Miller, MSU food truck**
- **Deb Booth**
- **Amy Hutton, Extension**

Explored & Re-visited Initiative Ideas:

1.) How to maintain local food ethics as they grow? What models should we develop to successfully build local food value chains?

- c.) Profit-sharing models for expansion (big co-ops)
- d.) Better communication w/ buyers thru summits & mtgs for sharing best practices

2.) Distribution chains

- e.) Leverage existing truck infrastructure (eg UPS) -> liability issues (how to make simpler? tax?)
- f.) Use existing marketing/branding campaigns (Made in Montana)
 - i.) more effectively/more accessible
- g.) Investigate/expand co-op model
 - i.) Producers
 - ii.) Distributors
 - iii.) Purchasers
- h.) Systems based on bioregions/watershed regions
- i.) Increasing infrastructure for: Cold storage, dry storage space
 - i.) Especially eastern & northern MT

3.) What resources are needed to help Montana producers and food businesses to access and succeed in new market

- j.) Expanded broadband in rural areas
- k.) Shipping/fulfillment center
- l.) Climate & natural resource mapping by bioregion -> planning
- m.) Food industry directory-needs to be consolidated & expanded
- n.) Local Food Lobby (State & fed levels)
 - i.) Northern Plains Resource Council
- o.) Grown in Montana -- point of sale materials
- p.) More foodcorps in more schools

4.) How do we efficiently market local food across Montana?

- q.) Local food challenges/initiatives

Voted on initiatives:

- **Investigate/expand co-op model (producers, distributors, producers) -- 17**
 - **Build storage & aggregation infrastructure --4**
- **More FoodCorps in more schools -- 9**
- **Food Industry Directory -- 8**
- **Food Incubator/accelerator -- 7**
- **Local Food Challenge--expand-4**

Bike lot:

- Competition between "local" and "big ag," and when will big ag try to take back some of their business?

Presentations of Action Plans

Group 1 : Coordinated system of development centers -- virtually accessible. - Technical and financial assistance

Strategies:

1. Identify resources and gaps
2. Identify potential partners
 - a. Public and private
3. Create business plan for the incubators
4. Identify funding model
5. Legislation/funding for ag innovation centers
6. Create a crowdfunding/micro investing model to fund clients

Lead org: Ag innovation network with:

- Montana University System
- MT COOP development Cneter

Timeline:

- Immediately: Working group thru ag center/initial funding
- 3 mos:
 - Inventory resources/identify gaps
 - Define structure (pub/private)
 - INTerview/assess existing models
 - Request funding for ag centers (legis. session)
- 6 mos: Rank/integrate resources -- Create structure and marketing center
- 9-12 mos: Operational!

People involved: Kristie McGuire, Quality Food Distributing and Sara Andrews (sara@bumblerooffoods.com)

Group 2: More FoodCorps in more schools

1. **Goal:** Perpetuate & expand cooking & nutrition education in Pre-k-12 schools and support farm to school in cafeteria.
2. **What major strategies will we use?**
 - a. Inventory of what's already being done -- to share case studies (Kay Anne and Mary). Include schools, reservations, organizations.
 - b. Reach teachers
 - i. Present at MEAMFT--third week of October. INtroduce it there
 - ii. Outreach education
 - iii. Work through OPI
 - c. Network to connect community volunteers with teachers
 - i. Regional chapters of : Chefs, farmers, school lunch program, distributors
 - ii. Use distributors to communicate: USF (Seth) & FSA (Kay Ann) and recruit volunteers
 - iii. FoodCorps help share this network with local ag teachers, FFA, FCS teachers.
4. Who will be or could be at the table to help lead and make this happen?

Patti Armiburster (sp?)

6. What are three (or more) important steps to take in the next 3-12 months and who will do it?
- d. Start by building a chapter in Flathead Valley and (Havre?) to test model.
 - e. After one year, share with MEAMFT and Farm to School and then encourage other chapters to start. Present these case studies
 - f. Work to create more chapters across state
 - g. Mary to create "community guide" for Flathead with Seth's support
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Group 3: Local Montana food and ag industry directory

2026 goal: To have an interactive web and hard copy directory, to collaborate, network, share stories & grow

Sub-initiative: Organize biannual event (& more frequent regional events) for local food networking & community building

Action steps:

1. Create committee drawing on existing state, nonprofit & for-profit entities (those with existing info & directory resources) by about Jan. 15, 2017
2. Identify support & funding sources (eg labor such as student interns, grants, co-op partnerships) by about June 2017
3. Launch website w/ searchability & interactive map by early 2018

People involved: Jamie, Bill, Naomi, Maggie

Group 4: Co-op

Long term goal: Develop an agricultural cooperative(s) that can best serve growers, brand owners, distributors, retail outlets and others in defined regions of Montana

1. Identify marketing, processing, fulfillment, distribution needs across MT
2. Create the links/networks to serve potential owner-members & explore best methods

Major strategies:

- Identify potential member-owners in each class (use ag marketing, statute definition for producers)
 - +coop association statute for store purchasing co-op
- Collect/share examples from elsewhere (state, fed)

Resources we have:

- Food Industry Directory
- Two funded co-op development Centers (statewide and lake co. mission mtn.)
- Big SKy planning grants to fund feasibility study
- Food + Ag Network
- Back to Basics Summit 2 -- Feb 28-Mar 1 (Initial mtg)

Who?

- Jan/Brianna w/ Summit organizers
- Amy-looking at other models - what is advantageous to producers? Their CSA
- Mariann/AMy-

Also Involve:

- MSU Extension
- FoodCorps members
- NCAT-Andy
- Alberta, CN (ACCA)

Possible Needs of Co-op Member-owners

Producers:

- Direct marketing fulfillment
- Value added assistance
- Bulk purchasing
- Processing services/distribution

Brand Owners:

- Branding, package design
- Professional marketer
- Coordinated marketing, trade shows

Distributors:

- Cross-docking hubs
- Cold/Dry storage
- Networked food hubs

_____END NOTES ON SPECIFIC GROUP ACTION PLANS_____

Themes/How do we Move Forward?

- We Need to inventory and identify:research/needs
 - Where is it? How is it housed? How is it shared? Who is doing what?
Research/needs?
- Cross fertilization/continued communication
 - Technology
 - Webinars--host some
 - Regional meetings
 - Attend existing ones...AERO Northern Plains Resource Council, MOA, etc
 - Sectors
- Sharing Stories
- Coalitions working together
- Cross-sector collaborations
- More inclusive--get the word out
- Private sector engagement