

Muskegon Food Hub Operation Feasibility Study Webinar Transcript

Noel Bielaczye: Okay, so it's 2 o'clock, and we look like we've got a few people jumping on the webinar. So, let's kick things off. And we have our panelists, it looks like. So, we're all good. Welcome, everybody. This is Food Hub, brought to you by the Michigan Food Hub Met Network. Today, we're just going to be talking about the Muskegon Food Hub Feasibility Study. I'm going to just run through a couple of quick things before we get started, and we'll just have a couple of very quick updates before we get to the presentation. I'm Noel Bielaczyc at the SMU Center for Regional Food Systems, along with Rich Pirog and Marty Gerencer, who are also both on the call, where we co-convene the Michigan Food Hub Network. Okay, so we're using a new webinar platform today. We're using Zoom. MSU has retired Adobe Connect, so this is kind of our first go around with Zoom. Hopefully, we don't have any big glitches. We try to prepare and anticipate those sort of things, so hopefully it doesn't become a problem. I do apologize for all the emails. We had a little snafu with the initial URL that was sent out. Hopefully that's not preventing folks from jumping on this webinar. Related to that, this webinar is being recorded, so it will be posted on the CRFS website soon, probably in a week or two, and you can find that at foodsystems.msu.edu, and you just go to Michigan Food Hub Network Resources. For this webinar, we'll do Q&A through the chat pod, so at the bottom of your screen you should be able to roll over a little toolbar and there's a chat pod down there. I'll be keeping track of people entering questions in there. There's also a way to raise your hand, I believe, and that is also a good way if you want to just interject. You're welcome to bring up a question throughout the presentation, but there will be designated time at the end for questions and answers. So, feel free to save it until the end. If your audio is not muted already, just go ahead and mute that. Sometimes we get some feedback on these sort of things. So, just really quickly, today I'm going to give a couple of quick updates. And then, Rich is going to give a quick update on Michigan Good Food Fund and other things as it relates to the Feasibility Study. And then, we're going to cut right to the Muskegon Food Hub Feasibility Study, and we'll have some Q&A. So with that, I just want to quickly mention this is the only update we have today. Michigan Food Hub Network's statewide meeting is on Thursday, November 12. It's at Eagle Eye Banquet Center in Bath Township, which is Lansing for all intents and purposes. Future topics we're going to have -- Michigan Food Hub IT Feasibility Study results. There's going to be a sneak peek of the 2015 National Food Hub Survey results, and we're going to have a panel discussion with UVM Food Hub Managers Program Class of 2015. We had five people from Michigan join that class. Should be really great. You need to RSVP for this meeting, so just, again, hop online Center for Regional Food System's website. Sorry for this super-long link. Just go to Food Systems at MSU.edu and you should be able to find the meeting and events, and you can go from there. I'm going to pull Rich's presentation up here and -- That's weird. Why is that happening? That's weird. Okay Sorry, folks. [Laughter]. Okay,



here we go. Sorry, folks.

Rich Pirog: There you go. Just leave it at that [inaudible].

Noel Bielaczyc: Okay. Can everybody see that? Okay. Handing it off to Rich here.

Rich Pirog: Good afternoon, folks. Rich Pirog, Senior Associate Director, Center for Regional Food Systems. Just briefly, I was asked to make sort of a connection between this Feasibility Study and the role food hubs play in healthy food access in the state. This particular map that you're looking at here, this was done by the Food Trust in association with the American Heart Association. It's a report called Food for Every Child. You can actually get this report from the Michigan Good Food Fund site, which is at the bottom of this slide. And it shows the areas of Michigan that have limited access and limited income, and limited access as it relates to healthy food. If your geography is good, as you look at this slide and you know where Muskegon County is, you can tell that Muskegon County -- a part of it is in the red of this slide. And the red areas are the areas where we have the greatest need in the state. And so, in addition to the idea of having more opportunities for farmers in the region to be able to sell products, the idea of having more healthy food access and having a food hub and/or an aggregation site in Muskegon makes good sense from the standpoint of we know we've got areas in that county that we have issues around healthy food access. Now I'm trying to get to the next slide here. And let's see here... What else would I push, Noel?

