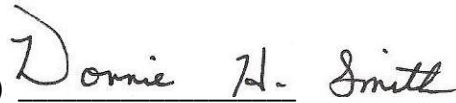


# Center of Innovation Grant Final Report & Summary

Approved by COI Director (Signature)



Center (Circle): Aerospace Agribusiness Energy Life Science Logistics Manufacturing

Grant Name: Food Processing Cooperative to Support Locally Grown Product into Schools

Award Amount \$24,500

Industry Partner Arthur Blank Foundation

Industry Partner Inv \$24,500

## Product or Service Description/Grant objective: (List the product or service for which the grant was made)

The Arthur Blank Foundation and Georgia Tech researched the opportunity to create a food processing cooperative that would provide farmers access to processing equipment that would give them opportunity to sell their products to local schools and other institutions.

### 1) Grant Impact:

#### What change or impact did the results of this research have on the company/industry partner?

Georgia Tech Research Institute evaluated the concept of creating a food processing cooperative at the State Farmers Market in Macon, Georgia. The cooperative could generate an estimated 5.9% (\$36,816) profit in Year 1. Estimated income for the 1<sup>st</sup> year will be about \$621,000 and estimated expenses will be about \$584,784. The proposed food processing cooperative will have a small staff of 4 permanent employees and between 5-20 part-time employees based on seasonal demand.

#### What jobs were impacted (in number# of jobs, salaries in \$\$)? Identify the impact of this product or service.

- i. Number of jobs (change #) - # 4 full time and up to 20 part time
- ii. Salaries in \$\$ - # \$337,284 - Year 1
- b. What is the financial impact to the company (in \$\$ in revenue and margin and profit %)?
  - i. Increase in Revenue \$ \$621,600 - Year 1
  - ii. Profitability/Margin change \$ \$36,816 % 5.90
- c. What investment did the company make in bringing the product or service to market?
  - i. Plant & Equipment \$ 200,000
  - ii. Marketing \$ 10,000
  - iii. Training \$N/A \_\_\_\_\_ # of people
  - iv. Other \$ 215,000

2) **Industry Knowledge & University Capacity:**

**What University research capacity was advanced (What experts were created for the industry or How does it make GA a more competitive or compelling place to do business in this industry? Use numbers, as appropriate, such as “improved production by x%” versus opinions such as “this was a good/successful project”. Explain why the grant project was “good & successful”.**

This report conducted by Georgia Tech will be used by the Arthur Blank Foundation in determining if they will be interested in providing seed money to build small scale food processing facilities around the state as a way to address the issue of childhood obesity. The State Farmers Market in Macon has the potential of serving as the first model of this concept. If the food processing co-op is successful in Macon, it could be replicated throughout the state with existing State Farmer Markets. Georgia Tech’s assumption for the food processing cooperative at the State Farmers Market was validated by discussions with the purchasing agents at schools, hospitals, and the distribution chain.

3) **Industry Leadership:**

**What industry impact did this have? How did we advance the industry and make this a more compelling place to do business?**

The Food Processing Cooperative could achieve the following goals: (1) capture wider profit margins for value added products , (2) increase net income for small farmers , and (3) provide a reputable product that will successfully compete in the market and satisfy customer needs and expectations.

4) **Comparison Summary: Does the original intent of the grant compare to the actual results achieved? Why or Why not?**

The Macon area is the home to one of the largest “food deserts” in the state. The Macon State Farmers Market is geographically isolated from many of the residents that could benefit from the fresh produces. Due to a lack of consistent and plentiful customers, the Market has lost the ability to convince farmers to set up. The loss of the Modern Grocery six years ago helped exacerbate the problem. The Farm Market could become a one-stop pickup point for the school systems and non-profit organizations to purchase produce within and around the Macon. Macon has two large universities (Mercer University and Wesleyan College) are interested in purchasing local produce. The Medical Center of Georgia is the second largest hospital in the State.

Furthermore, the Georgia Department of Agriculture has offered to renovate the proposed building at the State Farmer Market including updating the infrastructure, keeping existing industrial shelving storage units, adding industrial cooling units (refrigeration and freezer), and constructing an additional cross-platform loading dock. These improvements will cost approximately \$300,000. Also, this report will also be helpful with the efforts of Dr. Julia Gaskin with the University of Georgia to start a Food HUD in Macon by working with area farmers on the benefits of using of the processing facility.

# **Food Processing Cooperative to Support Locally**

## **Grown Product into Schools**

GTRI

Project Director – Gary McMurray

Steve Thomas

Sean Thomas

Georgia Fruit and Vegetable Growers Association

Georgia Organics

FreshPoint

Georgia's Center of Innovation for Agribusiness

State of Georgia, Department of Community Affairs

Georgia Department of Ag

April 30, 2012

## Executive Summary

The Arthur Blank Foundation and the Center of Innovation for Agribusiness are interested in finding innovative methods of helping farming be more profitable while getting more locally grown produce into the school systems and the broader distribution chain. To this end, GTRI is proposing the creation of a food processing cooperative to provide farmers access to the processing equipment that would give them improved access to the schools and distribution chain.

The proposed food processing cooperative consists of:

- Have a small staff of 4 permanent employees and between 5-20 part-time employees based on seasonal demand. The employees would operate the equipment, service the equipment, schedule time for the farmers to use the equipment and handle the finances.
- Require approximately 1,500 sq. ft. of processing space and 1,000 sq. ft. in refrigerated space.
- Ability to wash, perform simple processing (slicing, dicing, etc.), perform metal detection, weigh product, and bag/box the product.
- The cooperative would have multiple locations located strategically throughout the state for the processing equipment to reside. Our plan is to build 6 of these throughout the State.
- The food processing cooperative will serve as an aggregator for the distribution chain. This will allow farmers to collect products that the cooperative cannot process and sell them directly to the distribution chain.
- Estimated 5.9% profit for year 1.

The analysis performed at GTRI shows that this type of facility can be a profitable venture. This operation also fills an important link in the food chain by connecting the distribution chain with a huge appetite for locally grown product with the local farmers that are looking for access to larger, more profitable markets.

A key assumption made by the team was that the demand for locally grown product exceeds current production. This assumption was validated through our many discussions with the purchasing agents at schools, hospitals, and the distribution chain. The single biggest obstacle to these agencies being able to purchase more locally grown product was the lack of availability of the product. While there will always be issues with seasonality, most of the purchasing agents were fully aware of that and were willing to make adjustments to their menus or purchasing programs to account for this.

After review of the feasibility studies of the proposed Cooperative, it was determined that the facility can provide a positive rate of return and can create significant increase in farm-gate prices to the farmer-providers throughout the life of the project. Most importantly, the studies show that the projected future demand has a strong foundation and will grow into the future.

## Long Term Goals

The Food Processing Cooperative would like to accomplish the following goals:

1. Capture wider profit margins of a value added product versus lower profit margins of raw commodity. Regardless of whether or not the business is organized under a cooperative format where producers have the ability to be shareholders, or under a corporate structure (i.e. limited liability corporation), the goal of the value added venture utilizes turning raw produce into processed and packaged goods as the primary input is to provide alternative markets for small and medium-size farmers and greater market

access for those farmers.

2. Increase net income of member/investors and provide a long-term return on investment sufficiently larger than what is expected for alternative investments.

3. Establish a strong customer base through emphasis on customer service and relationship building. This will provide the opportunity to secure long-term demand for processed and packaged goods.

