



Wholesale Food Infrastructure Needs & Opportunities in Madison

Madison Food Policy Council
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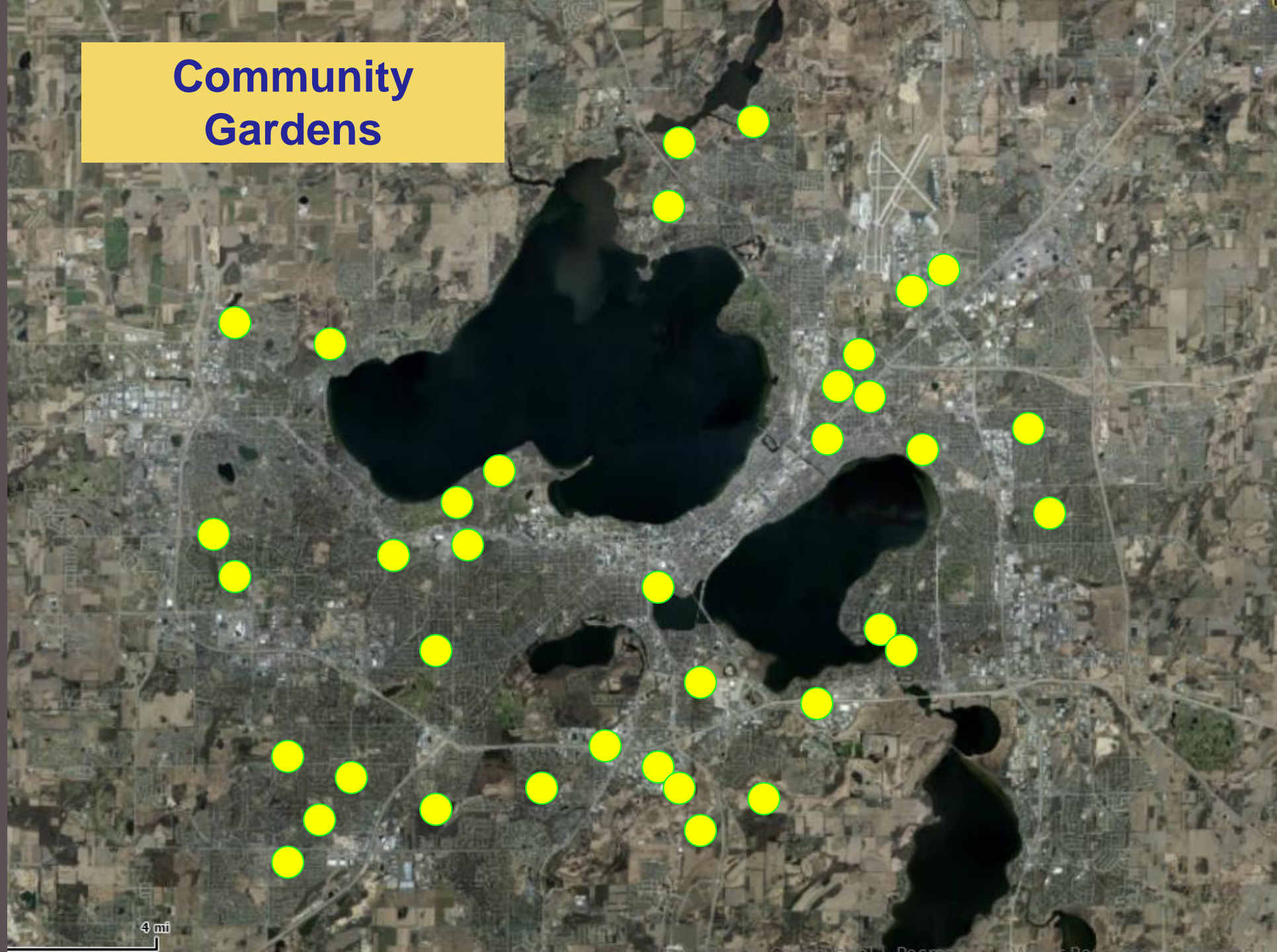
Farmers Markets



