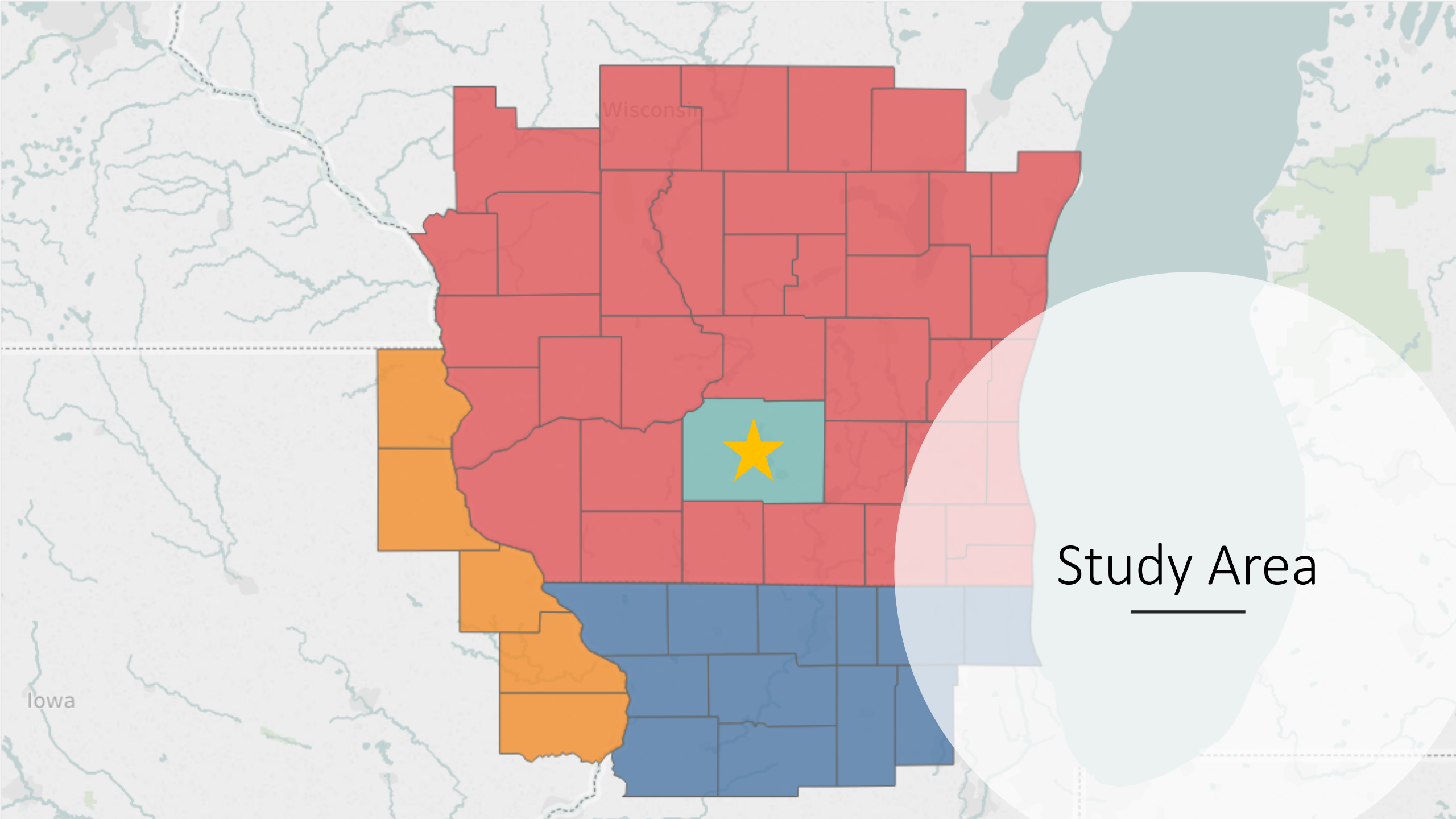


Madison Terminal Market Project

September Update



Wisconsin

Iowa

Study Area

Project Phasing

- Phase 1 – Needs Assessment – September 2019
 - Discovery
 - Consumption patterns
 - Industry trends
 - Community needs
 - Freight movement
 - ★ Ideation
 - Concept development
 - Concept testing – by November 1
- Phase 2 – Business Case Design – December 2019
 - Final concept development
 - Business planning
 - Financial modeling

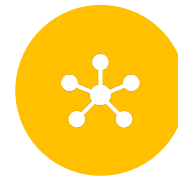
Terminal markets perform a critical role in the food supply chain



Information exchange
- *trust*



Price discovery -
transparency



Network
development -
collaboration



Liquidity - *cash flow*



Efficiency - *lower cost*



Product diversity -
expanded choice

Quotes

“Increasingly it is our farm employees in the retail store stocking shelves and interacting with the customer... Other farmers and vendors are doing the same thing at the same time.”







“Small retailers are moving toward outside category management for perishable departments to reduce overhead costs. Vendors with the capability to integrate these services ...have a sales advantage.”

“Working with 10 or more farmers at a time to source local is inefficient and difficult for us to do. Any system that could streamline the process and give us a single source of information and one payment option would help.”

“We have a hard time getting regular deliveries into Madison because of the DOT rules. This means we need to order larger volumes which are difficult to store because we have no warehouse. If there is a mistake in an order, we are sometimes without a product for several days.”

“Our price points are often higher than national and regional stores because we have no place to store large volume purchases.”