Noel Bielaczyc: I have no idea why this is not working.

Rich Pirog: Maybe -- I think it's down here, if you could make this just a little smaller. It might be down -- No. Slide one of three.

Noel Bielaczyc: This is a good time for a joke, Rich.

Rich Pirog: Ah, good time for a joke. Okay. So, within the context of what we've already said, we have identified Muskegon as an area that definitely has lower income and low access to healthy food parts of the state, places like Muskegon Heights, other parts of the city of Muskegon, and likely some rural areas within Muskegon County. Again, the Food Fund is a public/private partnership that provides loan funds and business assistance to those types of good food enterprises. So, as Marty and as Evan talk about the Feasibility Study, one particular aspect -- a goal, you know, of having more healthy good food assessable in Muskegon County and its surrounding environments would be the idea, and could be supported through something like a Good Food Fund. The fund has a target of \$30 million, has about \$10 million in it right now from foundations and from the federal government. One very unique thing about this fund compared to any other healthy food financing fund -- well, most



other healthy food financing funds across the country, is that rather than just focusing on healthy food retail and loans and business assistance for retail, Michigan Good Food Fund can also provide loans and business assistance production processing and aggregation and distribution. And by that, we mean certainly that would include food hubs. So, with that, just sort of opening framing around the connection between healthy food, the potential for a food hub in the Muskegon area, I want to turn things back to Noel, who will introduce -- Is Marty first?

Noel Bielaczyc: Chris.

Rich Pirog: Okay. We'll have Chris from Muskegon be up next.

Noel Bielaczyc: Okay, Marty. So, you can pull up your presentation there.

Marty Gerencer: Let's see. There we go. Okay. Welcome everyone, and glad you could join us today to hear more about the Muskegon Food Hub Study. I'm wearing my local hat today, as you know. I worked with Evan on this and the Community Foundation on this Feasibility Study. So first, our president from the Community Foundation, Chris McGuigan, will say a few words about their role and why a food hub is important to the Community Foundation from Muskegon County.

Chris McGuigan: All right. It's good to be here. Thank you for listening to me and asking my comment. The Community Foundation's involvement really started when the community established a goal to become healthier. It was about 2009. We, as a community -- and there were lots of community leaders and institutions involved -- but we decided to improve our health status. We established an initiative called "One in Twenty-One," meaning we wanted to be the healthiest County in Muskegon by the year 2021. That's a bold goal and it is a bold initiative that certainly continues today. And as a Community Foundation, we were looking for the bold thing that we could do in connection with that initiative. One of the sub-goals was to increase access to healthy food, and we grabbed onto that as a specific sub-goal that we would work on. Almost immediately, we partnered up with Marty Gerencer whom you all know, but if you don't, she's a national expert on food systems and is a Muskegon resident. So, it was a perfect partnership. Together we planned the grant request to the W.K. Kellogg Foundation for a re-granting program that would focus on increasing healthy food access, especially to low income youth. We called it "Healthy Muskegon." As a result of that program, the first thing that happened was it revealed the expertise that we had in this county relating to healthy food, relating to getting it to underserved populations. At the same time we were working on "Healthy Muskegon," the Community Foundation was also a leader in creating a downtown Farmers Market that included an incubator kitchen, and the focus of that work was primarily economic development increasing prosperity. Both of those programs just naturally led us to understand



that if we truly wanted to get healthy food to the widest possible population in our county and at the same time work on economic development, examining the possibility of a food hub was the step that we needed to take. So, as one of the grants from the "Healthy Muskegon" re-granting program, we funded the Feasibility Study for a food hub in Muskegon. The possibilities are exciting and we're very proud to have played a role to get us to that point. So, you know, to summarize the Community Foundation's role, it really was to provide a base of support, to create that network of expertise that already existed, and to allow knowledge sharing among all of those grantees. Thank you.

Marty Gerencer: Thank you, Chris. That was wonderful. So, now we'll go on. We've shared the Feasibility Study findings, the actual report we all put together, several times to this [inaudible]. You're probably tired of seeing it, maybe. So, what I'm going to do is sort of help focus and summarize the key points -- what made this feasibility unique and what made Muskegon unique to the food hub feasibility seen. Along with our low income communities and our obesity status, we also had realized we had a city in the midst of, as you all know, an agriculturally dense -- at least for fruits and vegetables -- area of the state, maybe area of the Midwest region. And some of these counties around Muskegon have a lot of fruits and vegetables that they grow and a lot more that they would like to grow.