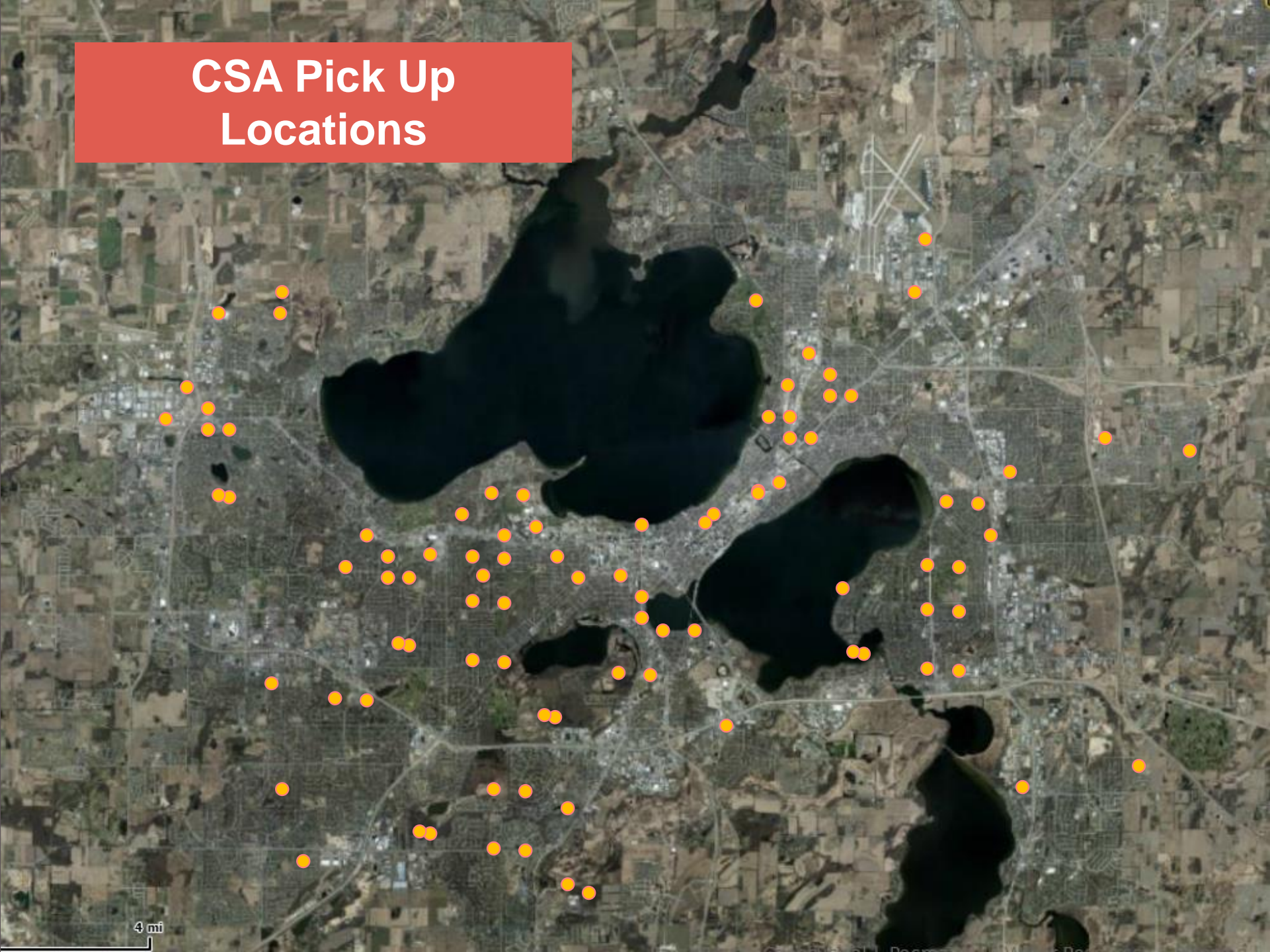
A look at the Madison food system by component...

Map content adapted from Dan Kennelly, City of Madison, Office of Business Resources, 2018.

