

UP LIGHT PRODUCE PROCESSING PROJECT

Phase 1: Research Findings Summary

EXECUTIVE SUMMARY

January 2018

The UP light produce processing project is a multi-phased effort with an end-goal of a robust sustainable processing facility located in Marquette County's KI Sawyer food innovation district. Breaking the project into phases allows collaborators to advance the work when funding opportunities become available. An initial phase of the project was completed in 2017, funded by the Central UP Planning and Development Commission (CUPPAD) Regional Prosperity Initiative. Insofar as the overall phased project is still under way, findings and recommendations from the first phase are presented conditionally.

The initial phase includes research and recommends processing approaches based on the information gathered to date. Research and data collection methods include USDA 2012 Census data review, producer survey, and interviews of producers, purchasers, and food system players.

Key findings of the research include that the foundations of the facility may lie in the strengths found in abundance in the UP- potatoes, affordable and available space, regional identity and entrepreneurship. Overall, there is cautious enthusiasm around the project with 84% of survey respondents agreeing in some level with the potential value of a processing facility located in the UP. Individually quick frozen (IQF) capacity for fruits and vegetables; peel-cut-package capacity for ready-to-cook products; and hot packing line for cooked products are of interest. The producer survey showed that over two-thirds of respondents believe that a light processing facility would be a factor, to one degree or another, in increasing total acres under cultivation and total revenue. Initial findings suggest producers have a large interest in selling produce to a third-party processor. There is some interest in paying for fee-for-service processing. This relationship allows producers to maintain ownership of their product. Given the interest in a variety of relationships, a hybrid of services offered by the facility is recommended.

Customer demand for lightly processed foods is increasing steadily. Institutional purchasers want lightly processed fruits and vegetables that their kitchens can prepare with ease. They also want product year-round; IQF capacity will address this need.

Key findings thus far suggest a hybrid model is needed in order to have a robust, financially sustainable processing facility that serves the current and future needs of the UP food system. This model includes commercial kitchen space for rental. Crucial to the viability of the facility is an anchor tenant. An anchor tenant is one or more food entrepreneur requiring dedicated space, benefiting from shared infrastructure. The Marquette Food Co-op has expressed interest in being the anchor tenant of the facility. Surplus cold storage space can also be made available for rent for any UP food business.

Project collaborators are applying for funding from MDARD, with support from CUPPAD and the Eastern UP Planning Region RPI, to carry out the next phase of the overall project. Phase two will confirm and elaborate findings, and to determine the precise complexities, needs, and costs of operating a light produce processing facility. Phase two will deliver a processing facility plan that is robust, sustainable, and of significant value to the producers of the Upper Peninsula.

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