4. Provide a reputable product that will successfully compete in the market and satisfy customer needs and expectations.

## **Business Overview**

Customers who are expected to purchase these products are local school systems, hospitals, nursing homes, and institutes of higher learning. These customers are also restaurant owners and area social service organizations in the form of non-profits. These buyers are those who wish to gain increased serviceability and quality from their produce suppliers, while supporting local farmers and the local community. While the processed produce market is a very large market dominated by a few large firms (both on the input and output side), many small to very small users could potentially be buyers. Often times these small end users have specialty needs and desire more specialized products and services than are obtainable from larger suppliers.

To gain a competitive edge, the Cooperative wishes to provide superior service utilizing locally grown produce compared to what is available in the current marketplace, as it is believed that this is an underserved niche of the market that will be responsive to their product offering. The group will attempt to gain both market share and a price premium over current market prices.

One of the major concerns of producing processed and packed produce is food safety. By placing the processing facility within a building on the site of the Georgia Department of Agriculture's State Farmers Market, the Cooperative will have access to the Department's Food Safety and Consumer Affairs Divisions for assistance and guidance. Safety is one of the primary concerns within the production facility. All management will be initially certified according to the latest industry standards and will be required to have yearly certification for safety qualifications.

The Food Processing Cooperative will use the following objectives to accomplish its stated goals:

1. The Co-op will pool the collective strength of a large base of small- and medium-size farms in a manner that will achieve the optimal outcome of simulating large farm operations.

2. Provide a product for their customer that incorporates a superior level of service and quality. This can be achieved by constant sampling and testing of the product from the production line, and constant contact with the customers to assess their changing needs.

3. Hire individuals for key positions who have sufficient knowledge and experience in the produce marketing industry. These people will help to establish relationships in the industry, and will further help to achieve the goals of the venture and build with its customers a partnership to achieve their complementary goals.

The Food Processing Cooperative can use the following strengths to accomplish its vision and goals.

1. Employees and contracted farmers all have a strong agricultural background.
3. Many of these farmers have management skills from off-farm jobs both in agribusiness and non-agribusiness industries. These skills include personnel management skills, project management skills, and some financial management skills.
4. The Food Processing Cooperative has a close partnership with the Georgia Department of Agriculture, the University of Georgia Cooperative Extension Service, the Georgia Fruit and Vegetable Growers Association and the Georgia Farm Bureau; all of these groups can provide detailed and valuable information about the processed and packaged produce market and customers.

## **Product Offering**

The Food Processing Cooperative will purchase locally grown fruits and vegetables for processing and packing to meet the requirements of local institutions. These products will be chosen to meet the specific needs of those customers. Initial attention will be made toward the fresh produce requirements of the local school system.

## **Industry Profile**

### **Industry Analysis**

Customers are increasingly driving the food industry with a desire for locally grown produce. Companies that can adapt and meet the increasingly diverse customer demands have the potential to gain market share and increase profitability. These profits will result from either higher prices from customers, or more likely at the expense of those firms or farmers lower in the value chain. Firms most able to identify customer trends and move to serve them will stand the best chance of success and survival.

There are several demographic trends that will continue to shape the overall food market and resulting demand for locally grown processed and packaged produce. The largest of these trends, identified for their potential impact the demand for on processed and packaged produce, are characterized by a population being increasingly community-oriented and having greater access to product information. Undoubtedly these trends will continue to work in concert to change the dynamics of the food industry. The interaction of trends can best be viewed by the fact that increasingly, the value of food is less realized by the raw food, but rather in the value added activities that occur post-production.

The primary trend is in raw product being sourced within the local community around the production facility. The produce will be sourced from a number of suppliers, most of which will be member/investors in the Cooperative. For the most part, the bargaining power of the small and medium-size farmers is low because produce can be easily attained from larger producers within the State and further afield. Offering a substantial premium for local produce will entice farmers to deliver their produce to the facility. Potentially, for some farmers, contracted production to the Food Processing Cooperative could represent a significant portion of their production, if not their total production.

## Market Potential and Competitor Analysis

Processed and packaged produce is purchased through traditional distribution chains. Currently, there are four major distributors of fresh, processed produce in the Southeast: US Foods, FreshPoint (Sysco), Sodexo and Royal. All are attempting to fill the demand for locally grown produce. These distributors work closely with some of the largest farm operations in the country and around the world.

Left out of the equation are the small and medium farms due to the fact that individually they do not grow enough of any crop to satisfy the distributor's needs. The distributors are always looking for an aggregation center to bring together in one place the produce from these farmers.

By bringing these farmers together within the Food Processing Cooperative, a necessary aggregation center is created by consolidating the production capabilities of many smaller farms. This Cooperative serves the needs of both local institutions seeking fresh, locally grown processed and packaged produce and the major distributors seeking a one-stop location to purchase these products in the quantities they need.

These small and medium farms have not been able to get into the distribution chain because they do not have the facilities to process their produce. This processing can be as simple as washing and repacking, or more involved such as washing, slicing and packaging at a specific weight. This kind of minimal processing is not cost-effective to the smaller farmer.

By creating an aggregation center for these farmers, a previously unobtainable revenue stream becomes available. This provides stability in keeping the small farm economically feasible, makes the sale price to the farmer better while keeping it within the range of acceptability to the customer, and helps the local economy.

There are existing businesses that the food processing cooperative has been modeled. The only one that we found in Georgia: Coastal Georgia Small Farmers Cooperative. This company raises products (mostly collard greens, but they also grow mustard and turnip greens, watermelon, cantaloupe, peas, squash, and cabbage) on 55 acres. They have a warehouse operation that also includes a processing and packaging facility and refrigerated trucks to deliver to their customers. In Florida, there is a group called the New North Florida Cooperative Association. This group also grows collard greens, sweet potatoes, green beans, field peas, Muscatine grapes, turnip greens, strawberries, blackberries and watermelon. They have a processing facility for cleaning and processing the products to be sold as value-added products.

These companies have shown that the general concept is feasible and profitable. We do not view these organizations as competitors to what we are proposing. First, we are focused only on Georgia grown products at this time. Second, the Coastal Georgia Small Farmers Cooperative is a regional entity that serves their farmers well, but it is not design or intended to serve the broader state of Georgia.

## **Marketing Plan**

Farmers will deliver produce to the processing facility with the assistance of several local truck carriers, if needed. The Food Processing Cooperative will be responsible for providing delivery to customers. Distribution will cover the Macon area. Bulk produce will be available for pickup by major distributors at the facility. This strategy will require warehouse inventory storage capacity, which has been allocated within the facility structure. This includes both refrigerated and dry storage areas.

The Co-op will use a marketing representative who has close ties to the community to help market the product so this business is entirely responsible for all aspects of marketing up to the customer purchase. This marketing representative will have significant experience in the industry. It is expected that most of the marketing will, at first, be word of mouth marketing done to each individual company. In the startup year, it is projected that at least 4 local companies will buy into the Co-op, with additional sales to major distributors. Before operations begin, the marketing representative will be out catering to customers who have agreed to purchase as well as sourcing new customers and new farmers.

Some methods which may be utilized to help promote the product include a website and e-mail marketing. The marketing representative will be required to develop an electronic database of current and potential customers to allow for email marketing campaigns. Customers are becoming increasingly affluent with electronic web-based media, so a website and e-mail should prove to be an efficient promotional tool.