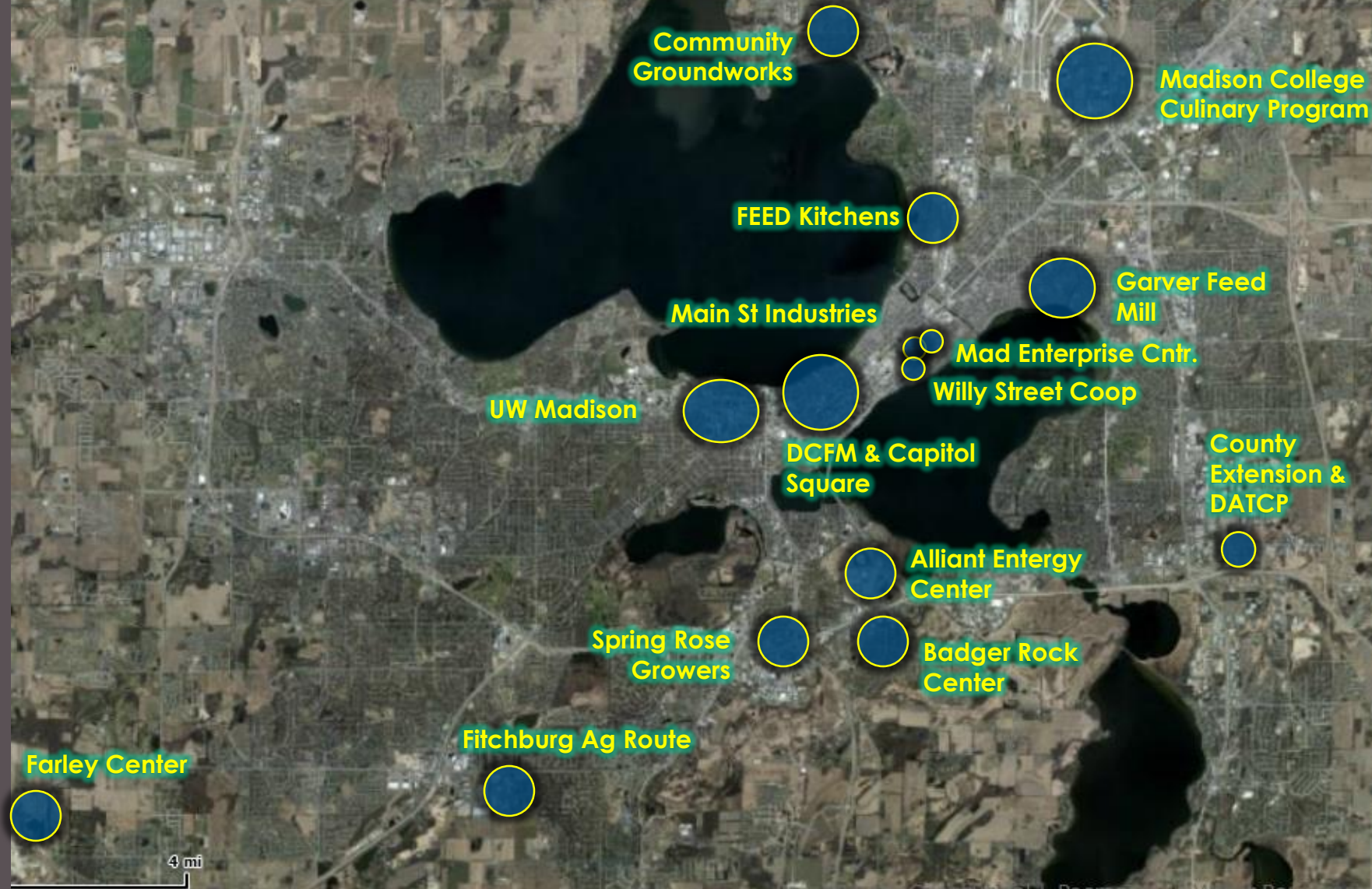
Community Gardens



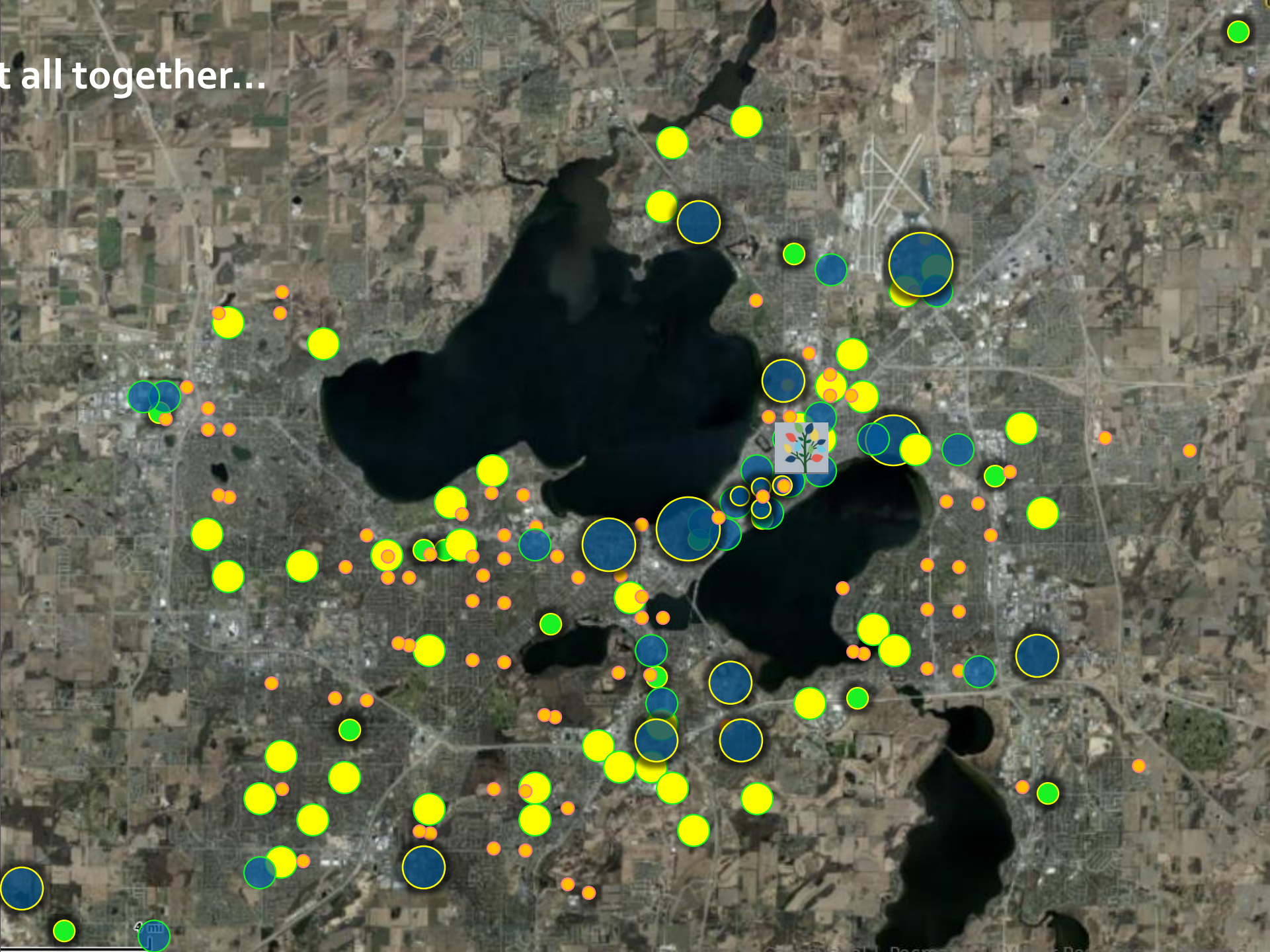
CSA Pick Up Locations



