

Value Chain Partnerships (VCP)



A value chain is a network of companies or collaborating players who work together to satisfy market demands for specific products or services.

Project goals

The goals of this project are:

- Provide services and programs that result in significant social, economic, and environmental benefits to Iowa farmers, businesses, and communities.
- Become a sustainable multi-organizational program, with strong and stable commitments by its core partners and increasing demand for its services by a wide range of organizations and businesses.

Core partners

Project cooperators are the Leopold Center for Sustainable Agriculture, Practical Farmers of Iowa (PFI), the Iowa State University College of Agriculture and Life Sciences, ISU College of Business, and ISU Extension, with additional support from the North Central Regional Center for Rural Development (NCRCRD).

Objectives

Project activities and programs are designed to:

- Increase sales for businesses and purchases from farmer,
- Improve profitability, market access, operational efficiency, crop/livestock diversity, environmental stewardship, and/or business relationships,
- Increase purchases of healthy, fresh, and community-based foods in Iowa communities or regions,
- Obtain or direct funds from core partners and obtain significant external resources to support the work of VCP,
- Launch a program to deepen knowledge of value chain theory and practice within VCP and among partners in Iowa and the Midwest, and
- Develop two VCP Community of Practice (CoP) groups to become financially self-sustaining by 2009.

Value chain working groups

This project established four working groups that each focus on a different value chain. Each working group has its own steering team and/or organizational structure.

- *Pork Niche Market Working Group.* Launched in January 2002, this group is working on value chains for highly differentiated pork products. The group employs a part-time coordinator and has more than 30 participating organizations. **Contact: Gary Huber**
- *Regional Food Systems Working Group.* Launched in September 2003, this group has more than 25 participating organizations. Work supports regional-based food systems and documents their environmental, economic, and social impacts. **Contact: Rich Pirog**
- *Small Meat Processors Working Group.* Launched in 2006, this group seeks to help small Iowa meat processors expand, upgrade, or build new facilities in order to expand diversified farming opportunities and food infrastructure in Iowa. **Contact: Arion Thiboumery**
- *Fruit and Vegetable Working Group.* Launched in November 2007, this group will develop a work plan to build production, marketing, and financial capacity within Iowa's fruit and vegetable industry. **Contact: Jim Clark**

Brief history

The project began in July 2002 with a \$100,000 planning grant as part of the W.K. Kellogg Foundation's Food and Society Initiative. In March 2003, the project received a \$560,000 Kellogg Foundation grant to continue work. In August 2006, the project received a \$500,000 grant from the Wallace Center of Winrock International to implement the third phase of the project. Other financial and in-kind resources are from the Leopold Center, Iowa State University (ISU), the ISU College of Agriculture and Life Sciences, ISU College of Business, and others.

Impacts and accomplishments

- The Pork Niche Market Working Group documented, during the period of September 2006 and July 2007, an increase in purchases from farmers by three participating businesses of more than \$2.7 million; and sales increases by three participating businesses of nearly \$4.4 million.
- The Regional Food Systems Working Group documented \$185,000 in baseline local food sales, leveraged more than \$134,000 to fund producer enterprises, and helped partners secure \$520,000 for new grants.
- VCP awarded 58 grants totaling \$ 389,524 during the period of 2002 through 2007.
- Formed two new VCP groups in 2007: Small Meat Processors Working Group and Fruit and Vegetable Working Group.

Selected VCP reports and presentations (available at www.valuechains.org)

- Northeast Iowa Local Food Survey Summary Report, Craig Chase, Farm & Ag Business Management, ISU Extension
- Northeast Iowa Food and Farm Coalition, Southwest Iowa Food, and Farm Initiative and Southeast Iowa Local Food Network
- Naturally Iowa Market Study
- Costs, Returns, Production and Financial Efficiency of Niche Pork Production in 2006, James Kliebenstein, ISU Economist; David Stender, ISU Extension Swine Field Specialist; John Mabry, Iowa Pork Industry Center Director; Gary Huber, Practical Farmers of Iowa
- Overview of Niche Pork Market Trends and Opportunities for Farmers, Gary Huber, Practical Farms of Iowa
- Maximizing Carcass Utilization in Niche Pork Companies: Summary of Results, Duane Short, Consultant
- Managing for Herd Health in Alternative Swine Systems: A Guide
- Eden Natural Process Verified Program Development Report
- Areas of Possible Collaboration Among Niche Pork Companies Report, Ann Wilkinson, Consultant
- Iowa Small Meat Processors Resource Guidebook (available soon)

VCP Core Team

- Rich Pirog, project director, Leopold Center, (515) 294-1854, rspirog@iastate.edu
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On the Web

- Value Chain Partnerships for a Sustainable Agriculture: www.valuechains.org

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