

## **Puget Sound Food Project**

### **Infrastructure Progress Report: September 2008**

The Puget Sound Food Project (PSFP) involves both a strategic planning process to bring together producers, food buyers, business leaders, and local decision makers, and a study to assess the feasibility of a multi-purpose agricultural processing center that will support marketing efforts of local small and mid-sized farms in the Puget Sound region.

At the heart of the processing facility study is the premise that a major obstacle confronting producers is the dearth of such facilities throughout the Puget Sound region. Many producers attending PSFP meetings during the last year lamented the fact that processing resources are continually eroding as commercial processors cease doing business in the area or become inaccessible to local producers.

#### **Effort to Expand Market for Local Apple Grower Illustrates Obstacles**

A new Northwest Agriculture Business Center (NABC) project illustrating the dilemma confronting food producers in the region is a product called *Skagit Fresh*. To help northwest Washington apple growers expand their market, NABC got involved in a project to turn local apples into a carbonated drink flavored with local berries.

Because of the lack of local processing facilities in the Puget Sound region, apples harvested in Whatcom County had to be trucked over the Cascade Mountains to a facility in eastern Washington for juicing. The juice was then transported to Portland, Oregon for bottling. The berries were shipped to Canada to be processed and the berry concentrate was then trucked to Portland to be added to the carbonated apple juice. The bottled beverage then had to be trucked back to northwest Washington for sale. (The first cases of Skagit Fresh Natural Beverage hit selected retail outlets less than two weeks ago and already Whole Foods is placing a second order for the sparkly local beverage.)

As promising as this product is, the fuel-consuming, profit-diminishing obstacles involved in getting it to market underscore the importance of the Cascade Harvest Coalition (CHC)-NABC collaborative effort funded by the Carolyn Foundation. A key element of that effort is the exploration of opportunities to create facilities that would, for example, do the juicing, carbonating, concentrating, and bottling required to prepare the Whatcom County apples for market without leaving northwest Washington. The ultimate goal, of course, is more profit to local farmers and, ultimately, more farmland preserved.

#### **I. Licensed Processor Survey**

As part of the effort to assess processing facility needs in the region, a survey was mailed during April and May of 2008 to 1,748 licensed food processors in the 12-county Puget Sound region. Of the surveys mailed, about 13% (approximately 225) were returned because the processing facility had moved or gone out of business. Follow up confirmed that the vast majority of these 225 processors were no longer in business—adding further evidence that food producers' access to processing facilities in the region has decreased significantly in recent years.

At the time of the last Progress Report, approximately 60 survey recipients had returned completed questionnaires, providing details about the types and volumes of food being processed at those facilities. To reach more of the 1,523 licensed processors believed to still be in business, NABC and CHC staff teamed up during the month of August to call all of the processors who had not responded to the mailed surveys.

Even with the concerted follow-up telephone canvassing, for a variety of reasons it was difficult to get most State-licensed processors to complete the survey. Generally, the vast majority of companies licensed by the State as “processors” either are not truly food processors (instead engaged in warehousing, distribution, or operating small businesses such as food co-ops, retail grocery sales, food banks, etc.) or are licensed simply to process their own food product and lack either the space or the interest to open their facility to other producers.

When asked on the phone why they had not responded to the CHC-NABC survey received in the mail, many licensed processors said they felt the survey and its goal — to identify potential co-pack facilities capable of processing for other producers — was not relevant to them. That reality further validates the original assumption—namely, that very few processing facilities capable of or receptive to serving food producers in the region exist today.

## **II. Promising Results**

A significant outcome of the survey project to date has been identification of a half-dozen processing facilities in the region that survey respondents maintain are presently under-utilized. As mentioned in the last report, project staff have toured and photographed two of the most promising facilities: the former National Frozen Foods plant in Burlington, and Shawn’s Produce in Everett. Both of these facilities remain promising, and in fact, as a result of the PSFP survey and NABC follow up, Shawn’s Produce is now working with producers previously unaware of Shawn’s and the processor/distributor’s capabilities.

### **A. Pacific Pre-Pak Processing Facility Has Great Potential**

Another “discovery” is Hendrickson Farms dba Pacific Pre-Pak—a 16,000 s.f. family-owned and -operated processing facility in Marysville, about 50 miles north of Seattle. Pacific Pre-Pak is owned and operated by Mike and Emily Bennett. While the previous owner chose to operate “under the radar” and not expand the business, the Bennett’s have invested in new equipment and are actively looking for food producers in need of processing services. The new equipment allows Pacific Pre-Pak to custom cut virtually any produce—including fruits and vegetables for schools as well as retail and food service.

Because of the Carolyn Foundation-funded efforts, Pacific Pre-Pak is now discussing with World Baby Foods and local apple growers the feasibility of pureeing apples at the Marysville facility. Mike Bennett has located the necessary equipment, and project staff members are helping expedite the process for the organic certification Pacific Pre-Pak will need to process for World Baby Foods.

The Pacific Pre-Pak facility has room for additional expansion and the Bennett's are receptive to devoting space to a commercial kitchen that would be available for area producers of value-added products. The facility has loading docks, multiple coolers for cold storage, and a fleet of refrigerated vehicles.