Personal selling will be the primary form of marketing via the marketing representative. The marketing representative will be paid a base \$50,000 per year salary plus benefits.

Another promotional tool that will be utilized by the Food Processing Cooperative will be to set up a booth at local farmers markets throughout the Macon area.

One significant promotional tool will involve participation in the Georgia Department of Agriculture's Georgia Grown program, allowing the use of GDA's promotional materials including use of their logo.

## **Financial Plan**

In a food Co-op, equity most typically comes from membership investments (member equity). Member equity is money invested by members as owners of the Co-op. Equity investments form the base capital of the Co-op and may be refundable to members when they leave the Co-op. When acquired properly, member equity is not a taxable source of funds for the Co-op. In a Co-op, members provide capital by purchasing shares. The share purchase is a requirement of membership. Typically, the board of directors sets the amount of shares that members must purchase.

As a new and previously unexplored venture, the Co-op would more than likely not be able to raise sufficient funds from small and medium farmers to guarantee the best chance for a sustainable operation. Outside sources of funding would be needed to allow the Co-op the time needed to become self-sufficient.



Members of the Co-op, while willing to invest their own equity to take an ownership role would not be willing to then incur commercial debt in an as yet unproven enterprise.

Start-up seed money, in the form of a grant, would be the most advisable. This funding would allow for the implementation of the processing facility, purchasing of equipment, employee payroll and initial inventory.

In the current plan, the Co-op would be leasing an existing facility located on the property of the Macon State Farmers Market. The building was most recently a food market that operated under the name Modern Grocery. More than ample parking for both cars and trucks surrounds the building location. It currently has one cross-platform loading dock. Within the same area are the farmer sheds used by local farmers to set up selling stalls for their products.

The building is approximately 30,000 square feet, and although the Co-op itself would not need to occupy that large a space, there are benefits to leasing the entire building.

The original plan for the processing facility included building a structure. This would have incurred the cost of the new building, as well as the utilities needed. Repurposing an existing building is a great savings, especially as the building already has most of the necessary infrastructure in place (electricity, HVAC, plumbing, loading dock, storage space).

The Georgia Department of Agriculture, the owner of the building, has offered to renovate the building to the Co-op's specifications, including updating the infrastructure, keeping existing industrial shelving storage units, adding industrial cooling units (refrigeration and freezer), constructing an additional cross-platform loading dock, graduating the yearly lease costs, and allowing the Co-op to sublet space for other operations (generating additional income). These improvements will cost approximately \$300,000.

Most of the sub-tenants for the premises will include local farmers and area non-profit organizations renting industrial cooler units and dry storage space. These sub-tenants will, in most cases, need the services of the Co-op as well.

The largest storage area will be used to create a food hub for the Middle Georgia area. A food hub is an aggregation center for produce (both raw and processed) that is sold to food distribution companies, such as Sysco and DoDFresh (the Department of Defense fresh produce distributor), as well as others. Rather than create a separate entity to operate the food hub, it is deemed sensible to have the Co-op oversee that part of the business as many of the functions duplicate each other.

Georgia is one of the only southern states that lack any food hubs. The USDA working definition of a food hub is "a centrally located facility with a business management structure facilitating the aggregation, storage, processing, distribution, and/or marketing of locally/regionally produced food products." By actively coordinating these activities along the value chain, food hubs are providing wider access to institutional and retail markets for small to mid-sized producers, and increasing access of fresh healthy food for consumers, including underserved areas and food deserts.

<http://blogs.usda.gov/2010/12/14/getting-to-scale-with-regional-food-hubs/>

Aggregation centers are one of the USDA Strike Force Initiatives. The Co-op will benefit by helping to address this initiative, as well as the rural development initiative that helps to better serve persistent poverty communities and socially disadvantaged farmers by coordinating activities among all USDA agencies and leveraging expertise working with Community Based Organizations. Georgia has 60 Strike Force emphasis counties, most of them in Middle and South Georgia.

<http://www.ga.nrcs.usda.gov/StrikeForce.html>

As the Co-op will already have a presence and the infrastructure available, it is good business sense to expand the operation to take advantage of this opening in the marketplace. The Co-op will already be contracting with farmers for produce; it will have the storage and processing facilities, as well as the business and marketing structure in place.

The food processing Co-op, the rental cooling units, and the food hub aggregation center will occupy three-fourths of the building space. This will allow for either future expansion of existing operations, new business opportunities, or other use of the remaining space.

### **Possible Future Expansion**

It has been suggested that a common-use kitchen would be a good fit into this space, more than likely sublet to an organization with experience in that area. A common-use kitchen is a state inspected and licensed kitchen that people can rent to produce products such as jams and jellies for retail sale (which they can not do in their home kitchens). Many are set up in such a way that customers can take a course that teaches them from idea to small business.

Shared-use kitchens rent space in the \$20 - \$25 per hour range and space can be rented to more than one group at a time, depending on the size of the kitchen and equipment available. Pricing is higher if the renter requires assistance from a professional with knowledge of the product that is being produced.

<http://www.sharedkitchens.com/>

### **Grant Opportunities**

#### ***The Federal-State Marketing Improvement Program (FSMIP)***

The Federal-State Marketing Improvement Program (FSMIP) offers matching-fund grant opportunities to assist in the creation and implementation of food hubs. These grants range from \$25,000 - \$135,000, and are administered through the state Department of Agriculture.

[http://www.usda.gov/wps/portal/usda/usdahome?contentid=kyf\\_grants\\_ams2\\_content.html](http://www.usda.gov/wps/portal/usda/usdahome?contentid=kyf_grants_ams2_content.html)

#### ***Agriculture and Food and Research Initiative (AFRI): Improved Sustainable Food Systems***

These grant opportunities can support sustainable food systems through projects that identify, develop and evaluate community organizing strategies and/or evaluate local or regional food systems and their ability to increase food security. Grants are determined each year with a maximum of \$5,000,000 over five years.

[http://www.usda.gov/wps/portal/usda/usdahome?contentid=kyf\\_grants\\_nifa1\\_content.html](http://www.usda.gov/wps/portal/usda/usdahome?contentid=kyf_grants_nifa1_content.html)

### ***Agriculture and Food and Research Initiative (AFRI) - Agricultural Economics and Rural Communities***

AFRI supports the development of sustainable business strategies, such as growing local and regional markets for small and medium size farmers, markets and trade, and rural communities. The maximum grant is \$500,000 over five years.

[http://www.usda.gov/wps/portal/usda/usdahome?contentid=kyf\\_grants\\_nifa2\\_content.html](http://www.usda.gov/wps/portal/usda/usdahome?contentid=kyf_grants_nifa2_content.html)

### ***Community Food Projects (CFP)***

Community Food Projects are designed to increase food security in communities by bringing the whole food system together to assess strengths, establish linkages, and create systems that improve the self-reliance of community members over their food needs. Grants range from \$10,000 - \$300,000 and require matching funds.

[http://www.usda.gov/wps/portal/usda/usdahome?contentid=kyf\\_grants\\_nifa4\\_content.html](http://www.usda.gov/wps/portal/usda/usdahome?contentid=kyf_grants_nifa4_content.html)

### ***Small Business Innovation Research (SBIR)***

Small Business Innovation Research helps small businesses conduct high quality research related to important scientific problems and opportunities in agriculture. Research is intended to increase the commercialization of innovations and foster participation by women-owned and socially and economically disadvantaged small businesses in technological innovation. Phase I Grants are \$100,000; Phase II grants are \$500,000.

