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 Ankenyi
January 29, 2015, Ankeny, IA
Drake Ag Law Center

- Opportunities to study food and agriculture law
  www.law.drake.edu/aglaw

- Outreach to the food and agriculture community:
  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 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
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

<table>
<thead>
<tr>
<th>Year</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$8603</td>
</tr>
<tr>
<td>2006</td>
<td>$19695</td>
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<td>2007</td>
<td>$33755</td>
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<td>2008</td>
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<td>2010</td>
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<td>2011</td>
<td>$74535</td>
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<td>2012</td>
<td>$67834</td>
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<td>2013</td>
<td>$72568</td>
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<tr>
<td>2014</td>
<td>$68935</td>
</tr>
<tr>
<td>2015 goal</td>
<td>$65000</td>
</tr>
<tr>
<td>Average</td>
<td>54K or 59K</td>
</tr>
</tbody>
</table>

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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—and don’t forget IDALS
9. Off farm income
10. Credit and the importance of financial constraints
Thank You!

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