Noel Bielaczyc: Marty, sorry -- I don't know if you're trying to share your screen, but it's not up yet. So, if you do want to be sharing it --

Marty Gerencer: Oh, I thought -- we thought we had it up. Sorry about that.

Noel Bielaczyc: Okay.

Marty Gerencer: Let me see -- So, is it showing?

Noel Bielaczyc: All right. You're good.

Marty Gerencer: Oh, okay.

Noel Bielaczyc: When [inaudible] presentation mode, you'll be all set.

Marty Gerencer: Sure. Sorry about that. We thought we had it up. So, the goal of this study was really to understand Muskegon's unique place for a food hub. There are a lot of other food hubs we could work with around this state. Was there a need for a food hub here in Muskegon? And along with the Community Foundation, USDA, and a private corporation, "Consumers Energy," that helped to fund this study -- and along with food access, we were asked to look at the economic development potential for Muskegon, being a transportation



hub, having a deepwater port and access to that deepwater port, and a lot of growers that wanted to sell more product and a lot of folks in Muskegon and around the state, even beyond the state, that want to buy this product from Muskegon. So, that's why this goal may sound kind of lofty, or at least it was lofty to me. So, the Community Foundation, myself, we asked Evan Smith from Cherry Capital as well to help us with this and be a partner and a core team member on this initiative. And this initiative was advised by a Community Advisory Committee, several folks from different disciplines that helped to guide the thinking along the way and ensure we were incorporating this food hub into the key strategies of the community. Again, we were looking at a four-county region, and I'll show you the four counties here shortly. And we were focused on -- why Muskegon? Should Muskegon, as a multi-modal logistics hub, a transportation hub with easy access to airport, rail, highway and water, be the place for this next hub in the state of Michigan? So, the counties we focused on were Muskegon, of course, Newaygo, Oceana to our north and to our east, and Ottawa County to our south. About 3600 farms, according to one census -- 3600 farms in that four-county region. Many of the folks have come out with interest in working with the food hub. And again, we had some broad needs -- aggregation, marketing, distribution. We were asked to look at processing and retail along in this study. Again, purpose and vision is what we've talked about. Is Muskegon strategically positioned to supply fresh and value-added products from our local growers to our community? But also to what we call some anchor buyers in Detroit, Chicago, and even moving some food across the water to Milwaukee. So, we were balancing a lot of priorities here and we did our best. Cherry Capital and the Community Foundation, then our other community leaders, as well as Rich and the Center. Certainly, we relied on the Michigan Food Hub Network folks to help us keep our priorities straight. The work plan involved in what you would typically see in a Feasibility Study -- the location analysis and the site identification. So, what kind of a building or facility and where? We certainly have a priority to locate it in the downtown area by the deepwater port if that made the most sense. We looked at all different types of ownership and management structures. We certainly -- with the priority of the community -- that this have an economic component to it as well as social and environmental. So, we looked at economic impact for what a food hub could contribute to this community and to this region. We quickly identified that we didn't have the infrastructure to move product from a grower in Ravenna, Michigan or in Oceana County, Michigan out to the region. They needed help with that, and they were very open about that through our surveys and through our in-person forums and one-to-one discussions. They were very interested in getting a supply chain that would connect the region. So, we started with a very simple survey -- Monkey type survey -- to get out to as many farmers and as many buyers as we could. We tried to reach a lot of the farmers who had already expressed interest that are working with us at the farmers market. And MSU extension and others, of course, helped us along with this. We ended up with this first round of surveys with 29 farmers and 26 buyers, which to start with, we felt was a really good response, especially when our farmers were at a pretty busy time in their season. Over 60% of our farmers expressed that they had excess capacity to go beyond the Farmers



Market, and they were interested in selling wholesale. We had almost that many buyers that said they would work with us to source more local product. And these are restaurants and schools, but also our local hospital. And we had interest from beyond the community. Detroit Eastern Market has been a partner all along the way, and we have interests from Chicago and from Milwaukee as well in getting Michigan fruits and vegetables. Here's a quick look at how the farmers -- these are the products the farmers identified that they could supply to the food hub right away, and they would be interested in doing this. Vegetables came out the strongest. Interestingly enough, buyers identified interest in purchasing with local vegetables. They seem to get getting their hands on fruit, although they would take more, but a real interest in buying vegetables. So, we thought that was a pretty good mix right out of the gate. Now, Evan is going to take you through some of the operational components of this study, and then I'll circle back for final recommendations. And then we'll be on for any questions that you may have afterwards.

