

# Oneonta Food Innovation District

ROUNDTABLE DISCUSSION

Otsego Now

March 14, 2016



KarenKarp&Partners

*good food  
is good business*

27 East 21st Street, 3rd Floor  
New York, NY 10010

T: 212.260.1070  
F: 917.591.5104

[kkandp.com](http://kkandp.com)

# Agenda

1. *Welcome and introductions*
2. *About the team*
3. *Context for the project*
4. *Food hubs and food innovation*
5. *Discussion*

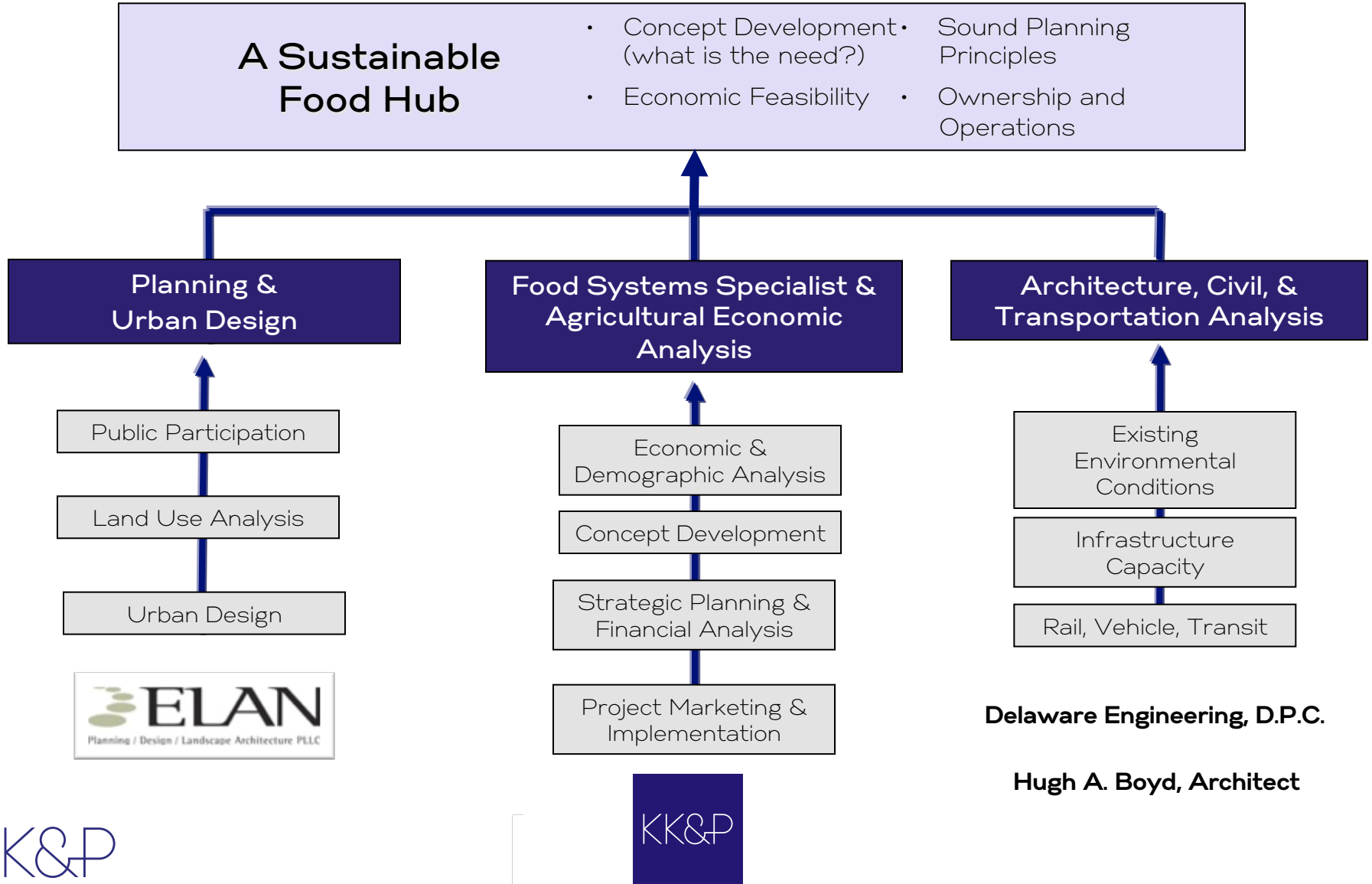
# Welcome



**OTSEGO now**  
HUB FOR ECONOMIC PROGRESS

*Sandy Mathes, CEO  
Otsego Now*

# The Project Team: Integrating Disciplines



# The Site



## What is a Food Hub?

A centrally located facility with a business management structure facilitating the aggregation, storage, processing, distribution, and/or marketing of locally and regionally produced food products.