[http://www.usda.gov/wps/portal/usda/usdahome?contentid=kyf\\_grants\\_nifa5\\_content.html](http://www.usda.gov/wps/portal/usda/usdahome?contentid=kyf_grants_nifa5_content.html)

## ***Sustainable Agriculture Research and Education (SARE)***

The following types of grants are offered through SARE:

- Research and Education Grants: Ranging from \$10,000 to \$200,000 or more, these grants fund projects that usually involve scientists, producers, and others in an interdisciplinary approach.
- Professional Development Grants: Ranging from \$20,000 to \$120,000, these grants spread the knowledge about sustainable concepts and practices by educating Cooperative Extension Service staff and other agricultural professionals.
- Producer Grants: Producer grants typically run between \$1,000 and \$15,000 to conduct research, marketing and demonstration projects and share the results with other farmers and ranchers.

[http://www.usda.gov/wps/portal/usda/usdahome?contentid=kyf\\_grants\\_nifa6\\_content.html](http://www.usda.gov/wps/portal/usda/usdahome?contentid=kyf_grants_nifa6_content.html)

## ***Community Facilities (CF)***

The Community Facilities Program supports rural communities by providing loans and grants for the construction, acquisition, or renovation of community facilities or for the purchase of equipment for community facilities. Grants vary by project, financial feasibility, and community size.

[http://www.usda.gov/wps/portal/usda/usdahome?contentid=kyf\\_grants\\_rd4\\_content.html](http://www.usda.gov/wps/portal/usda/usdahome?contentid=kyf_grants_rd4_content.html)

## ***Rural Business Opportunity Grants (RBOG)***

The types of projects that may be funded include:

- Regional economic planning focused on food system development;
- Market development and feasibility studies;
- Business training, including leadership development and technical assistance for entrepreneurs;
- Establishing business incubators, including commercial kitchens.

Maximum grant award is \$250,000.

[http://www.usda.gov/wps/portal/usda/usdahome?contentid=kyf\\_grants\\_rd2\\_content.html](http://www.usda.gov/wps/portal/usda/usdahome?contentid=kyf_grants_rd2_content.html)

### ***Rural Cooperative Development Grants (RCDG)***

Rural Cooperative Development Grants support a broad range of activities, including:

- New and beginning farmer training;
- Marketing and feasibility studies;
- Business development assistance.

Maximum grant award is \$225,000.

[http://www.usda.gov/wps/portal/usda/usdahome?contentid=kyf\\_grants\\_rd7\\_content.html](http://www.usda.gov/wps/portal/usda/usdahome?contentid=kyf_grants_rd7_content.html)

### ***Value-Added Producer Grants (VAPG)***

Grants may fund projects that:

- Create a business plan to market value-added products;
- Expand marketing capacity for locally- and regionally-grown products;
- Expand processing capacity.

\$500,000 for working capital; \$100,000 for planning - matching resources are required.

[http://www.usda.gov/wps/portal/usda/usdahome?contentid=kyf\\_grants\\_rd1\\_content.html](http://www.usda.gov/wps/portal/usda/usdahome?contentid=kyf_grants_rd1_content.html)

## **Employment Opportunities**

### **First Tier**

The Co-op will create 4 permanent positions — Business Manager, Marketing Director, and 2 Shift Supervisors. The Business Manager will be in charge of the day-to-day running of the Co-op, as well as assisting the Marketing Director in contracting farmers and Shift Supervisors. The Marketing Director will contact and contract farmers and contact customers, as well as assisting Shift Supervisors. The Shift Supervisors will oversee all parts of the processing operations, including certifications for safe food handling.

First tier employees will be paid a salary, plus benefits, in line with private sector salaries in order to entice personnel with the abilities to lead a successful business enterprise. Starting salaries, including benefits, will be in the range of \$50,000 a year.

### **Second Tier**

Between 5 - 10 part-time employees will be hired to assist in processing activities, storage, unloading and loading of products, and pickup and deliver of product.

Second tier employees will be paid above minimum wage in order to attract personnel with a commitment to assisting in the success of the enterprise. Starting salaries will be in the range of \$11 per hour.

### **Third Tier**

During the height of the growing season, 5 - 10 temporary employees will be hired to assist in processing activities.

## Insurance Coverage

First Tier employees will be offered healthcare insurance.

If possible, the Co-op will seek to provide healthcare insurance to Second (and possibly Third Tier) employees, as well as offering coverage to contracted farmers. This will depend on the number of people involved in the enterprise and the availability of affordable insurance options.

## Financial Projections

<b>Start-Up Food Co-op:</b>			<b>Notes:</b>
<b>Key Assumptions and Sources &amp; Uses Budget:</b>			Drafted April, 2012
			This is an initial working draft.
			This scenario will need to be tested with a financial pro forma to determine if the scenario is financially feasible.
			All costs are ballpark estimates, based on knowledge of prior projects and market rates. Costs will increase over time.
<b>Key Assumptions:</b>			This scenario assumes a <b>lease</b> , not a purchase
retail square feet	16,250		retail is typically 65 - 70% of total space
total square feet	25,000		
food co-op square feet	2,500		
Projected Sales	\$500,000		per year, increasing each year as customers are added
Lease Rate/sq ft, triple net	\$11.00		Rates vary greatly.
Insurance	\$0.50		
Common Area Maintenance (CAM)	\$1.00		

		\$12.50/sq ft	rental fee for sub-tenants
Date of Possession	open		
Open for Business	open		
<b>Uses:</b>			
Acquisition	n/a		
Leasehold Improvements	\$100,000	\$40/retail ft	typical range = \$40 - 80/sqft but it can be higher or lower
Equipment	\$100,000	\$40/retail ft	typical range = \$40 - 80/sqft but it can be higher or lower
Inventory	\$100,000	\$40/retail ft	typical range = \$35 - 45/retail sqft
Fees	\$50,000		includes consultants, architect/engineer, store design, legal, financing, environmental, misc.
			Fees are initially estimated at 12% of the above costs plus an allowance of \$30,000 for project management
Operating/Admin prior to Opening	\$15,000		Basic expenses incurred prior to opening
Start-up Promotion	\$10,000		Allows for promotion before opening day. Equivalent to 3 months of Year 1 advertising budget added on.
			2% of Year 1 sales divided by 4
Start-up Staffing	\$50,000		Initially estimated as 1/12 of Year 1 labor + salary/benefits for G.M and M.D.. for 6 months
Holding/Site Costs	\$0		lease deposit, if required, plus option/rent/taxes/ins/CAM/utilities before opening

Interest during project	\$0		estimated at \$1,000,000 of debt at blended interest of 7% for 4 months at 50% avg. draw
subtotal Uses	\$425,000		
<b>Total Uses</b>	<b>\$425,000</b>		
<b>Sources:</b>			
Cash from benefits, donations	\$425,000		Net Proceeds, unless expenses are shown in Uses (line 33 or 34)
Member Equity	\$10,000		20 members at an average of \$500/member. Member share requirement might be higher or lower
			Member equity would need to be fully raised within 2-3 months of opening.
Miscellaneous	<u>0</u>		Other types of equity investors.
<b>subtotal Owner's Contribution</b>	<b>\$435,000</b>		<b><u>48% of total</u></b>
Landlord Contribution	\$300,000		25% of leasehold improvements provided by the landlord, possible range equals \$15 - 25/sq. ft., but not always
Vendor Credit	\$25,000		25% of inventory covered by regular terms with vendors (not just opening order terms)
			Terms need to be established with vendors over time. There is no guarantee of initial terms. Initial terms might be COD.