Evan Smith: Great. Thanks, Marty. Am I coming though all right? Can you hear me?

Marty Gerencer: Yes.

Good, good. The first and probably one of the most important components that we looked at is around food safety. This is a big challenge. It's going to continue to become a focal point with the Food Safety Modernization Act. So, we really were looking at getting good third-party certification, either GAP, which is Good Agricultural Practices, or equivalent, because it's required by most large institutions. It's also required in most of the school systems. Both of these organizations have primary vendor contracts that specify exactly not only the food safety requirement certifications but the insurance requirements. And so, we really placed a high premium on looking at that. For restaurants, it's not as important a consideration, but it will become one that gets highlighted down the road. More and more, we're seeing it fly out in foraged goods, for example. The state is starting to certify wild harvesting of leaks and mushrooms. So, we're going to see this continue to be an important component. We thought it really important to get with the farmers and get training, education, understanding around this area. And certainly, competitive pricing and delivery become the problem. Hospitals love to have multiple suppliers, but they don't have the receiving capacity to have 20 different farmers show up at the gate. So, delivery is important. Growers had expressed a number of concerns, primarily around time to deal with another venture and learning new packaging or other type requirements. What we've seen throughout Michigan and throughout the food hubs is that that can be mitigated by locating a good partner with boxes and certainly those kind of things can be overcome. But it's the capacity that's the key and the capacity seems to be there. The buyers express concerns first and foremost around the food safety, but also again to corporate barriers. And those could include the food safety. They also include considerations such as pricing. It's got to be competitive because of the volume that they're doing, and so it's a



consideration that we have to get our farmers to understand that pricing varies across the markets. And so, if they're in retail or consumer direct, it's going to be one type of pricing. And the institutional and the others, while at lower prices, would increase volume. And it's a simple equation and most of the farmers are pretty aware of how that works. The operating model for a food hub -- food hubs across the state and across the country are all unique. Everyone takes on a little bit different components and looks a little differently as it responds to community needs. The common core functions, however, are around the aggregation and distribution as well as the marketing and processing. And retail selling is also often a component. Some hubs will have two or three of these. Some will have more. But we felt it was important to look at all the options, especially considering the lack of a grocery store in the urban area of Muskegon. So operationally, oops -- [inaudible] for a second, Marty. I'm going to just take a quick second and go over the -- the functional operation is the packing, the grading, and getting it into the right box and consistent pack size. Marketing is getting the salespeople and buyers who can educate both the farms and the purchasers on what's available, when it's available, and pricing options. The distribution is a key component in the value chain because it's the one that links the farm gate with the table and there's multiple avenues that are available. We didn't highlight in here the processing, and it's primarily because it can take on so many different components, whether it is making a coleslaw from excess lettuces or some other type of value-added production that includes things like jams or salsas. It really depends on the final facility, location, and equipment that's available. That also is a component in the retail selling because the processing can directly feed into that and this is what is going to help drive the food into the local markets from a convenience standpoint. When we talk about convenience, the location, obviously from the transportation side, close proximity to the US-31 Corridor and I-96 is very important. We also have the port and railways in downtown or close to Muskegon Lake that provide other opportunities. And certainly they will as we start looking at scaling and other options that might be available. A key component is the utilities, and I can't stress enough how difficult it is to run a food hub when you have propane or you don't have city water and sewer and other considerations. So, natural gas, cooling, refrigeration -- all of those things as well as additional infrastructure are crucial. We looked at a facility with a minimum of 5000 square feet to start. Ideally, you would have the capacity to move up closer to 10,000. It's been our experience that if you want to target sales growth that's going to get you into that \$2 million to \$2-1/2 million range, that 10,000 square feet is really what you're going to need between dry storage, cool storage, some freezer space, as well as some minimal processing. So, you need to have a food-grade construction. It's got to be washable and secure location. So, many older buildings are more expensive to retrofit, lower upfront costs, but they might not be able to get up to code at a cost competitive basis. The retail storefront has got some real possibilities. It's worked well in certain communities and we'll have to see how that plays out. But it's quite possible to have retail going out the front door and the distribution going out the back door of a facility. And, excuse me -- So, one of the questions obviously of interest to everyone from an economic development standpoint is what kind of jobs can we expect? Will they be year-