Unique Assets, Projects, Infrastructure



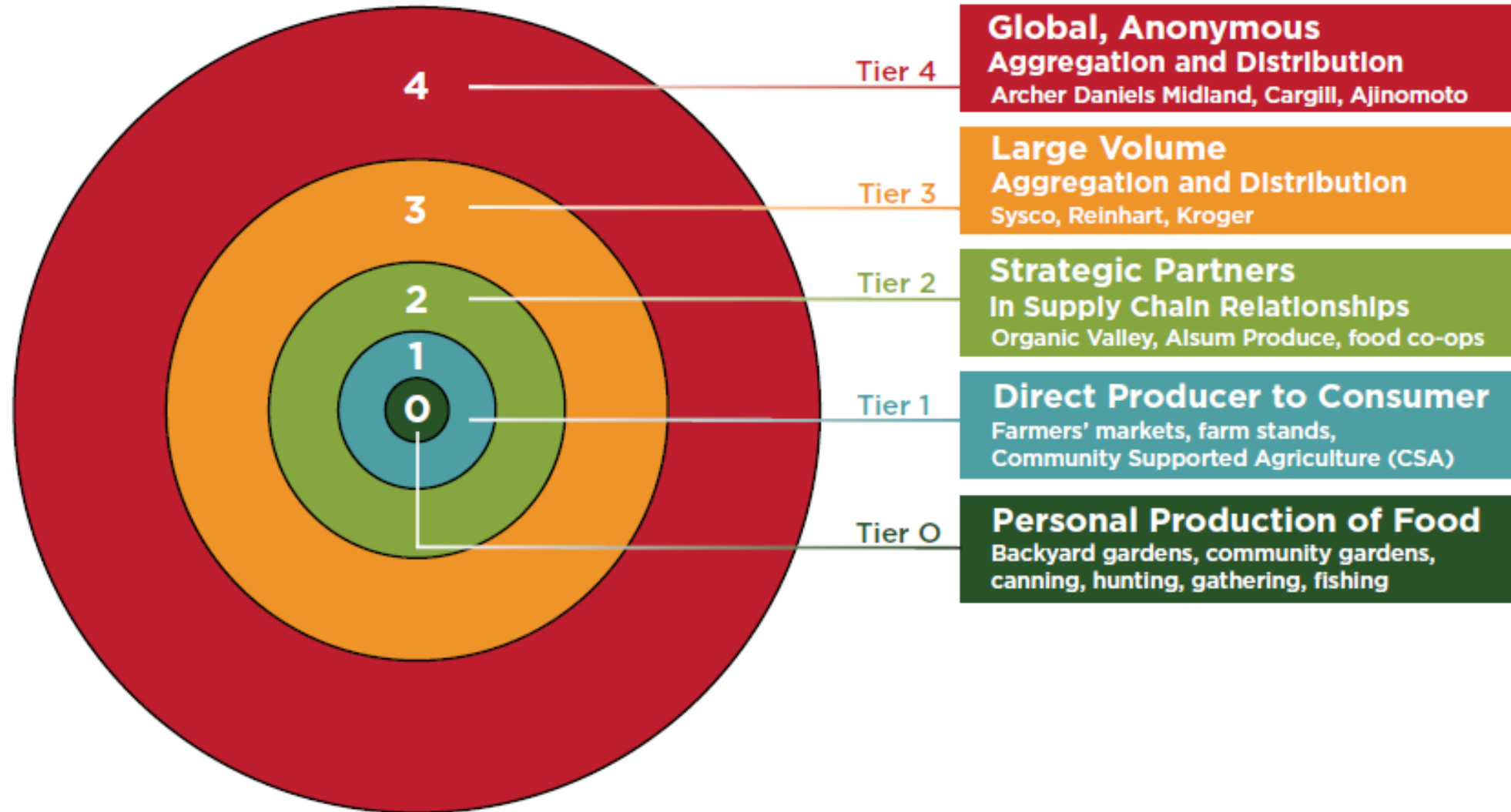
Putting it all together...



