

A Kane County Food Hub Project: Sourcing Healthy and Local



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Land Use Planner

Kane County Development and Community Services

February 8, 2016

Growing for Kane Initiative and Food Hub Feasibility Recommendation

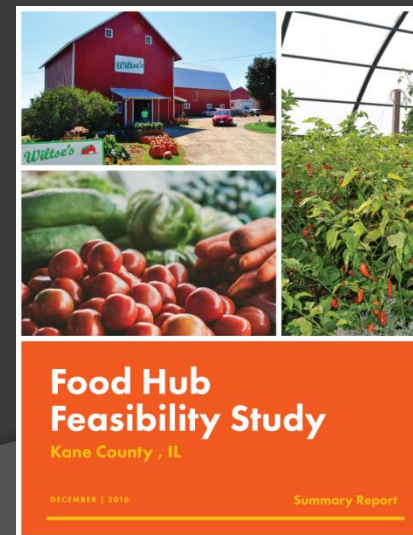
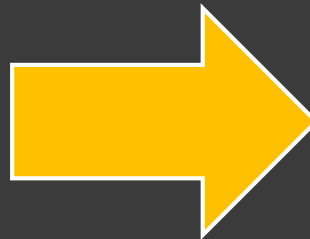
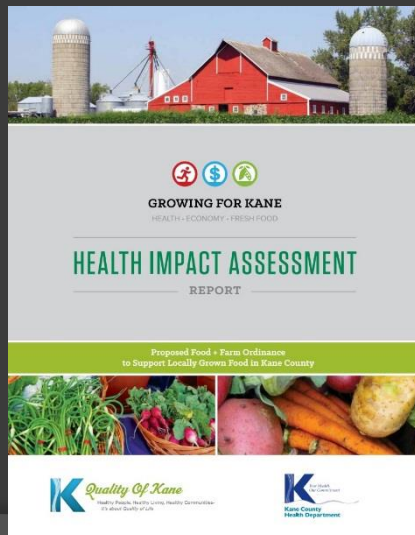
HIA REPORT RECOMMENDATION

Recommendation

Kane County should work with Northern Illinois Food Bank (NIFB) and Kane County Farm Bureau to **study the feasibility of locating a food hub.**

Result

Farmers have motivation to grow more produce with centralized cleaning, packaging and distribution available off farm.



What is a Food Hub?

- Centralized aggregation, processing and distribution
- Connects small to mid-sized producers with larger buyers
- Specialized services: product marketing, food processing and safety training

Who does it serve?

Agricultural Producers
Restaurants & Food Retailers
Health Providers

Schools / Public Institutions
Wholesale Distributors
Community Organizations



The Food Hub Feasibility Study

What we Learned about the Market...

Interested **producers/farmers** account for:

- **850 acres** of current fruit & vegetable production
- **160 acres** of potential expansion

Interested **wholesale buyers** account for:

- **\$53 million** in spending on whole produce
- **\$26 million** in spending on processed produce
- **\$31-\$35 million** in spending on meat, dairy, eggs