<b>subtotal External/Subordinated</b>	<b>\$325,000</b>		<b><u>19% of total</u></b>
<b>Total Sources</b>	<b>\$760,000</b>		<b>100%</b>

Outlay — One  
Month

\$28,107 salaries  
 \$5,000 rent  
 \$1,000 util  
 \$500 maint.  
 \$125 ins.  
 \$1,400 inventory  
  
 \$36,132 total

Outlay — One Year

\$337,284 salaries  
 \$60,000 rent  
 \$12,000 util  
 \$6,000 maint.  
 \$1,500 ins.  
 \$168,000 inventory  
  
 \$584,784 total

Income — One Month

\$8,800 cust 1  
 \$9,500 cust 2  
 \$9,500 cust 3  
 \$9,500 cust 4  
 \$12,000 cust 5  
 \$2,500 sublet  
  
 \$37,200 total

Income — One Year

\$105,600 cust 1 School System  
 \$114,000 cust 2 Hospital  
 \$114,000 cust 3 University  
 \$114,000 cust 4 College  
 \$144,000 cust 5 Distributor  
 \$30,000 sublet  
  
 \$621,600 total  
  
 \$36,816 profit 5.90%

Customer Example — Bibb County School System

October - Week 1 - Shift 1			price	cost	wash	peel	slice	dice	wedges	post-wash	pkg	total time	#ppl	sell price
Apple Red Local, Wedges	90#	125 CT	.50/lb	\$145.00	10m				2h	10m	1h	2h	9	\$478.50
Pepper, Green, Sliced	5#	5#	.50/lb	\$2.50	5m		40m				15m	.5h	6	\$8.25
Potato, Sweet, Sticks	105#	6/8 OZ	.50/lb	\$52.50	10m	1.5h	3h			20m	1h	2h	9	\$173.25
Tomato, Large, Bulk, Sliced	1338#	CASE (25#)	.50/lb	\$669.00	30m		20h				1h	7h	9	\$2,207.70
Tomato, 6X6 Repack, Wedges	60#	20#	.50/lb	\$30.00	10m				1.5h		20m	1h	6	\$99.00
Cucumber, Sliced	245#	5#	.50/lb	\$122.50	10m		4h				50m	1.5h	9	\$404.25
<b>totals</b>				\$1,021.50								14h		\$3,370.95

Customer Example — Bibb County School System — Yearly Order Showing Georgia Grown Products

Item	Pkg Size	Origin Now	GA Grown	Season	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Apple Red Local	125 CT	GA	GA	Aug-Nov									718	634	88	
Apple, Gold, Fcy	125 CT	GA	GA	Aug-Nov											145	
Pumpkin Squash, 3/4" Dice	2/5 LB	TENN	GA	Jul-Dec									418			
Pepper, Green	5#	GA	GA	Jun-Nov									1	4	4	
Potato, Sweet, Sticks	6/8 OZ	NC	GA	Aug-Feb	153	121	65	128					46	137	162	11
Potato, Sweet Jumbo, Diced	40#	NC	GA	Aug-Feb										3		
Potato, Sweet, Sticks	12/16 OZ	NC	GA	Aug-Feb										1		
Tomato, Large, Bulk	CASE (25#)	TENN	GA	Jun-Nov	175	146			112	29			169	214	143	81
Tomato, 5X5 Repack	20#	TENN	GA	Jun-Nov									1			
Tomato, 6X6 Repack	20#	TENN	GA	Jun-Nov									5	12	12	
Cabbage, Green	50#	NC	GA	Oct-Feb	64	101	57	27	37						105	
Cucumber	5#	GA	GA	Jun-Nov						1				194	129	
Squash, Yellow	5#	GA	GA	May-Sep					102				3			
Peach	25#	FL/GA	GA	Jun-Aug						26						
Strawberries	CASE (25#)	GA	GA	Apr-May				485								