HYPOTHETICAL:
20% shift in Madison food buying toward local sources?

Madison Households	101,435
“Food at Home Spending” / Household	\$3,400
Total Food Buying	\$344,879,891
Direct Impact of 20% of Food Buying	\$68,975,800
Jobs Created	1,832

Sources: U.S. Census, U.S. Bureau of Economic Analysis, and Fair Food Foundation Study of Detroit



The Tiers of the Food System framework was developed by Jim Bower, Blue Planet Partners; Ron Doetch, Michael Fields Agricultural Institute; and Steve Stevenson, UW-Madison Center for Integrated Agricultural Systems.

Distinctions between retail & wholesale

Retail

- Higher price points, lower volumes
- Public-facing
- Customers: households, individuals

Wholesale

- Lower price points, higher volumes
- Business-facing
- Customers: retailers, processors, distributors

To grow the local food economy,
you can't just expand retail infrastructure,
you have to build wholesale infrastructure too

Benefits of wholesale infrastructure & wrap-around services

Wholesale Markets

- Enhance market access for farmers & buyers
- Advantages of colocation
 - Inter-merchant transactions
 - One-stop shopping for buyers
- Supports businesses of many sizes
- Business incubation & expansion

Food Hubs

- Enhance market access for small-medium local farmers
- Technical assistance
 - Production planning, food safety, season extension
- Branding & transparency
 - Product differentiation, source identification
- Infrastructure for complementary activities
 - Light processing, storage, kitchens
- Nutrition & food access
 - SNAP, WIC

Madison Area Food Distributor & Buyer Meeting Highlights

February 21, 2018

Warehousing

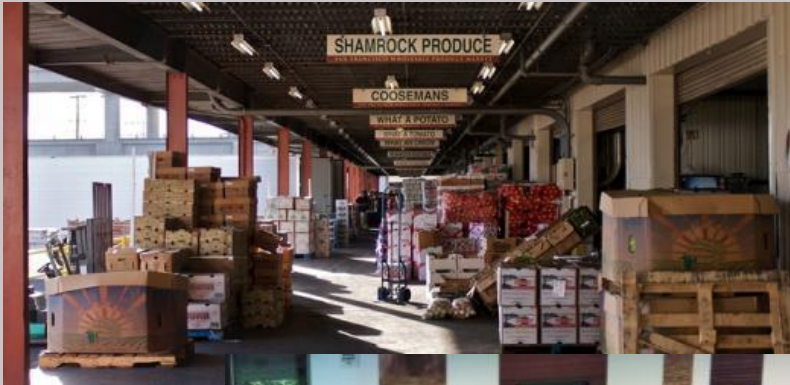
- 95% of practitioner participants (N = 21) were interested in exploring a shared multi-tenant food storage and cross-docking space
 - Cross-docking
 - Short-term storage
 - Cold storage
 - Dry storage

Madison Area Food Distributor & Buyer Meeting Highlights

February 21, 2018

Distribution & Local Sourcing

- > 60% of practitioner participants (N = 22) experience distribution challenges
 - Inefficiencies in distribution
 - High cost & logistical complications of last-mile distribution
 - Challenges associated with delivery frequency/timing
- Primary barriers to purchasing desired local products
 - Cost
 - Availability
 - Preferred processing type (ex. chopped, diced)



San Francisco Produce Market

San Francisco, CA

- Established by City in 1963
- Long-term lease on city-owned land
- 25 acre campus, 6 warehouse buildings
- 30 merchants, 750 merchant employees
- Mix of traditional, hybrid, innovative & programmatic market activities
- Fosters business innovation & incubation
 - Original site of Whole Foods warehouse
 - Now hosts a "Makers' space" → Good Eggs
 - High-end, digital marketplace & grocery delivery operation
- Programmatic components: food donation/waste diversion, recycling, healthy corner stores