round? Well, there's no hard and fast answers as we look at some of the data available across the state. When you start looking at a food hub that gets up over \$1 million, you're looking at a buyer, a salesperson, a warehouse person, a driver or two. So, it's real easy to get up to six full-time, and then the part-time employees really depends on whether you have volunteers or how you're doing that. But it's not unreasonable to expect that you're going to see 10 to 12 full-time equivalent jobs in something like this. With no grocery store in downtown Muskegon, there is a clear need for healthy alternatives in making that food available to the community. So Marty, I'll turn this back over to you to talk about the findings, analysis, and recommendations.

Marty Gerencer: Sure. So, the feedback we received from the community, from the farmers, from the buyers, is to look at how being in proximity complementary with the Farmers Market. And we worked with a market master all along the way and the farmers at the market to get that input, as well as the folks visiting the market, so that we were complementary and additive and not in any way set up a competitive situation. The retail store part of this, Evan and I actually didn't include. The community asked for this to be part of this study. They want a retail store in this community to complement the Farmers Market. So, the food hub was just a welcome addition to Muskegon to continue in our local food efforts. Again, one through five years we're looking at up to 10,000 square feet, \$2 million in sales, and this came from Cherry Capital. So, graciously opened their books and helped us out with some of these statistics along with the survey that MSU and the Wallace Center and folks have done to share statistics with us from other hubs around the country. We've identified some pretty specific locations and pretty specific business models that we were working on based on the outcome of this Feasibility Study. We're happy to say that in October 2015, USDA AMS awarded Muskegon a grant to continue on with the implementation plan and efforts to move this hub forward. So, somewhere around -- by spring of 2016, we should have our implementation plan with much more definite information on the site location, the business model, the logistics, how these components will work, and how this hub will operate for the community and for the region. It's a lot of steps here and we feel like we've been able to keep everything organized on strategy so far. Evan and others are on the implementation team. We'll have a lot of the same advisors and others that are agreeing to be part of this Community Advisory Committee. So, we look forward to continuing this work. Now, Noel, I think at this point we're ready to take questions?

Noel Bielaczyc: Okay, so you can just leave that up there, Marty. Thank you both, and thanks to Chris. That was a really interesting presentation. And thank you everybody for your patience. [Inaudible] which is there at the get go, but I think we're going now. So, if you do have any questions, thoughts, or comments, now is the time. We have plenty of time here to discuss, so feel free to enter anything into the chat pod. I'll basically read off your question to



the group and we'll go from there. And we'll just wait a couple minutes here while folks collect their thoughts. Okay, so Kendra Wills [phonetic] has a question. Her question is, "Do you need any help from MSU extension with implementation?"

Marty Gerencer: Yes. Yes, Kendra, you're on our list. The contract was just signed actually yesterday, and so we're making -- Evan will be in town on Thursday and we'll begin calls and communications after that with what our plan is moving forward. Thank you.

Noel Bielaczyc: Kendra says, "Thanks." See another one here popping up. Michelle Glenn has a question. "Did you consider other approaches to increasing access to local food other than a food hub?"

Marty Gerencer: I can answer that, and then Evan or Janelle is here, actually, from the Community Foundation. She may have some words to say too. As part of the Healthy Muskegon Initiative that Chris talked about earlier, we had a lot of projects focused on access on the ground, projects urban farms and community gardens and farm to school programming. The veggie van, a mobile van that sold fruits and vegetables to our most needy communities. And I mean by needy, in need of healthy food. We have Kid's Food Basket here in town that delivers Sack Suppers every evening to -- I think we're up to 1000 kids now that we deliver suppers to every evening. That includes local food, and they would purchase more from the food hub if it were available. Janelle is our director of Grant Making and played a huge role in all of this work.