(USDA)

Food hubs can be facility-based or non-facility-based.

# What is a Food Hub?

## “Problem”

- Demand for local food exceeds supply—by a lot—and lack of “infrastructure” cited as key constraint to grow sector
- Mainstream market channels continue to be challenged to incorporate and differentiate local food
- Growing lack of trust in “faceless” commodities and food generally

## Food Hubs as Solutions

- Regional aggregation centers dedicated to local food, provide “new infrastructure”
- Incorporating value-added processing adds another layer of opportunity to grow farmer income, supply buyers with needed product
- Can be mid-point aggregators for selling into larger supply chains (Sysco, e.g.)

# What is a Food Hub?

## Current State

- Food hubs come in all sizes and shapes—and ownership/operating structures – no “one size fits all”
- Many (US/ NYS) struggle with supply, capital, management, and cost-structure of distribution
- Wide interpretation can lead to vulnerabilities – or create new opportunities
- Mainstream market systems adapting more local food & values



# What is a Food Hub?

## Things Food Hubs Can Do

- Food Hubs support producers: aggregation & distribution, packing and processing, refrigerated storage to increase market access.
- Food hubs can provide liability insurance, technical assistance, food safety and GAP training, business development, and marketing support .
- Food Hubs work with institutional & commercial buyers, identifying purchasing needs and connecting them to regional producers.
- Food Hubs educate and create social and environmental impact: healthy food access, job creation, food and nutrition education programs, food donations, composting.

# What is a Food Hub?

## They Can Have Many (Different) Goals

- Support farmers
- Job creation / "good jobs"
- Watershed and land preservation
- Equity and food access
- Support local food legislation – i.e. NYC agencies' 10% procurement goals
- Climate change/ resiliency
- Small and medium business creation
- Strengthening local economies, both urban and rural

# Lucky Dog Local Food Hub

Delaware County to New York City



- Grassroots effort transports neighboring farmers' products to buyers seeking high-quality, source-identified farm products; truck already going to NYC
- Small regional farms establish relationships directly with customers and use the Hub for transportation or delivery.
- Lucky Dog Farm's owner, Richard Giles, makes introductions by matching local products to buyers he knows.
- Supported by CADE (Center for Agricultural Development and Entrepreneurship), the Watershed Agricultural Council's Pure Catskills program, and USDA/AMS Local Food Promotion Program



## Louisville (KY) Food Port

- Partnership between Louisville-Jefferson County Metro Government and Seed Capital KY, a non-profit, acting as developer
- Seed Capital KY has an option to acquire a 24-acre site from the City of Louisville, a property formerly occupied by the National Tobacco Company
- Metro Government will invest \$1.2 million of \$48 million budget; SCK has \$1.85 million of \$20 million fundraising goal
- Wholesale, manufacturing, retail, anaerobic digestion, retail, Extension office, and urban farm; 4 committed tenants to date
- 150 jobs anticipated
- Summer 2015, breaking ground





## Food Innovation Districts – Another Approach to Food Hubs

**Food Innovation District:** coined by Michigan State University (2010) as designation of a geographic area to promote food cluster development through co-location of food production, processing, wholesale, and retail outfits. <sup>3</sup>

Food Hubs and Food Innovation Districts focus on regional food system development, and increasing access to local food.

Grand Rapids' "Downtown Market" is prime example

San Francisco and Philadelphia are closest to SBMT in concept and breadth.