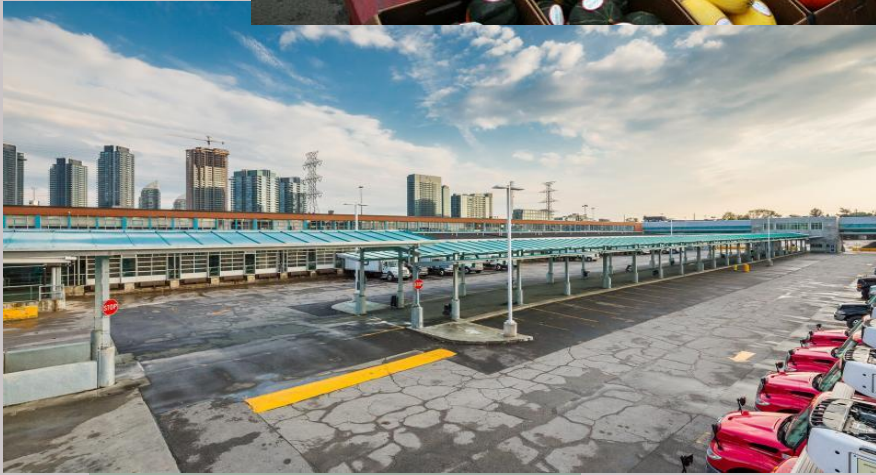
Maryland Food Center Authority & Common Market Metro Baltimore, Washington DC

- Established through state legislation in 1967
- 400-acre campus, 330,000 ft² of terminal space
 - Produce & seafood markets
 - Cross Dock Facility & truck parking
 - Leases office, storage and dock space to food services and distribution
- Shift toward co-location and growing prioritization of local food
- Common Market
 - Nonprofit regional food distributor
 - Promotes food security, farm viability, and community and ecological health.
 - Since 2008, aggregated & distributed > \$14M of local foods from >100 sustainable family farms

Greenmarket Co. & Hunts Point Terminal Market Bronx, NY



- Non-profit food hub founded in 2012 by Grow NYC
- Operates a 5,000 ft² warehouse near Hunts Point Terminal Market serving
 - 60 producer/suppliers, 50+ from NY
 - >250 buyers in Metro NYC
- New York State to invest \$15 million to construct a new 120,000 ft² facility for a "hub of hubs"
 - wholesale farmers' market
 - a cold storage facility for farmers
 - a food-processing center
 - infrastructure to support local food businesses