Broccoli, Florets

4/3 LB

FL

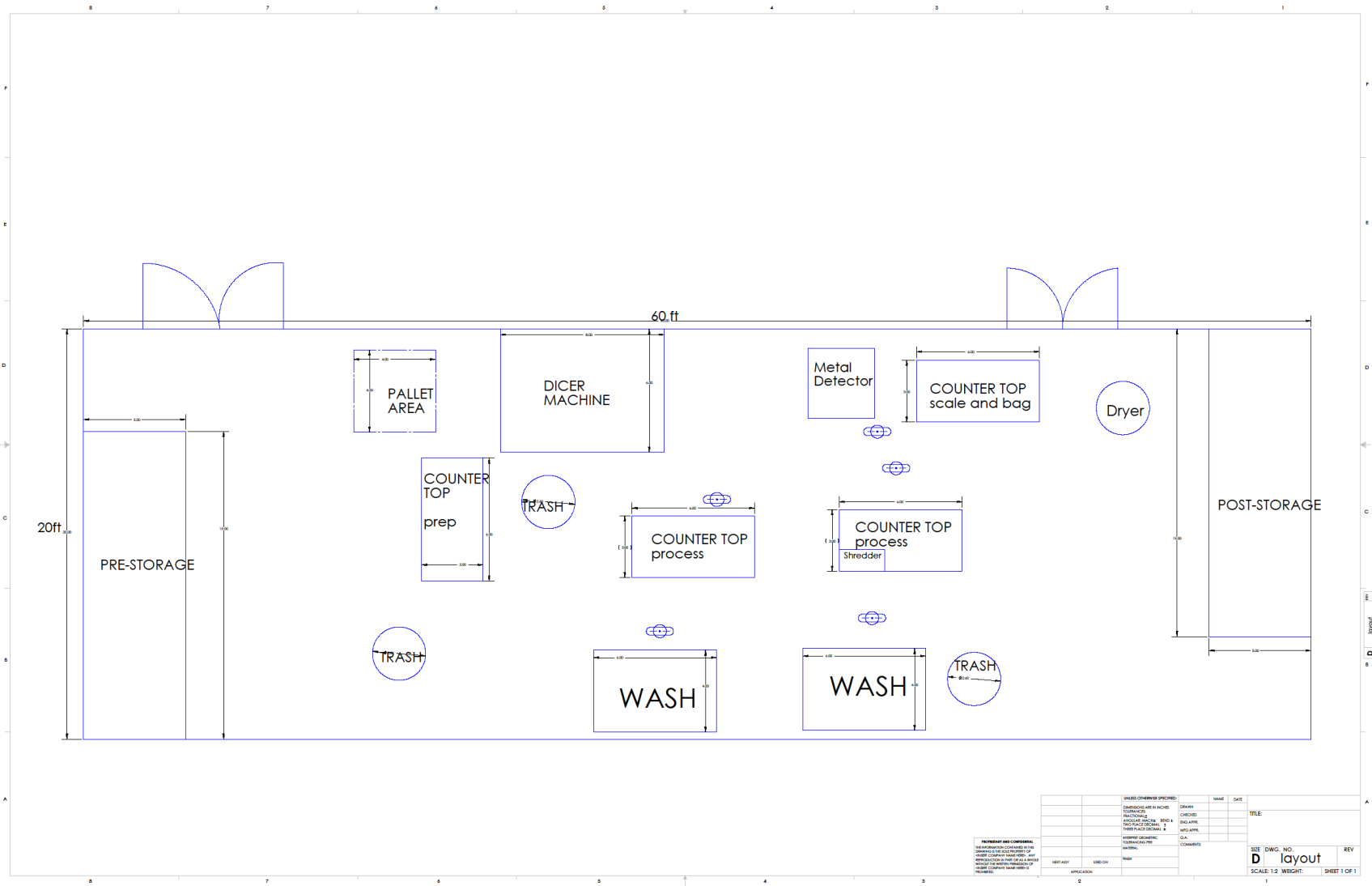
GA

Nov-Mar

90

Food Processing Cooperative Equipment List

Equipment	price	Qty	total	Model
Storage Rack	\$ 444.95		\$ -	Nexel Stainless Wire Shelving 48W x 18 D x 74 H T9A189411
Counter Top	\$ 295.98	4	\$ 1,183.92	Eagle Metal Masters T3072B 30inx72in
Counter Top	\$ 946.43	2	\$ 1,892.86	Metro HD Stainless Table MET-WT305FS
Wash Sink	\$ 764.00	2	\$ 1,528.00	Budget Kitchen Sink WGB569185
Trash bin	\$ 77.95	3	\$ 233.85	55Gal round Rubbermaid
Lid	\$ 25.95	3	\$ 77.85	Lid
Dolly	\$ 51.95	3	\$ 155.85	Dolly for trash bin
Salad Dryer	\$ 1,180.58	1	\$ 1,180.58	SDF-Electric Salad Dryer Spinner 20 L Capacity
Shredder	\$ 1,889.76	1	\$ 1,889.76	Univex VS2000 Prep-mate power Vegi Slicer & Shredder
Metal Detector	\$ 25,000.00	1	\$ 25,000.00	Mettler Toledo
Dicer Machine	\$ 22,500.00	1	\$ 22,500.00	U GA
French Fry slicer	\$ 108.15	1	\$ 108.15	ALFA FF2 1/4
Tray Sealer	\$ 16,000.00	1	\$ 16,000.00	PTC MAV-380
Manual Dicer	\$ 126.99	1	\$ 126.99	Nemco N55500-1 1/4
Total			\$ 71,877.81	



**PERMIT AND COMMENTS:**  
 ALL DIMENSIONS SHOWN ARE APPROXIMATE AND SUBJECT TO CHANGE. THE CONTRACTOR SHALL VERIFY ALL DIMENSIONS AND LOCATIONS OF ALL UTILITIES AND STRUCTURES PRIOR TO CONSTRUCTION. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS PRIOR TO CONSTRUCTION.

UNLESS OTHERWISE SPECIFIED:		NAME	DATE
FOUNDATION AND STRUCTURE	CONCRETE		
MECHANICAL AND ELECTRICAL	MECHANICAL		
PLUMBING	PLUMBING		
PAINT	PAINT		
GLASS	GLASS		
IRONWORK	IRONWORK		
ROOFING	ROOFING		
LANDSCAPE	LANDSCAPE		
GENERAL CONTRACTOR	GENERAL CONTRACTOR		
ARCHITECT	ARCHITECT		

DATE: \_\_\_\_\_

TITLE: \_\_\_\_\_

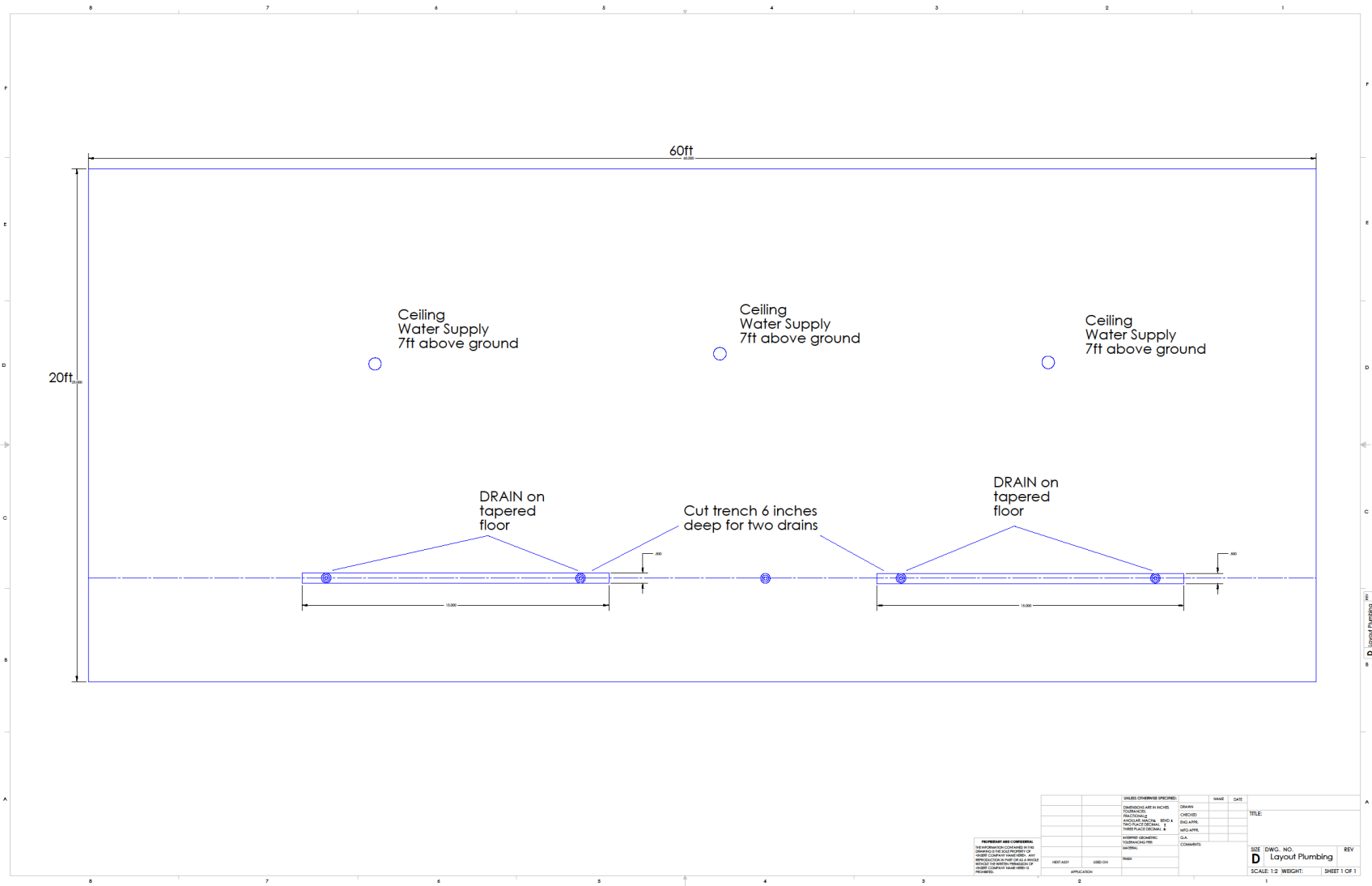
SCALE: 1/2" = 1'-0"

SCALE: 1/2" WEIGHT: \_\_\_\_\_

SHEET 1 OF 1







UNLESS OTHERWISE SPECIFIED:		NAME	DATE
DESIGNED BY	DRYING		
CHECKED BY	CHECKED		
DATE	DATE		
SCALE	SCALE		
PROJECT	PROJECT		
DATE	DATE		
SCALE	SCALE		
PROJECT	PROJECT		