Downtown Market, Grand Rapids



San Francisco Wholesale Produce Market

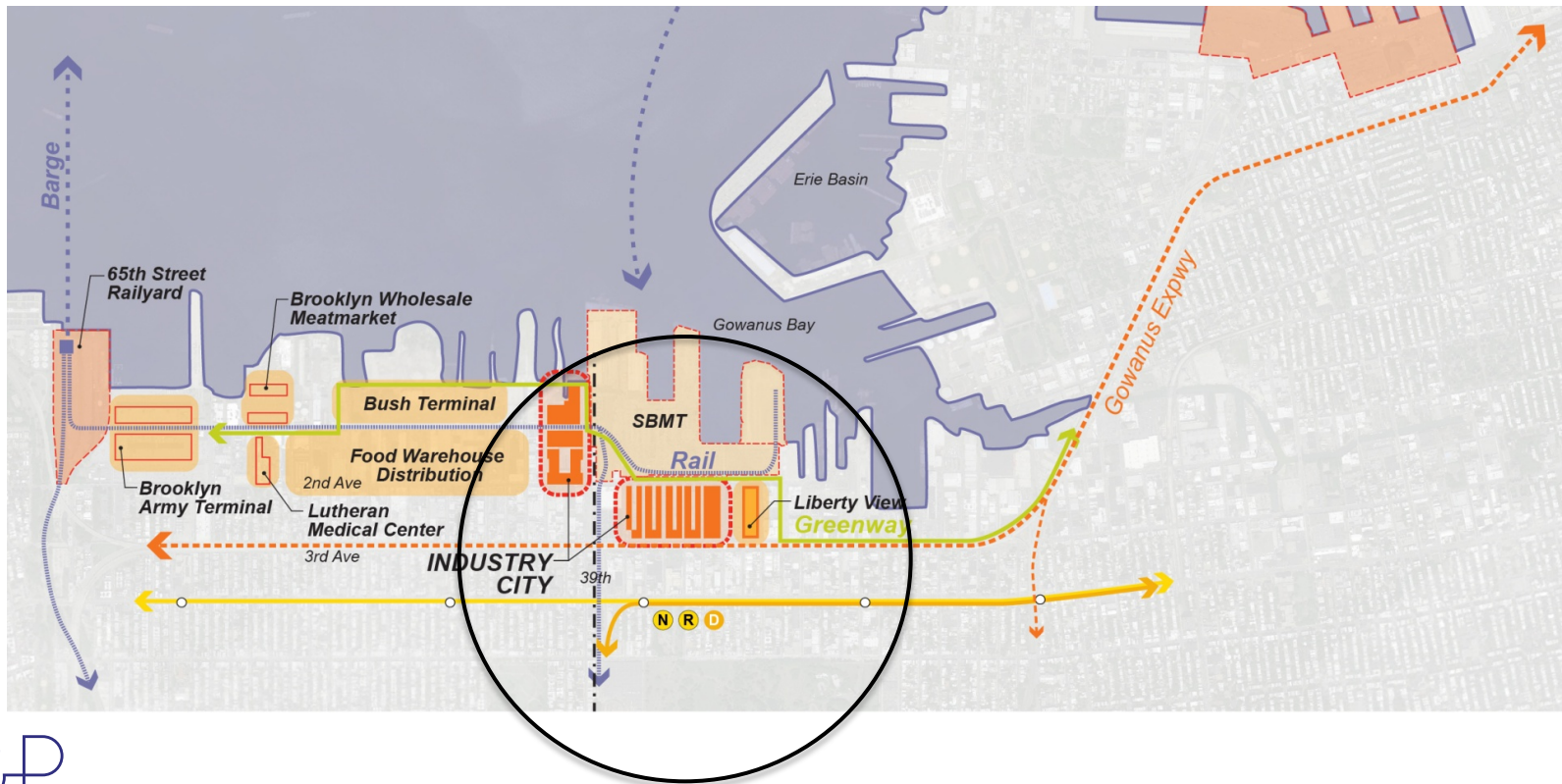


By activating multi-modal transport links and activating the S. Brooklyn Food Cluster, SBMT concept is "Beyond the Food Hub"

# South Brooklyn Marine Terminal

SBMT and Industry City are the heart, the link, of the South Brooklyn Food Cluster

- Track upgrades along 1st Avenue rail line increase functionality for freight transportation
- Proximity to Interstate 287 (BQE) creates ease for trucks
- SBMT/IC is 10 minute walk from mass transit, a unique asset providing many benefits for employees, visitors



## South Brooklyn Marine Terminal

Well-established need for new facilities

Cut vegetables is top consumer (and institutional) trend: retail, schools, etc.

- New regulatory environment requires improved technology and cold-chain compliance
- Newer food warehousing operations include processing as core function
- SBMT can meet quickly evolving needs of the food industry, FDA, and methods of distribution



40% of Brooklyn's food manufacturing and distribution activity occurs in neighborhoods close to SBMT



## South Brooklyn Marine Terminal

Urban renaissance, where sourcing and handling of inputs are critical to brand value

- Grains in top ten waterborne imports; land far from manufacturing facilities
- Beer/ale and beverages are top 2 waterborne import categories.<sup>15</sup>
- Clustering warehousing and distribution with local production facilitates local firm growth
- Local shipping points for receiving of commodity inputs critical for NYC manufacturing expansion
- Blend of artisan/industrial manufacturing attracts retail traffic
- As NYC brands grow, export opportunities arise



### OPERATING MODEL:

- Breweries, wineries and distilleries are private firms;
- Shared receiving, warehousing and distribution can be operated by Innovation District, or independently hired management.



# Discussion



## Discussion

*What are your assumptions?*





## Discussion

*What are the opportunities you're hoping to capture?*





## Discussion

*What are the pressures?*





## Discussion

*What is the headline on the front page article announcing Oneonta's new food innovation district?*