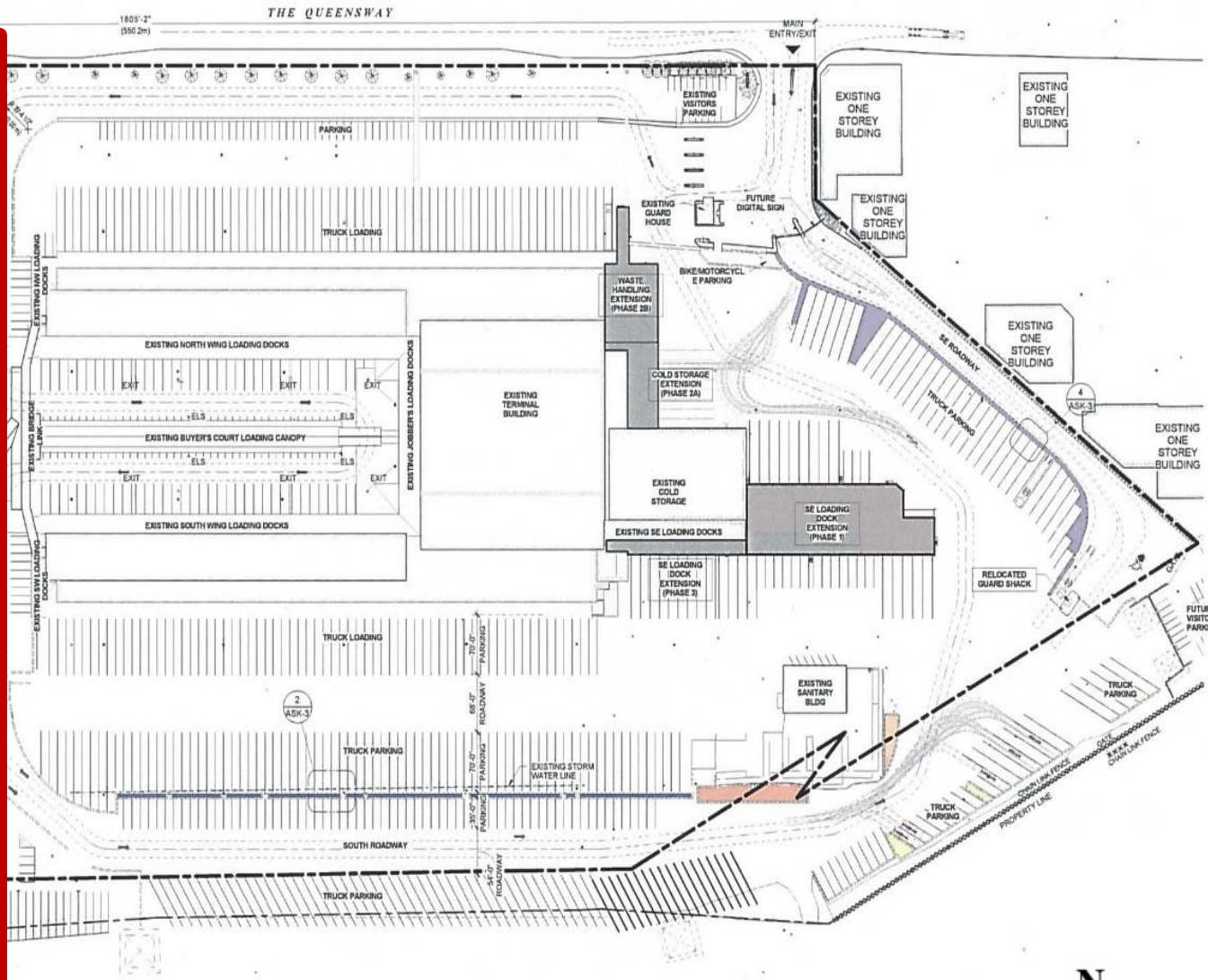
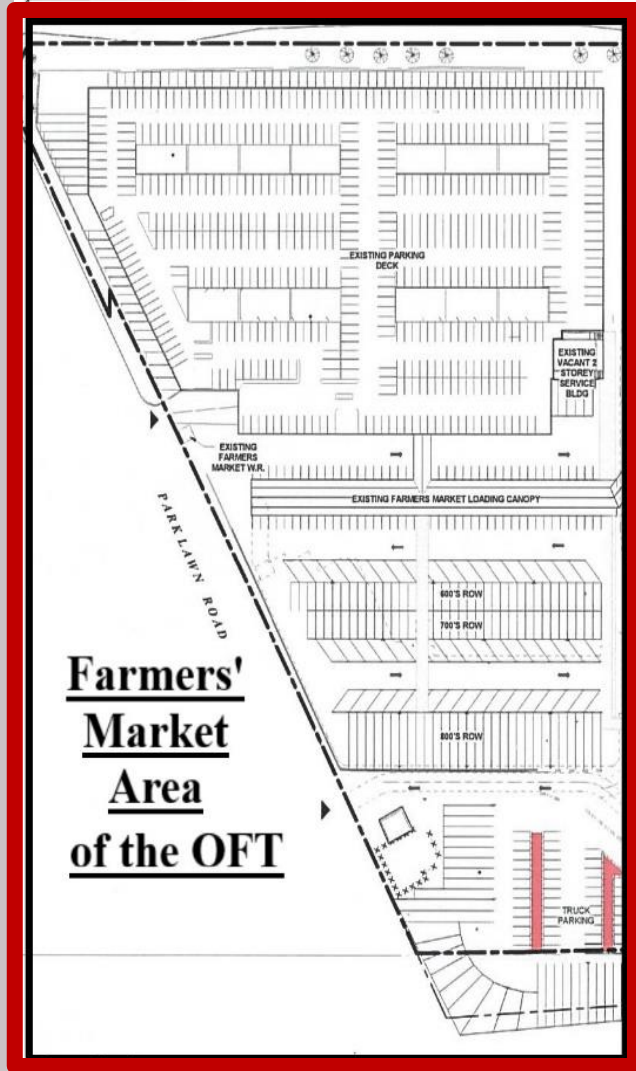


