

ECONOMIC INNOVATION GRANT INTENT TO APPLY FORM

Submitting Organization: Sustainable Sandhills, P.O. Box 144, Fayetteville, NC, 28302
Contact: Jon Parsons, Executive Director, jonparsons@sustainablesandhills.org, 910-484-9098
Mission: Through grassroots efforts we promote consensus and collaboration to preserve natural resources and enhance economic development, improving the quality of life in the region for current and future generations.
Sustainable Sandhills is a 501(c)3 non-profit organization.

Project Summary:

We propose to develop brokerage/transportation service connecting local producers of fresh fruits and vegetables to high-value markets within the Fort Bragg region, with the goal of providing supplementary income streams and an increase in overall income for small farms and agricultural enterprises in economically distressed rural communities. This service operation will be located in Scotland County, a Tier 1 county, and will also serve small-scale farms in Richmond and Hoke Counties, and will connect these producers with high-value markets in Moore and Cumberland Counties. Capabilities developed during the first year of operation will include customer service, product delivery, marketing, cost analysis and pricing, invoicing, accounts management, and forecasting for next season's needs. The organization is expected to become self-supporting within 3 years.

The project will initially focus on supplying restaurants in the region, including those serving the region's resort/recreational communities and the growing population of military personnel and defense contractors. This project builds from a pilot effort in which, during a 7-month period, 23,000 pounds of fruits and vegetables sourced from three surrounding counties were delivered to restaurants in Moore County at prices 20% higher than standard wholesale.

This project will form the core of a planned full-service processing and distribution center designed to connect small-scale farms with institutional markets, filling a major identified gap in the regional food system. By expanding existing partnerships with similar operations, such as the new SENCFS Project processing center in Warsaw NC, our operation will be able to deliver products to markets throughout central and southeastern North Carolina. Jon Parsons (Sustainable Sandhills) and Dr. Kathi Beratan (NCSU, BRAC Regional Task Force) will take the lead in applying for bridge funding and for funding to expand the capacity of the service organization in terms of geographic area served and services offered.

The need for a local food brokerage/transportation service in the region is well established. Chefs have expressed frustration with the lack of consistent and reliable access to high-quality locally grown food. Many chefs have experimented with sourcing local food only to find that farmers cannot meet the daily demands of a restaurant kitchen while managing their fields. Farmers lack the marketing skills to reach these valuable customers, often missing order windows, delivery deadlines or falling short on quantities. The proposed service organization will provide the network and value chain that both farmers and restaurateurs need to maximize their potential for profit. The rapid growth of the Sandhills Farm to Table Cooperative over the past two years underscores the growing demand for high-quality locally grown food.

Anticipated Economic Impact: We anticipate working with 15-20 small farms and 10-15 restaurants during the service organization's first year, providing an estimated 10-20% increase in farm income for participating farmers. The number of small farms and food service operations served is expected to at least double during the second year, and then increase more

gradually for several years. We anticipate broader indirect economic benefits as well: research in other regions has demonstrated that showcasing locally grown food in local restaurants is an effective way of increasing consumer knowledge of and demand for these high-value products. Therefore, the proposed project is expected to have significant economic ripple effects that indirectly benefit small-scale farmers throughout the region.

Innovative Components of the Project:

The most innovative aspect of the project is its connection to established regional Food System, Economic Development, and Sustainability programs, which will allow the proposed service organization to serve as an integrative link among several economic development and sustainability initiatives in these three program areas. This project is a key element of a rural development initiative that is being developed cooperatively by Sustainable Sandhills, the BRAC Regional Task Force, Sandhills Farm to Table Cooperative, NC Cooperative Extension, and the School of Business and Economics at Fayetteville State University. These partners are coordinating their food system enhancement efforts with the SENCFS Program in the Wilmington region. The existing relationships between these diverse organizations provide deep knowledge and management resources that the proposed service organization can draw upon, and greatly enhance the project’s likelihood of success.

Type of Grant Being Applied For: Seed Grant

Priority Funding Area: Growth of the Green Economy

Expected Costs: *Projected Total Cost: \$82,500*

Amount Requested from NC Rural Center: \$75,000

Capital Investments:	\$23,500	Climate-controlled Delivery Van
	\$3,500	Computer/Cell Phone
Operating Expenses:	\$35,000	Manager/Developer Salary
	\$5,000	Vehicle Operation/Travel
	<u>\$8,000</u>	Office Supplies/Marketing/Promotion
Total:	\$75,000	

Other Potential Funding Sources:

Funds and staff time will be provided by partner organizations for coordination of the program activities with related programs, both within the Fort Bragg region and elsewhere in Central and Southeastern North Carolina. Beratan will integrate the project into her GoldenLEAF Foundation-funded Regional Food System Planning Project, which is being conducted in partnership with the SENCFS Program. Kea Meacham, Sustainable Sandhills Green Business Program Coordinator, will integrate the developing service organization into her ongoing SS Green Business Program activities; she is also currently working with Cooperative Extension agents and local food producers in Scotland County with the aim of increasing both supply of and demand for high-quality locally grown food in this Tier 1 county. Beratan and Meacham will continue to work closely with the Sandhills Farm to Table Cooperative and the region’s Cooperative Extension offices.