

Executive Summary

The goal of the *Value Chains Partnerships for a Sustainable Agriculture (VCPSA)* Project is to use cooperative approaches to foster the growth of value chains in which small and midsize farmers are rewarded for production practices that are rooted in the principles of sustainable agriculture. A value chain is the network of partners that come together to satisfy market demand for a particular food or fiber product. The project strategies involve engaging Iowa State University and its public and private partners in providing the producers, processors, distributors and retailers of these highly differentiated value chains with the tools they need to support existing or develop new value chains. Toward this end, the VCPSA project has laid out the following objectives:

1. Support the growth and/or development of up to three economically viable, environmentally friendly value chains that will lead to a 20 percent increase in the number of markets and a 15 percent average price premium (compared with conventional products) for participating Iowa producer groups.
2. Engage ISU and other service providers in collaborative research and development efforts designed to support value chains rooted in sustainable agriculture. Engagement efforts will result in sustained research and development support for sustainable agriculture value chains at ISU.
3. Strengthen relationships and interdisciplinary linkages at ISU and between ISU and other partners working on the development of sustainable food systems. These efforts will result in the institutionalization of at least two new collaborative and interdisciplinary programs based at ISU or a partner organization.

Some of the key accomplishments in achieving project objectives for VCPSA for the period February 2003 through February 2004 are as follows:

- Developed two new interdisciplinary working groups to address challenges found in other value chains. The BioEconomy Working Group's (BWG) primary objective is to research, analyze, model/implement profitable business strategies for farmers to organize as the "feedstock link" in highly differentiated value chains for biobased businesses that will use sustainably-grown biomass. The BWG began its work focusing on a kenaf value chain. The Regional Food Systems Working Group's (RFSWG) objective is to research and document the economic, environmental, and community impacts of local and regional food systems and develop strategic market messages to communicate that information to appropriate audiences.
- Since the creation of the Pork Niche Market Working Group (PNMWG), \$91,676 of Kellogg Foundation funds were used to leverage an additional \$412,000 in resources to bring the total funds generated by the PNMWG to more than \$500,000.
- The Leopold Center's Marketing Initiative integrated 12 grant projects totaling \$196,909 with the RFSWG; four new RFSWG projects were funded and all four projects were asked by the Alces Foundation to submit letters requesting additional funds. The Leopold Center plans to continue the RFSWG model after Kellogg Foundation funding ends.

- The BWG used \$29,635 of Kellogg Foundation funds to leverage an additional \$152,000 in grant funds or cash matches from five other sources
- The SYSCO Corporation has committed a \$60,000 cash match to the project, along with \$15,000 from Rick and Beth Schnieders.
- The VCPSA project has leveraged more than \$835,000 since Kellogg Foundation funding began; this amount is \$175,000 more than the Phase 1 and 2 Kellogg awards combined.
- Completed (through the Pork Niche Market Working Group) a feasibility analysis for niche pork producers to supply food service markets with good tasting, high quality pork products that have compelling environmental, social, and community “stories”.
- Worked with an Iowa assistant attorney general to complete a document explaining what is needed in a production contract for midsize livestock producers to be economically sustainable.
- Brokered new relationships between faculty in the ISU Colleges of Business, the Leopold Center, and two of the three VCPSA working groups.
- Developed a new web site (www.valuechains.org) to report on the activities and lessons learned from the VCPSA project.
- Involved more than 50 organizations and groups, including 45 ISU faculty and staff – in the three working groups.
- Awarded the first of two assistantships at ISU leading toward an MBA with a minor in sustainable agriculture through the ISU College of Business. The combination of the MBA with a sustainable agriculture minor is the first ever offered at a U.S. land grant university.

For the remaining 18 months of the grant, the VCPSA project will:

- Advance the work of addressing challenges in differentiated value chains through new and existing projects for the three VCPSA working groups. An increasing number of these projects will be funded through sources other than the Kellogg Foundation.
- Fund a second assistantship at ISU leading toward an MBA with a minor in sustainable agriculture. VCPSA will evaluate the performance and merits of these assistantships and explore opportunities to find additional funds to continue the program if they are needed.
- Conduct strategic planning sessions on the future structure and directions of the three working groups and of VCPSA as a whole.
- Conduct strategic meetings with ISU faculty champions to gain insight into how best to engage new ISU faculty and staff.
- Increase the awareness of the VCPSA web site (www.valuechains.org) as an information source about VCPSA and its projects.
- Plan and conduct a special workshop for ISU and all other partners sharing the lessons learned through the VCPSA project.