Ontario Food Terminal

Metro Toronto, ON

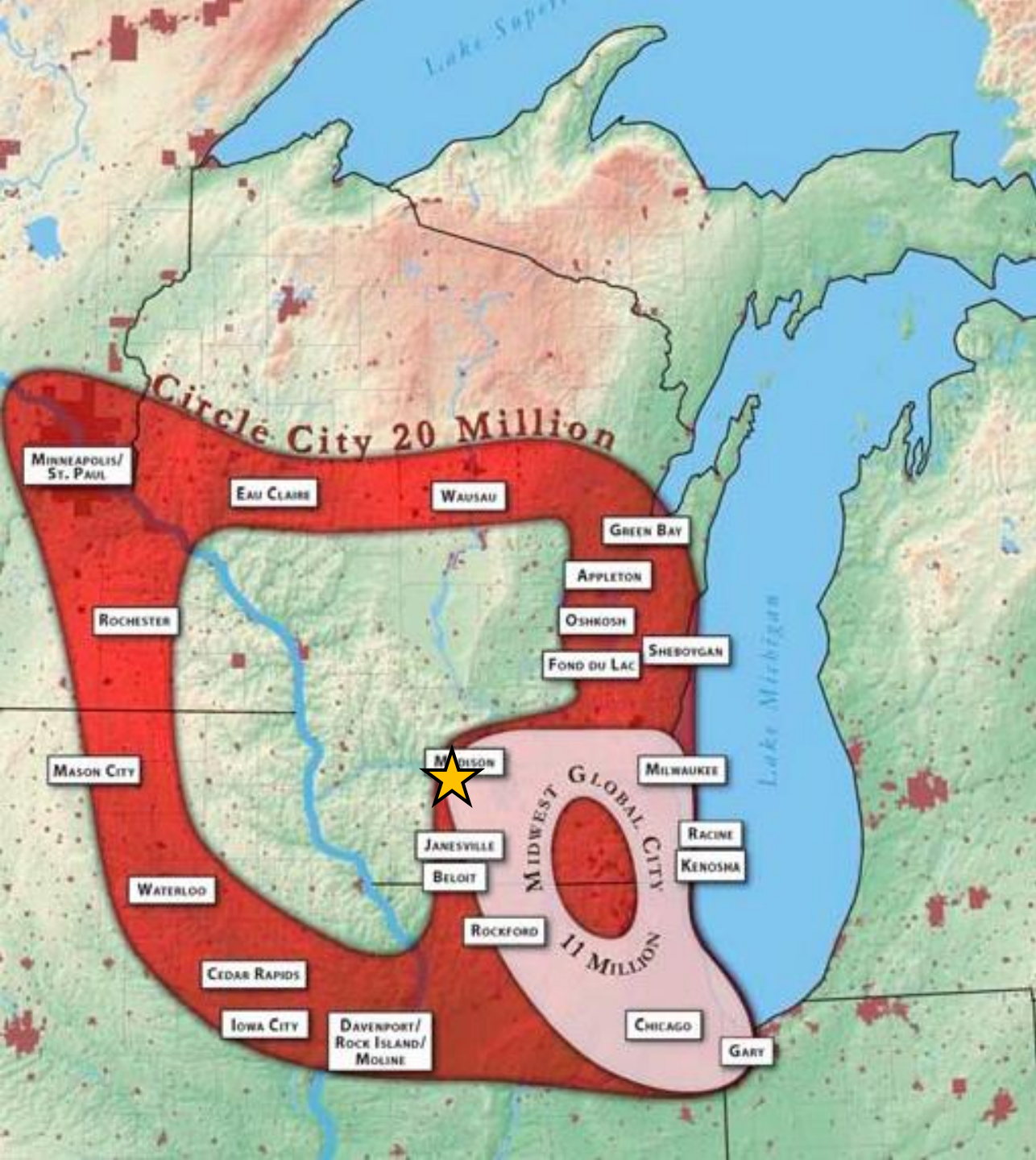
- Established in 1954 through provincial legislation
- Owned/operated by the Ontario Food Terminal Board under Ontario Ministry of Agriculture, Food and Rural Affairs
- Infrastructure:
 - Private rental warehouse space
 - 100,000 ft² common cold storage facility
 - Office space
 - Space for direct marketing
- Business-to-business farmers' market
 - Occupies 25% of market campus
 - 550 Outdoor Stalls
 - Operates 12 mo./yr.
 - Stall areas range from 300 ft² to 1,200 ft²
 - Lease options range from a daily rate to semi-annual and annual leases

Ontario Food Terminal Site Plan 2017



Gardiner Expressway





The Ontario Food Terminal serves a market of 16 million, Madison sits at the center of a multi-state market of over 20 million

Linking Food Infrastructure & Food Access

- Storage & distribution are major challenges for independent food retailers
 - Difficulty meeting minimum order requirements for distributors
 - Insufficient onsite storage
 - Insufficient cold storage & display cases (e.g. coolers)
- Small food businesses and household consumers pay the price
 - Higher mark-ups
 - Time-intensive ad hoc strategies
 - Lower quality product
- Food terminals are used in other US cities to help small food retailers overcome storage and delivery challenges by providing
 - Semi-public infrastructure that ensures market access for independent farmers, distributors, and buyers
 - Off-site storage space
 - One-stop shopping for small volume buyers
 - “Cross-docks” for simultaneous pick-up and drop-off points

“Traditional distribution systems are not built to serve small stores. This results in a lack of healthy, fresh foods in the communities that need them most.”

- The Food Trust 2015

Opportunity: The Oscar Mayer Site

- Seventy acre campus
- Buildings 71 & 72 suitable for cold storage – 21 docks total
- Building 42 climate control for dry storage
- Office and processing spaces
- Large parking lot near Bldg 42
- Controlled entry
- Rail access

FOOD WAREHOUSING IS A PUBLIC GOOD

- Markets drive employment within 200mi radius
- Support independent neighborhood businesses
- Estimate 600 potential jobs
- Shift local agriculture from corn to food
- Opportunity to improve water quality
- Promotes green space
- Improve food access



Building 71