Growers

1,010 Total Acres of Supply



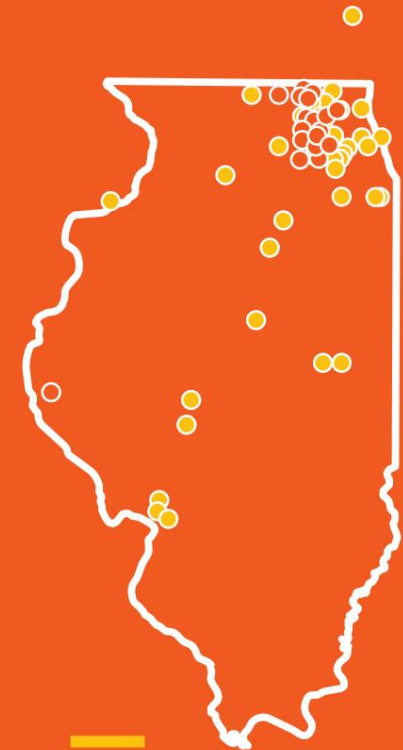
Buyers

\$110 Million Total Demand

Grower and Buyer Survey

March 5 - May 12, 2015

29 producers & 51 buyers

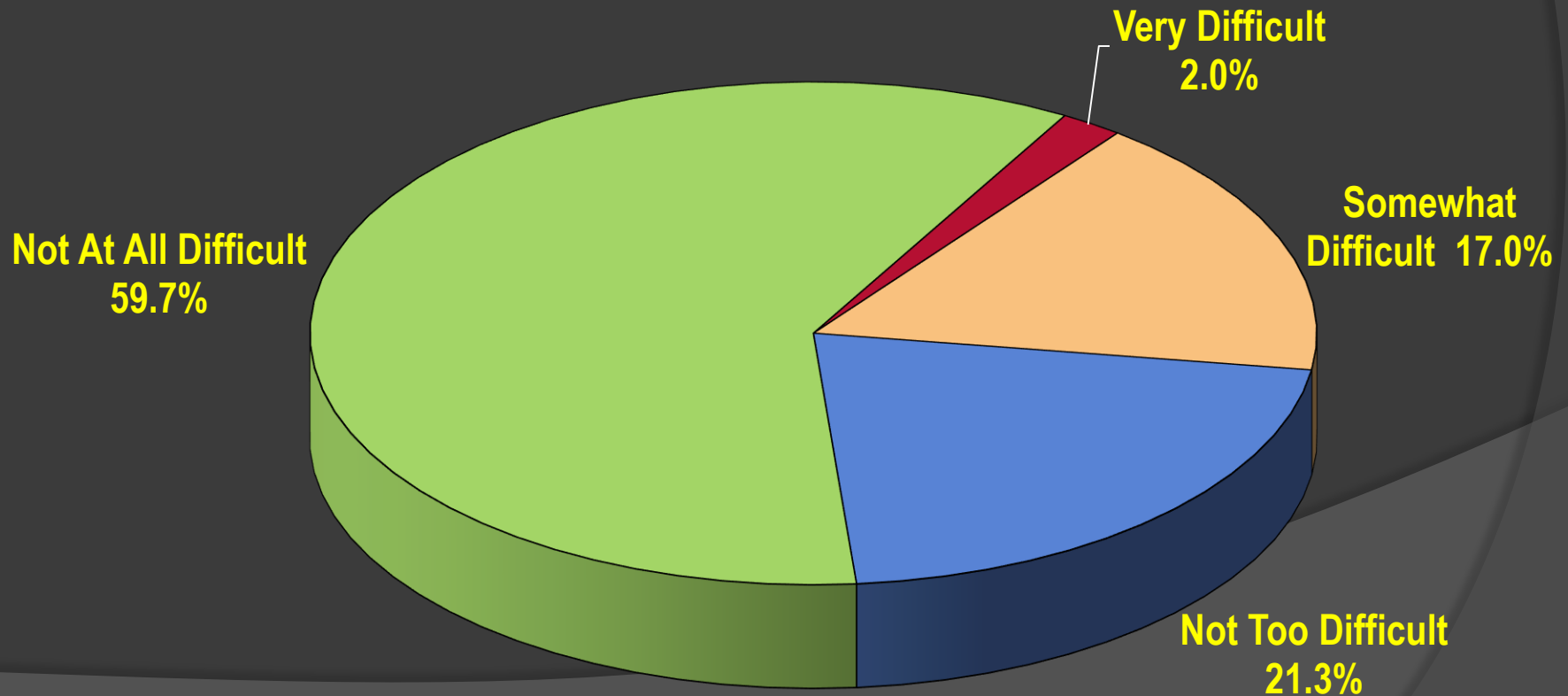


○ Growers

● Buyers

Need for Health Equity Focus

Kane Population – Access to affordable fresh produce (2014 Community Health Survey)



Health Equity Addressed in Hub Operating Model

Strategy 1

Specialized Processing

- Demand among schools for processed fresh-cut produce for use in cafeterias



Strategy 2

Fresh Produce Prescription Box Program

- Hub to sell CSA-style weekly produce boxes to SNAP recipients through partnership with healthcare providers



Business Analysis & Financial Assumptions (at 3-year operating period)

This food hub would require...

- an 8,000 sqft warehouse

And would generate...

- \$3.4 million in sales and \$150 thousand in cash flow.

Based on scenario testing, the hub could maintain profitability and withstand fluctuations in pricing, volume, and margin by plus or minus 15%.

Regional Economic Benefits

Job Creation and Wages

- \$365,000 for 7 Full time salaried positions
- ~20 Seasonal warehouse positions



Indirect Job Creation

- ~12 Construction jobs (full-time over four months)
- ~23 Input / Procurement related jobs (~11 are on farm positions)



ONGOING ACTIVITIES

Site Search Request for Info (RFI)

Objectives:

- Generate a list of potential food hub facilities in Kane Co.
- Make list of facilities available to interested operators



To request a copy of the RFI Document with site criteria, contact KC Purchasing Dept. Submittals accepted now through February 22, 2017.