TOLERANCES AND CONVERSIONS:	
1/8" = 3.175mm	
1/4" = 6.35mm	
3/8" = 9.525mm	
1/2" = 12.7mm	
3/4" = 19.05mm	
1" = 25.4mm	
1 1/2" = 38.1mm	
2" = 50.8mm	
2 1/2" = 63.5mm	
3" = 76.2mm	
3 1/2" = 88.9mm	
4" = 101.6mm	
4 1/2" = 114.3mm	
5" = 127mm	
5 1/2" = 139.7mm	
6" = 152.4mm	
6 1/2" = 165.1mm	
7" = 177.8mm	
7 1/2" = 190.5mm	
8" = 203.2mm	
8 1/2" = 215.9mm	
9" = 228.6mm	
9 1/2" = 241.3mm	
10" = 254mm	
10 1/2" = 266.7mm	
11" = 279.4mm	
11 1/2" = 292.1mm	
12" = 304.8mm	
12 1/2" = 317.5mm	
13" = 330.2mm	
13 1/2" = 342.9mm	
14" = 355.6mm	
14 1/2" = 368.3mm	
15" = 381mm	
15 1/2" = 393.7mm	
16" = 406.4mm	
16 1/2" = 419.1mm	
17" = 431.8mm	
17 1/2" = 444.5mm	
18" = 457.2mm	
18 1/2" = 469.9mm	
19" = 482.6mm	
19 1/2" = 495.3mm	
20" = 508mm	
20 1/2" = 520.7mm	
21" = 533.4mm	
21 1/2" = 546.1mm	
22" = 558.8mm	
22 1/2" = 571.5mm	
23" = 584.2mm	
23 1/2" = 596.9mm	
24" = 609.6mm	
24 1/2" = 622.3mm	
25" = 635mm	
25 1/2" = 647.7mm	
26" = 660.4mm	
26 1/2" = 673.1mm	
27" = 685.8mm	
27 1/2" = 698.5mm	
28" = 711.2mm	
28 1/2" = 723.9mm	
29" = 736.6mm	
29 1/2" = 749.3mm	
30" = 762mm	

NO.	DATE	BY	DESCRIPTION
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			
46			
47			
48			
49			
50			

NO.	DATE	BY	DESCRIPTION
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			
46			
47			
48			
49			
50			

## Next Steps

May 8 — Meeting with Daniel Westcott, Outreach Coordinator for USDA – NRCS and a member of the USDA’s Food Hub StrikeForce as well as the USDA’s Rural Economic Development StrikeForce, to discuss Food Processing Cooperative and Food Hub. Daniel oversees Community Assistance Programs and can be instrumental in assisting with funding opportunities. Giving a 20 minute presentation on the project including location, area impacted, sustainability, benefits to farmers, and proposals for funding.

May 16 – Meeting with Macon-area farmers interested in forming or utilizing the services of the Food Processing Cooperative and Food Hub. Attending with Julia Gaskin, Sustainable Agriculture Coordinator, and College of Agricultural and Environmental Sciences, UGA and Karol Kelly, Bibb County Extension Agent.

May — Pilot survey issued through College of Agricultural and Environmental Sciences, UGA, to determine the interest of farmers in the Macon-area of the Food Processing Cooperative and Food Hub. Survey covers farmers in Bibb, Crawford, Peach, Twiggs, Houston, Wilkinson, Baldwin, Jones, and Monroe counties. Final survey expected to be completed mid-Summer.

Late May — Meeting with Georgia Department of Agriculture to acquire more specific detail on the cost of leasing the Modern Grocery building at the Macon State Farmers Market. Meeting will help determine graduated yearly lease costs for a five-year contract, build-out allowance, renovation of the building and surrounding area, and cooling storage systems. At the end of this meeting, we will have a more definite idea of actual costs of leased space (per square foot) to determine sublet rates for floor space, retail space and storage rental. GDA will also supply information on estimated utility costs for the building based on the last tenant use.

June — Meeting with Arthur Blank Foundation, Georgia Centers for Innovation, Georgia Center for Economic Development, UGA College of Agricultural and Environmental Sciences, Georgia Department of Agriculture, and USDA-NRCS to discuss further funding opportunities for the next stage of development of the Food Processing Cooperative and Food Hub.

July — Begin Phase II: Setup a working group to determine a production schedule to get the Cooperative up and running before the next planting season (March 2013).

August – June — Schedule the following: Organizing, Planning, Preconstruction, Construction/Renovation, and Preparation for Opening, Opening, and Sustainability.

Potential and probable funding opportunities include:

Arthur Blank Foundation  
Georgia Centers for Innovation  
Georgia Center for Economic Development  
USDA

- Agriculture and Food and Research Initiative (AFRI) - Agricultural Economics and Rural Communities  
AFRI supports the development of sustainable business strategies, such as growing local and regional markets for small and medium size farmers, markets and trade, and rural communities.

- **Community Food Projects (CFP)**  
Community Food Projects are designed to increase food security in communities by bringing the whole food system together to assess strengths, establish linkages, and create systems that improve the self-reliance of community members over their food needs.
- **Sustainable Agriculture Research and Education (SARE)**  
Producer Grants: Producer grants typically run between \$1,000 and \$15,000 to conduct research, marketing and demonstration projects and share the results with other farmers and ranchers.
- **Community Facilities Program (CFP)**  
Community Facilities Program supports rural communities by providing loans and grants for the construction, acquisition, or renovation of community facilities or for the purchase of equipment for community facilities. Grants vary by project, financial feasibility, and community size.
- **Rural Business Opportunity Grants (RBOG)**  
Regional economic planning focused on food system development; market development and feasibility studies; business training, including leadership development and technical assistance for entrepreneurs; establishing business incubators, including commercial kitchens. Maximum grant award is \$250,000.
- **Rural Cooperative Development Grants (RCDG)**  
Rural Cooperative Development Grants support a broad range of activities, including: New and beginning farmer training; marketing and feasibility studies; business development assistance. Maximum grant award is \$225,000.
- **Value-Added Producer Grants (VAPG)**  
Grants fund projects that create a business plan to market value-added products; expand marketing capacity for locally- and regionally-grown products; expand processing capacity. \$500,000 for working capital; \$100,000 for planning - matching resources are required.

### Why the Hurry?

The steady increases in average farm size have made it increasingly difficult for small and midsized operators to compete successfully in the marketplace, especially in bulk commodity markets. In response to these prevailing trends, many smaller and mid-scale farmers have capitalized on growing consumer interest in food provenance to sell through direct-to-consumer food markets such as farmers markets, community supported agriculture (CSAs), and farm stands. According to the USDA National Agricultural Statistics Service, direct marketing of all types was worth \$1.2 billion in 2007, having grown 105 percent in value from 1997 to 2007, compared to a 48-percent increase in total farm sales for the same period (Diamond & Soto, 2009).

