



# Retail Agriculture: Bringing Our A Game to Local Foods

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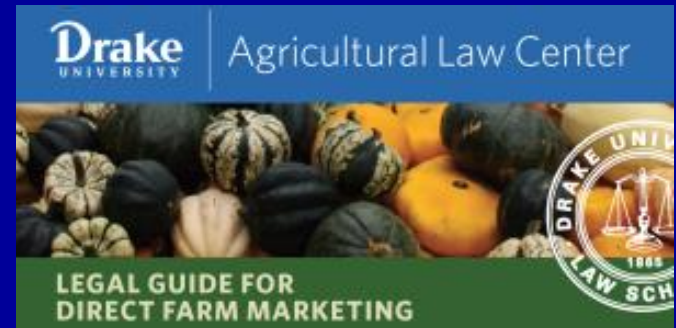
2015 Iowa Fruit and Vegetable Growers Association Conference

FFA Enrichment Center on the DMACC Campus in Ankeny

January 29, 2015, Ankeny, IA

# Drake Ag Law Center

- Opportunities to study food and agriculture law  
[www.law.drake.edu/aglaw](http://www.law.drake.edu/aglaw)
- Outreach to the food and agriculture community:  
[www.drakeaglaw.org](http://www.drakeaglaw.org)
- My role: to help grow the Iowa food economy



# Coyote Run Farm

Lacona, Iowa - Marion Co

Founded in 2005, we're restoring a 110 acre farm into a profit center through relational marketing and sustainable agriculture.

- Fruits, vegetables, cut flowers, plants
- Pasture poultry
- Specialty beef
- Hay, horses, mules



# The Food Movement

The pendulum swings





# The benefits of eating better foods



# The politics of eating better



# The business of eating better foods





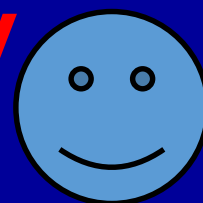
# What's Needed

- Competitive but also cooperative—the pie can get bigger and has to for success
- Develop retail agriculture for the sake of retail agriculture—economic development
- Understand markets—then identify them—then go after them (who can pay for our products?)
- Successful farmers become philanthropists—and in that order



# Most Important Point

The price structure has to  
be high enough to  
generate enough money  
to build our farms and  
the industry



# Why the A Game?

- Opportunities at the farm gate of the supply chain that haven't existed in a couple of generations
- Opportunities to modestly repopulate rural?
- A both/and opportunity—developing retail agriculture doesn't require diminishing commodity agriculture

# Retail Agriculture at CRF









# Yearly Gross Farm Income

- 2005 \$8603
- 2006 \$19695
- 2007 \$33755
- 2008 \$53330
- 2009 \$59472
- 2010 \$71591
- 2011 \$74535
- 2012 \$67834
- 2013 \$72568
- 2014 \$68935
- 2015 goal \$65000
- Average 54K or 59K



# What we've leveraged from the farm

- Credit to improve the farm
- Credit to improve the house

# What we haven't bought with farm income

- A sack of groceries
- Health insurance
- Household utilities
- A gallon of gas
- Clothes, soap, shampoo, vacuum cleaner
- A vacation
- Principle payments on the farm

# What we've bought with farm income

- Farm labor—neighbor kids
- Farm improvements—ponds, fences, watering systems
- Farm inputs—seeds, supplies, equipment
- Livestock—cattle
- Farm utilities—electric, water
- Interest payments on the farm loan



# What We've Learned

1. Schedule F: It's all about the tax code baby
2. Market Power is King
3. Relationships are Fundamental
4. Intellectual and physical work cannot be sustained forever
5. Quality and not convenience/price

# What We've Learned

6. Premium price versus premium product
7. Authenticity is the best marketing tool
8. USDA and the American tax payer—  
& don't forget IDALS
9. Off farm income
10. Credit and the importance of financial  
constraints

# Thank You!



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