

Montana Co-op: Building a Regional Food Network

*Building a Values-based Chain ∞ Connecting Communities
Increasing Sustainability ∞ Strengthening Regional Economies*

Room for growth ...

Western Montana has **1.8 million acres** of farm land.

Western Montana farmers and ranchers spend \$198 million to produce an average of \$167 million of commodity crops each year, losing \$31 million annually. In addition, the region's farmers spend \$80 million buying inputs from external suppliers.

Regionally, this totals a net loss of \$111 million per year.

Western Montana consumers spend an estimated \$680 million buying food produced outside the region. **Combined farm economy and consumer expenditure losses total \$785 million of potential wealth leaving western Montana.**

If western Montana consumers purchased only 15% of the food they need for home use directly from the region's farmers, this would produce \$66 million of new farm income in western MT and \$225 million for all of MT.

97% of consumers would purchase more local food if it was more accessible.

What is a regional food network?

A regional food network supports long-term connections between farmers and consumers while meeting the economic, social, health, and environmental needs of communities in a region. This includes growing, processing, storing, distributing, transporting, and selling food. A western Montana regional food network will foster a sustainable regional economy and strengthen community food security. The network will help farmers and producers access reliable markets, ensure fair prices and wages, and encourage land preservation and sustainable farming practices. It will also provide consumers with a better relationship with their food and the place in which it was grown.

Building the Network through Value Chains:

The vast majority of Americans rely on a supply chain to bring food to their tables. Beginning with the farmer, supply chains move food through processing, aggregation, and distribution to the market. In this process, food changes hands multiple times and travels massive distances – an average of 1,500 miles – and consumers rarely see the farmers or know where the food originated. Values-based chains are an alternative method of producing and distributing food. They emphasize building business relationships that facilitate high levels of trust and win-win situations for the partners in the chain. Partners within the values-based chain – those who supply the food products or add value to the food products – have rights and responsibilities to ensure fair profit margins, fair wages, and business agreements. Shared values, vision, information, and decision-making among the partners are important to a successful values-based chain. Sharing rewards and profits, as well as establishing rules of business among the partners ensures fairness and justice. In working together, partners make commitments to each others' well-being that can ripple throughout the community they share and serve.

What's missing?

Value-added products: In 2007, the region had more than 5,000 farms, but only 262 farms reported producing value-added products. Increasing production of value-added products will require widespread training and additional processing facilities.

Regional organization: The network would benefit from the assistance of an administrative entity in coordinating farmers, farm workers, processors, and distributors and helping them access a wide range of markets.

Increased collaboration: Greater collaboration among food producers and shared decision making, facilitated by the administrative entity, will bring about a strong and sustainable values-based chain.

Logistical support: Accessing new markets, like restaurants and grocery stores, will require a consistent supply of products, meeting food safety requirements, and scale-appropriate regulations.



www.MontanaCoop.com