Supply Chain Needs

Feature/element	Retail, Restaurant, Institutions	Wholesaling & Distribution	Manufacturing	Farmer
 Information	Transparency & trust Food safety Planning	Transparency & trust Food safety	Transparency & trust Food safety	Production planning Food safety Transparency & trust
 Price Discovery	Price transparency Cost control	Price transparency Cost control	Price transparency Price consistency	Price transparency Price maximization
 Network Development	RFP/RFQ Electronic data exchange	Enhanced network Electronic data exchange	Enhanced network Electronic data exchange	RFP/RFQ Electronic data exchange
 Liquidity	Small orders Contracting	Cash settlement Consignment	Reduced storage costs	Large order Contracting
 Efficiency	Processing Transportation Flex storage	Automation Flex storage Transportation	Online procurement Flex storage Transportation	Marketing services Transportation Flex storage
 Product Diversity	Local foods Minimally processed	Local Minimally processed	Produce processing Local supply chain	Processing Value-added Cold storage

The Madison Consumer Market

- Characteristics

- Love organic
- Desire home delivery
- On-the-go
- Environmentally conscious
- Tech savvy and digitally connected (88% smartphone use)

20%

MORE LIKELY TO BUY ORGANIC FOODS THAN AVERAGE AMERICAN

43%

MORE LIKELY TO GET FAST FOOD DELIVERED HOME THAN AVERAGE AMERICAN

- Needs

- Convenience
- Online shopping
- New experiences through tech (AR/VR/Kiosks/Apps)
- Transparency and trust

9%

MORE LIKELY TO BUY ON CREDIT THAN TO WAIT

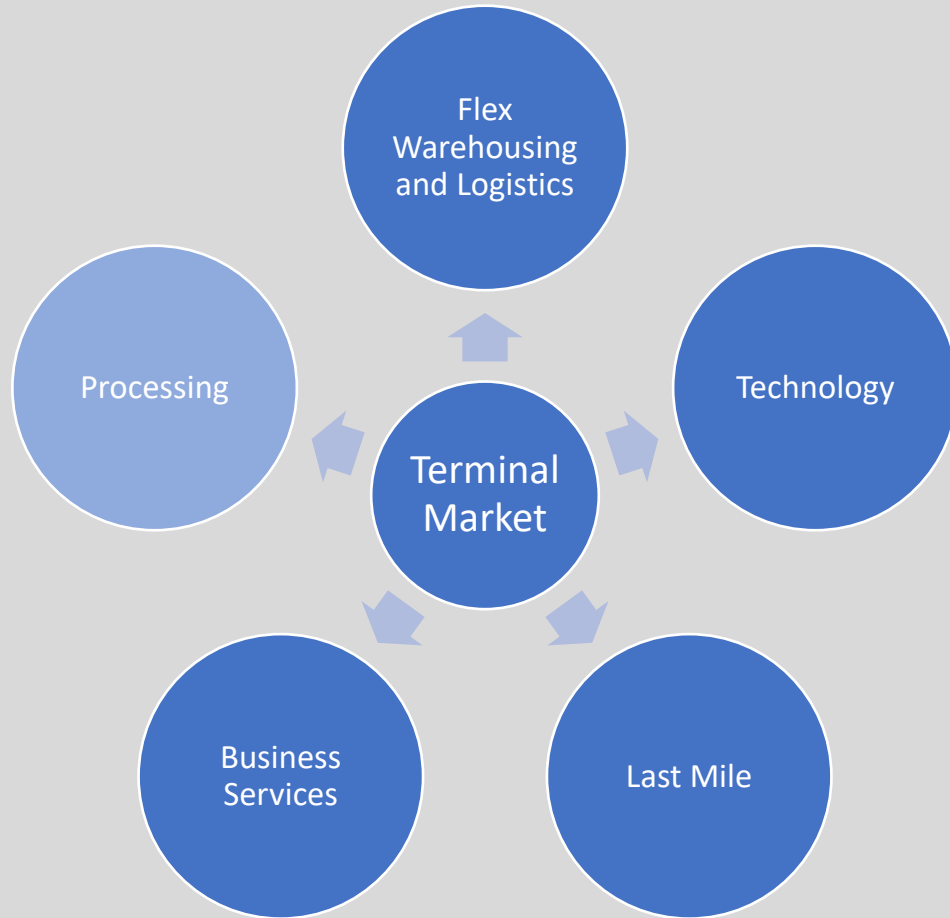
5%

MORE LIKELY TO PAY MORE FOR GREEN PRODUCTS

8%

MORE LIKELY TO VALUE GREEN PRODUCTS OVER CONVENIENCE

Terminal Market Elements



- Critical elements
 - High efficiency cold storage
 - Transportation services
 - Supply chain visibility
 - Blockchain
 - Category management
 - Last mile delivery
- Key attributes
 - Customizable real estate
 - Pay-as-you-go
 - Neighborhood accessibility
 - Region-to-region trade

How might FPC stakeholders benefit?

Independent food retailers

- Improved inventory storage options
- Expand availability of fresh and local products
- Increased product diversity

Low-food access

- Additional delivery options
- Increased product diversity in neighborhood markets

Farmers

- Increased market access for small- and medium-sized farms
- Reduce transport costs
- Enhance connection to more consumers

Small food business entrepreneurs

- Business support
 - Category management
 - Merchandising
- Access to processing space
- Employee training

Food waste recovery

- Centralized pickup
- Larger base of companies
- Biodigester - energy recovery

What are the benefits?

- Enhanced industry cluster effects
- Improved employment opportunities
- Increased food access
- Broadened food recovery capability
- Expanded organic waste utilization
- Enhance value chain participation for WI farmers and food entrepreneurs
- Retained economic benefit
- Improved transportation conditions

What is next?

Phase 1:
Nov. 30

Concept testing
Concept refinement
Final business concept

Phase 2:
Dec. 31

Business model with agreed upon
elements
Financial planning based on site options

Contribute to the Outcome!



FPC WORK GROUP



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STAY TUNED FOR OCTOBER
LISTENING SESSIONS