Janelle: Yeah, I think Marty summed it up pretty well there, in that the Healthy Muskegon Initiative had grant making that hit a variety of different sources in the community, and the food hut was really just one of the methods that we took in terms of [inaudible] access. So, [inaudible].

Marty Gerencer: Evan, did you want to add anything?

Evan Smith: No, no, but if they're comfortable with that, I'll jump into the one from Kendra on the schools.

Marty Gerencer: Sure.

Noel Bielaczyc: Sure. Go ahead. So, Kendra has another question. She's just curious about what the schools said they would purchase from the food hub, and I guess this could also include hospitals and any other institutional markets. Go ahead, Evan.



>> Evan Smith: Yeah. I think one of the things that right off the bat comes out of the schools, and it's very timely because we had Apple Crunch last week. And there's no reason for a kid in a school in Michigan to be eating an apple from the State of Washington or anywhere else. So, that's an easy one for us to do. It's a great entry into the schools, but it really is around vegetables as well. And it depends on the capacity and the capability of the school, primarily how much ability they have to do any type of cooking or processing. So, other vegetables are very attractive, and some of the things that are going on in other food hubs include the freezing of some of the vegetables. And so, there's all kinds of opportunities, but it's really around that fruit and vegetable and maybe some other snacks that meet the nutritional requirements.

Marty Gerencer: Yeah. I would just add to that, in the Feasibility Study we actually did part of our surveying and part of our research was actually with Chartwell, so it was feed in public schools. And so, we have a lot more detail in the Feasibility Study that, Noel, if we haven't already, we can send out the link to that study. So, for the person who asked the question, we could share more on that. Cherry Capital has had some direct discussions with these schools, so Evan may have even more to share if that would be helpful.

Noel Bielaczye: Sure, that would be great. Okay, it looks like we have a couple more here. [Inaudible] Allen has a question. "What form of organization have you selected for the hub, co-operative, corporation, etc. and why?" She said she signed in late so sorry if this was covered, but I don't think it was. So, go ahead.

Marty Gerencer: Sure. I can answer that, and then Evan may have more he wants to add. Out of the gates, the community -- We understood the need for increasing food access. But out of the gates, the community stakeholders really wanted to look at this as an economic development opportunity and perhaps a jobs opportunity, increasing more jobs in the community. And that's a way to start to change culture and start to change lifestyle in addition to just getting the food to the folks. So, we're really on the track of a for-profit. The implementation work that will be done over the next six months via the grant from USDA AMS will further define that. As of today, as of the end of the study, we're on a track for a for-profit, working closely with our nonprofit partners here in the community to do the work that requires nonprofit involvement.

Evan Smith: Yeah, and I think that's a really important point, Marty, is that those public/private partnerships are really having an impact by virtue of using the public monies to help things get jumpstarted and the initiative and entrepreneurial spirit of the for-profit to continue to drive the growth and jobs.



Noel Bielaczye: Marty, I just wanted to follow up. In the chat pod, somebody else is asking to see the link to the Chartwell research. Would you mind just -- if you could -- putting it in the chat pod if you can find it? Otherwise, we can always email that out later if that's easier.

Marty Gerencer: Sure. I -- Do you know it?

Noel Bielaczye: Yeah, it's okay if you need to --

Chris McGuigan: We'll work on it while you --

Noel Bielaczye: Yeah, you don't have to share your screen anymore if you need to use your browser to find that. We can move on here with another question while you do that. Cary Jr. [phonetic] asks, "Understanding the need to maintain capacity and quality for successful operation, thus using larger farms, what consideration is being given to eventually include utilizing smaller farms in the region?"

Evan Smith: I'll jump in on that one, Cary, and you know the commitment that Cherry Capital has to the smaller farms. But I think that when we look at it relative to the food hub, that's why we were stressing that packing and boxes and those sort of things being a crucial component in the hub because that's what will allow the smaller farmers to participate and get them incorporated into it to begin with. The other important component is the Group GAP Program that is expanding throughout the State of Michigan and is going to continue to grow. I think that's going to give us additional leverage and make us more attractive for some of these smaller farmers to allow them to be competitive with some of the larger ones. So, we'll definitely be doing everything we can to see that they get quality representation at the food hub.