Direct-marketing outlets can increase returns to farmers by allowing farmers to capture additional income streams from traditionally off-farm food system activities such as aggregation, processing, and marketing (Martinez et al., 2010). Nevertheless, direct marketing channels alone are not equipped to accommodate the bulk of midsized agricultural producers — those earning between \$50,000 and \$250,000 in gross farm income (Stevenson et al., 2008). More than 270,000 farmers, with gross farm income of \$33 billion in 2007, belong to this “agriculture of the middle” category (USDA, 2009). Generally speaking, they are too big to rely primarily on direct-to-consumer marketing channels to dispense of their output. Farms in this size range are likely to specialize in one or two crops and be located far enough from population centers to make direct marketing impractical. On the other side of the coin, these midsize producers are often too small to compete on price with large commodity producers (Stevenson & Pirog, 2008). Their larger competitors are often more able to take advantage of economies of scale related to farm machinery, farm management, and/or get better terms of trade in the marketplace due to their large sales volume. “Agriculture of the middle” farmers are thus caught short, having

difficulty capitalizing on two simultaneous, if contradictory, developments in contemporary American agriculture — the growth of small-scale, niche, local production alongside the continued industrialization of agriculture into ever larger production units. The number of midsized farms declined 10 percent just from 2002 to 2007, and thirty six percent from 1987 to 2007.

In response to this conundrum, many midsized farmers are turning to a burgeoning array of alternative strategies for wholesale food aggregation and distribution, ones that can broadly be characterized as less intermediated and more direct sales from farm to institutions or retailers (Day-Farnsworth, L., McCown, B., Miller, M., & Pfeiffer, A., 2009; King, R., Hand, M., DiGiacomo, G., Clancy, K., Gomez, M., Hardesty, S., Lev, L., & McLaughlin, E., 2010). Such marketing strategies usually involve some degree of product differentiation based on attributes such as place of origin, production practices, and product quality, combined with product aggregation, to improve producers' bargaining position relative to buyers. These efforts to bypass both undifferentiated commodity markets and direct-to-consumer market channels depend on the creation of new collaborative supply chains and the marketing of differentiated products.

Key to these new food-marketing strategies (King et al., 2010) is the establishment of strong relationships between the different actors involved in growing/raising crops; processing crops; and marketing food to retailers, institutions, restaurants, and other food buyers. The phrases “values-based value chains” and “food value chains” refer to emergent supply chains emphasizing vertical coordination rather than integration throughout the supply chain (Stevenson & Pirog, 2008).

(From USDA's *Moving Food Along the Value Chain: Innovations in Regional Food Distribution*, March 2012)

The creation of Georgia's first large-scale, community-based Food Processing Cooperative and Food Hub will benefit a large portion of one of the poorest areas in the state. What the area has land, and a growing group of people with an interest in farming and other agricultural activities. What it lacks is a way to make this profitable for the small and mid-size farmer.

The Cooperative will allow farmers to contract for product before the growing season begins. In most cases, this is “money in the bank” for the farmers and can mean the difference between keeping and losing the farm.

Although there are a growing number of direct-to-consumer outlets, such as farmers markets, the number is extremely small in comparison to the population. There are more non-profit organizations dedicated to bringing fresh, local produce to the economically disadvantaged population than there are farmers markets. The farmers markets that do exist are located in the more prosperous areas of towns that are too small to have a transportation system in place to make it convenient, or even possible, for large enough numbers of people to receive the benefits of the market.

In most cases, this means that farmers must find multiple venues at which to sell their produce during the week. This keeps the farmer busy picking, loading, driving and selling, taking valuable time away from what the farmer should be focusing on — farming.

Initial talks with farmers find that attending and selling at farmers markets is an enjoyable and social occasion. Direct communication with customers allows the farmer to better understand what products sell and therefore, what the farmer should grow in order to keep the farm

economically viable. What farmers don't want to do is attend markets almost every day of the week.

If given the opportunity to contract the bulk of their products to a food processing cooperative or a food hub, the consensus among farmers is that they would accept a lesser price-per-pound than can be achieved through direct-market, still connect with their community through at least one local farmers market, and spend more time working on the farm.

Another benefit of the Cooperative will be to show potential and backyard farmers that there will be a market for their product once they start or expand a farming operation.

There is an almost unlimited desire for local produce. From the largest distributors and institutions to the smallest non-profit social organization, everyone wants produce that is grown locally, by farmers in the community, that hasn't been transported across the country or halfway around the world.

### **Beneficiaries**

Bibb County, Georgia, and the surrounding counties are some of the most economically depressed areas in the state. The Macon area is also home to one of the largest "food deserts" in the state.

The Macon State Farmers Market is geographically isolated from many of the residents that could benefit most from the fresh, local produce available. Due to a lack of consistent and plentiful customers, the Market has lost the ability to convince farmers to set up selling space. The loss of the tenants of Modern Grocery six years ago helped exacerbate the problem.

Locating the Food Processing Cooperative and Food Hub at the Market will help reinvigorate the local community in many ways. By bringing a new business onto the property, more farmers will be coming to the Market to deliver to the Co-op. This will open the selling area to people looking to purchase from the Co-op for resale at the Market, or for farmers to begin selling at the Market themselves. With more of a farmers presence selling at the Market, more residents and small businesses, such as restaurants, will begin frequenting the Market for their produce needs. The Market itself will become financially self-sustaining, allowing the Georgia Department of Agriculture to allocate additional funding for renovations and advertising.

The Market will become a one-stop pickup point for area non-profit social organizations to purchase produce for their distribution networks within and around the Macon-area "food desert." The availability of rentable cold storage through the Co-op is of great concern to these groups. This will allow the groups to purchase bulk quantities with expanded shelf life. They will then either repack for distribution or utilize the services of the Co-op to have some kind of processing done to the produce, even if only wash and dry.

The cold storage rental is also needed for the farmers involved with area farmers markets. Rather than pick, load, sell, and then unload at the farm the leftover produce, farmers will be able to drop off that produce to their rented cold storage space between farmers markets, or even sell unsold produce to the Co-op. The farmers already selling at the Market are also interested in renting cold storage for their produce, as at the current time there is none available and their produce sit out under tarps between selling times.

The Macon area is home to several large universities, all of whom are interested in purchasing local produce. The two largest are Mercer University and Wesleyan College. There are also several smaller colleges in the area. Macon is also home to the Medical Center of Georgia, the second largest hospital in the State, as well as several other medical facilities. Many people,

especially cancer patients, are restricted to diets free from chemicals found in any but locally grown produce and healthcare facilities have been looking towards purchasing as much local produce as possible.

Macon-area restaurants have also been attempting to switch over to local grown produce. Much of the processed produce choice is transported from Atlanta, even if the produce originally came from local farms. Restaurants have so far been contracting with local farmers for raw produce, but have a huge desire for processed products.

The Co-op will help to create jobs, not only at the facility but emanating from its existence. More farmers, more people working on the farms, drivers for the trucks delivering produce from the farm and to the customers, more sellers at the State Farmers Market as well as the area farmers markets — the list goes on.

### Social Organizations

**S.O.L.E. Food Coop:** The main purpose of the coop is to provide healthful affordable food to an underserved market. It is located in a food desert. Their goal is that middle Georgia becomes a food hub and that the area is able to feed itself from local produce.

**Community Health Works:** Goal is to get fresh local produce to all communities. CHW is involved in the Downtown producer- only farmers market every Wednesday in Macon. They are involved in farm to school and do not believe that the existing local supply of produce can meet the 21,000 meals served daily in the school system. CHW initiated and help run the mobile farmers market that goes to underserved areas.

**Macon Roots:** Helped start the Macon area farmers market and a grocery store in College Hill. MR sees the need for an aggregation center for local farmers. MR recently got a donation of 14 acres in a food desert in Macon. The land is not good for growing, but could possibly be a youth training facility or used for cattle.