Geographically, the National Frozen Food plant in Burlington, Pacific Pre-Pak in Marysville, and Shawn's Produce in Everett are strategically spaced ideally for producers in that northeast portion of the Puget Sound region. Project staff are scheduling tours of the other four facilities identified by the processor survey and will continue to search for other under-utilized facilities throughout the region.

### **B. Old Country Charm Dairy Facility Also Very Promising**

In the same general area—just north of Marysville in Arlington—is the Country Charm Dairy. Owned by long-time and now retired dairyman Hank Graafstra, the County Charm Dairy offers approximately 8,000+ square feet of processing, commercial kitchen, storage, and store-front space just outside Arlington city limits. The facility is connected to City water and sewer. NABC staff members met with Mr. Graafstra, a City of Arlington representative, and a person representing the company helping transition the Dairy to a community ag and economic development center featuring processing and commercial kitchen facilities as well as a center for Community Supported Agriculture (CSA) drop off and pick up.

The old Dairy is interesting partly because it is an established enterprise (in business for more than 30 years) in an area that is expected to increase from its present population of 17,500 to more than 35,000 by the year 2025. In its heyday, the Country Charm Dairy supplied dairy products, fruits, and vegetables to some 55,000 people (including ice cream to Okinawa!).

With the existing facility and some 15 acres of beautiful riverfront, rich soil that the City of Arlington wants to convert to recreational and community gardening uses, this property is of significant potential value to Carolyn Foundation-funded efforts to strengthen the regional food system.

Now in his eighties, Mr. Graafstra would like to leave as his legacy an agriculture-based economic development and trade center that would make it easier for new farmers to succeed

and reestablish the facility as a source of locally-produced food. The City of Arlington shares that vision and is working to annex the property into the City limits to make the transition easier.

NABC has been asked and has agreed to play a major role in reviving and turning the old Country Charm Dairy into a functioning link in the regional food system.

### **III. Farmers Survey Bearing Good Fruit**

To date, the CHC-NABC farmer survey has been emailed to approximately 3,000 farmers in the region. Over the next few weeks, as part of a collaborative effort involving NABC, CHC and several partner organizations throughout the region, surveys will be gotten to many more producers via email, postal service, and face-to-face interviews.

Although too early for a comprehensive report with conclusions, the approximate 100 preliminary “returns” are interesting:

- 80% of the farmers who responded own the land they farm.
- 93.5% of those farmers live on the land they farm.
- 54.8% said they do have access to additional acreage (ranging from one acre to 1,000 acres) they could farm if demand for their product were greater.
- 92.3% of the farmers responding to date do not know of a processing center that is under-utilized or that could be expanded.
- 73.3% of the farmers said they are interested in having a shared multi-purpose agricultural production center near their farm--53.3% saying they are “very interested” and 20% indicating they are “somewhat interested.” Only 16.7% said they are not interested.
- Asked how far they’d be willing to transport their produce to a processing center, responses ranged from 14 to 200 miles with most preferring no more than 25 miles.
- 70.4% of the farmers responded in the affirmative when asked if having a processing facility within reasonable distance would encourage them to grow other crops or start other farm enterprises.

Information will continue to be gathered over the course of the next several weeks and months as part of the Puget Sound Food Project to assist in the effort to develop strategies to strengthen the regional food system. The next Progress Report will provide additional details, stats, and conclusions.

### **IV. Complementary Efforts**

#### **A. Feasibility Study for Port of Skagit County**

Because it is economically prohibitive for every small producer to build, equip, and operate a packing facility, project participants are exploring the creation of co-packing facilities throughout the region. One promising study funded in part by the Carolyn Foundation and in part by the Washington State Community Economic Revitalization Board (CERB) would facilitate development of a regional processing facility, most likely in Skagit County. The planning process is underway for a co-pack facility that would process compatible products such as pickles and relish, apple and berry products (including juice), and baby food. The feasibility study is scheduled for completion by October 31 of this year.

#### B. Commercial Kitchen Survey

Project staff members have also been surveying owners/operators of commercial kitchens in the region. Although not yet finished, the survey is confirming a shortage of commercial kitchen space available for public use. As with processing facilities and distributors, this survey is also “discovering” several promising commercial kitchens scattered throughout the region. Project staff members are planning visits to those kitchens and will include photos and details in the next progress report.

#### C. Puget Sound Food Network

With federal funding via a Congressional Earmark Grant, NABC is working with CHC and other partner organizations throughout the Puget Sound Region to create a web-based tool that will enable real-time communication between food producers, consumers, and other participants in the regional food system and facilitate on-line food-related transactions. A Puget Sound Food Network Advisory Committee comprised of some of the regional food system’s brightest participants will convene on November 14 at the University Center in Everett to help direct the project. NABC staff members are travelling throughout the Puget Sound Region to inform people of the Food Network, solicit input, and encourage participation. The goal is to have gathered input from potential Network “owners”—food system participants who will actually be using the on-line tool on a daily basis—by Spring of ’09 and have the Network up and running by the end of the year.