ONGOING ACTIVITIES

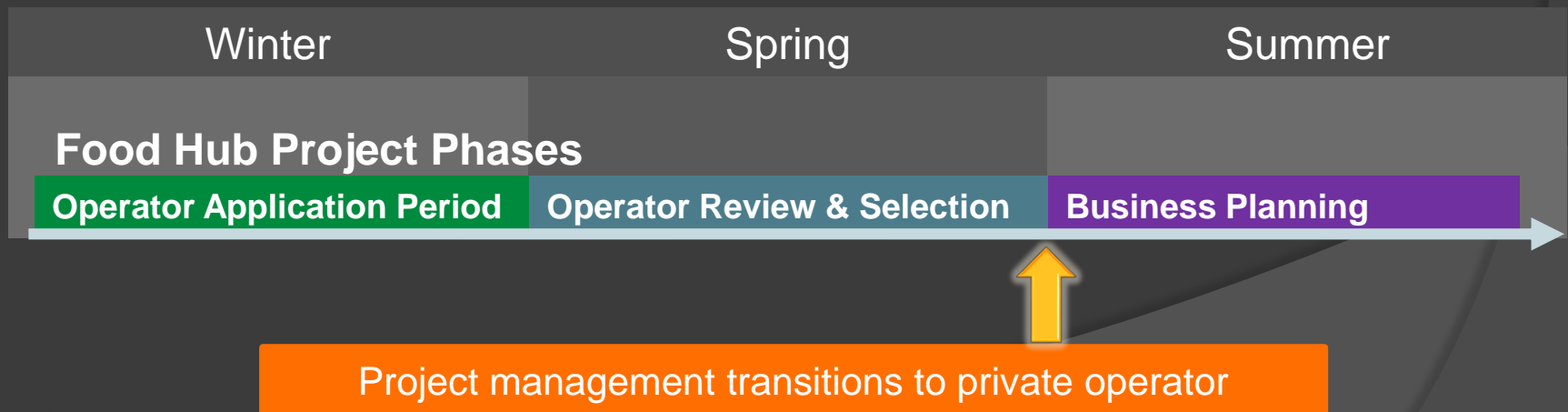
Operator Search Request for Proposals (RFP)

- Identify a qualified operator to run and/or own the hub
- Selection criteria to include adherence to recommendations of the Feasibility Study
- Transition of project management from the County to the operator

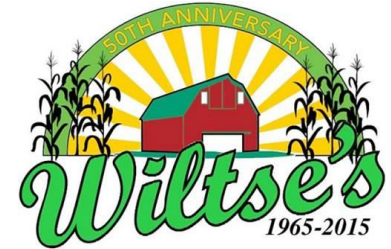


Timeline

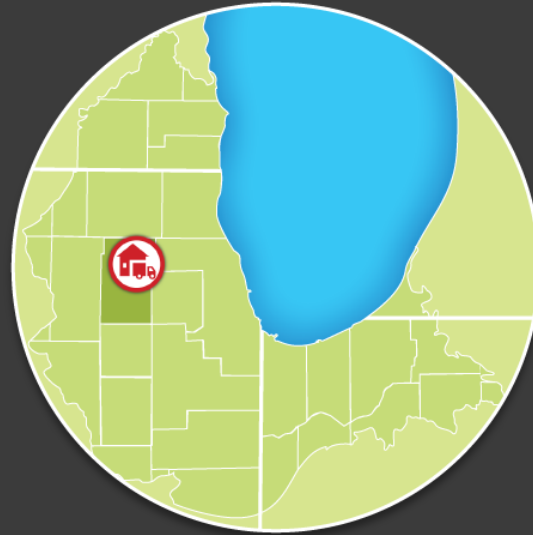
- ✓ Submission deadline for potential sites – **February 22nd**
- ✓ Application deadline for Operator RFPs – **March 21st** (application period begins 2/8/17)
- ✓ Candidate finalists notified – **Spring 2017**
- ✓ Operator Selected – **Summer 2017**



Our Project Team and Contributors



Questions?



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Food Hub Project Website

<http://www.countyofkane.org/DER/Pages/foodHub.aspx>

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