Marty Gerencer: So, we're sending out the link that will take you to the -- I think we sent it -- that will take you to the study. It's saved, so it should be out there. It's sent to everyone. Hopefully it went. You know, around working -- just to add to that too -- around working with the smaller growers -- the smaller growers, minority growers, women growers, are our priority, and those were the folks that we tried to reach out to first with the surveys and the forums. We did have some midsize growers and some large growers that attended as well. We really need everyone to meet some of these volume needs. But we made an extra effort to reach out to the smaller growers. And that's what we've got to look at and we're continuing to look at [inaudible] logistics, is how to help aggregate, accumulate that product from the small growers to bring it into town, and that's where Cherry Capital's experience with that has been so helpful.

Noel Bielaczye: Great. Thank you. So, let's see here -- Marty, I still haven't seen that link pop



up. I don't know. Are you using the chat pod? You should be able to -- I think you might have saved it, but what you need to do is just hit return and it should pop up to everyone in [inaudible] there. I'll move on. Kendra has another question.

Marty Gerencer: Okay.

Noel Bielaczye: "Have you thought about how the food hub can connect with Kitchen 242? I think one of the key assets in Muskegon is getting all the players to work together and meet regularly." I'm not familiar with Kitchen 242, but --

Marty Gerencer: That is our community kitchen that's attached to our Farmers Market. It's a combination of entrepreneurial efforts -- you know, the folks that want to make strawberry jam out of strawberries -- and learning opportunities for children and folks in the community to meet our One in Twenty-One initiatives and are Healthier Community initiatives. And we certainly want to work with MSU extension and the region to have this kitchen along with the other kitchens support this work. There's a couple different kitchens, a few different kitchens in the area, and if there's ways we can collaborate. I'm not the one running the kitchen. There are folks that are working on that that can speak to this much better than I can, but I do know that we're open to collaboration on that.

Evan Smith: Yeah, and I'll jump in real quickly. Not only open to it, I think Kendra, you're great on point. We need people talking. We need that collaboration and transparency and everybody pulling in the same direction. So, I'm sure that's going to be a key component of the whole thing going forward. And I see Phil asking about the potential for distribution via rail and water.

Noel Bielaczye: Yeah, I was curious about that as well.

Marty Gerencer: Go ahead, Evan.

Evan Smith: Okay. Well, we know that Muskegon is the only natural deepwater port on the west coast of Michigan and there is actually some commercial shipping that is coming out of there and going around to Cleveland and then out to Europe. Along with that, we know that for many years freight ran across the lake, and it's still very effective on a cost basis when you have bulk or large volume items. So, the kind of things that we're thinking might have an opportunity are if we have substantial product going to Chicago, it could go by barge, possibly back and forth between Wisconsin. When we look at the opportunities that may exist in malting barley, for example. Much of that is grown out in the plains, and if we had a large scale malting facility somewhere within close proximity to the Muskegon food hub, that would be a tremendous opportunity to take advantage of some of the large capacity that rail and barge as well as containers can bring.



Marty Gerencer: Yeah, and I would just add that this -- You probably saw this Feasibility Study is a project of the Deepwater Port Committee, supported by the Deepwater Port Committee. So, what that means is some of the funding came from that initiative. Also, we've stayed in close contact with what the Deepwater Port Committee is finding around the opportunities for water. Part of that includes food, large volumes of food that may go to Europe or Asia. But also, they're starting to merge this opportunity, as Evan said. Perhaps an opportunity for local food. Local food from small growers to go, for example, to the chefs in Chicago or to Milwaukee. You know, Milwaukee is opened the door to working with us. They would like to sell us product that they grow, and they would like more of our fruits and vegetables. So, we're very early in that work. Again, we've tried to keep our focus on the hub and supply and setting up a supply chain for our small growers. However, this is bigger than us. This is just one piece of what's going on here in Muskegon. And so, what we learn we certainly share with the bigger committee that's looking on these bigger initiatives for the deepwater ports. Rail is part of that discussion as well. If I were to guess, are we going to move some local products across? I said at the beginning of this study no, and then I found out one of our small growers is driving his truck onto the car ferry, the Lake Express that goes over to Milwaukee from Muskegon every day. So, he drives his truck on, full of fruits and vegetables in the back of his truck. And he drives his truck off the ferry and goes and sells it, and he sells it all. It's worth his time to do that. So, we probably can make that more profitable for him. So, we've got to stay in that conversation and see what we can do to figure out what that opportunity is.

Noel Bielaczye: Okay. So, let's see -- I just was looking around for that link, which I did put up. Sorry, it was kind of a roundabout way to find it. So, if you are interested in seeing the Food for Every Child report that AHA put out, some great maps in there, the link is now in chat pod. Kendra just had a comment also. She said, "I think Group GAP for the Muskegon Food Hub would be a great idea to pursue." Jill has a question here. "Marty mentioned a farmers' survey had indicated that they had a desire for an outlet for access product. That's probably not the ideal for maintaining supply. Did farmers indicate they would be willing to shift from direct sales to use the food hub as primary?" Good question, Jill.

Marty Gerencer: The farmers that we talked to via the in-person forum and through the surveys taught that it wouldn't be either/or. It would be both/and. And we set up the discussion and we set up the surveys in that way, in that we don't want to do anything to jeopardize product. Coming to the Muskegon Farmers Market, we have somewhere between 10,000 and 15,000 a week in the high season -- and that's our consumers from the community that come and shop at that market. So, we want to work with the market to give our farmers an additional market. That's the way we understood it from our farmers, is they have additional product in addition to what they sell at the market. I've had a couple calls this fall with farmers that sell at the market that said they have additional vegetables that they would like to sell. And until we get the food hub up and going, do we know of another market that they could do that? So, as we



understand it -- and again, this came from them -- but as we understand it, it's incremental sales, the way they answered the question.

Evan Smith: Yeah, and I would add to that, Jill, that we really stress to the farmers that these multiple channel outlets are the way to build capacity and resiliency in their farms and in their business models. So, rather than making it just be that excess, that might be a starting point, but then it becomes a crucial component of their overall farm plan, and that's when it really starts to pay dividends.

Noel Bielaczye: Great. Thank you. Then we have just a comment here from Jeff [Inaudible] from the Wallace Center, just saying, "Michigan's Cooperative Food Hub work is inspirational to the nation." Thanks [inaudible] Jeff. We appreciate everything you guys do as well. So, glad you find this inspiring.

Evan Smith: Amen.

Noel Bielaczye: Any other thoughts or questions? Feel free to put them in the Q&A pod. We are coming up on 3 o'clock. We have some time but we can keep going if necessary or we can stop soon. So, give everybody a minute to chime in here.

Marty Gerencer: I would just like to -- A special thanks to Noel for getting this new system, this Zoom, this new webinar platform up and going. I'm one that can say I literally could not do it without you, Noel. I wouldn't be here without you.

Noel Bielaczye: Thank you. A bit rocky, but I think next time we'll be smooth sailing.

Marty Gerencer: Oh, yeah. It's great. We appreciate it.

Rich Pirog: I know Jeff is listening in as well, but we are still planning to continue our cooperation with Wallace, and the National Food Hub Survey overview results will be available on Wallace's next webinar on Thursday, November 19. So, those of you that are on this webinar, I know almost all of you are also hooked up with Wallace. So, you'll get a sneak peek on November 12 at the statewide meeting, but more details will commence on the 19th on the Wallace webinar.

Noel Bielaczye: Great. Looks like there's one more question here. "Really like this webinar software. Good video and presentation format." That's what we like to hear. Thank you. I'm glad that it works, glad it looks good from some angle.



Noel Bielaczye: So, unless we have any other questions, I think we can adjourn for now. Thanks again to our presenters, Marty, Evan, Chris. We really appreciate it. And thank everybody for your patience today. The webinar will be up on our website soon, so keep an eye out. Thank you.

Rich Pirog: Thanks, Noel.

Noel Bielaczye: Thank you.

Evan Smith: Thank you.

