# The Backhaul Project

Farm to Rural Grocery to Wholesale (F2G2W)

NATIONAL RURAL GROCERY SUMMIT | 6/25/2018







#### DR. KATHY DRAEGER

- **Project PI**
- Statewide Director, Regional Sustainable Development **Partnerships**
- Adjunct Professor, Agronomy and **Plant Genetics**



#### DR. HIKARU PETERSON

- **Project Co-Pl**
- Professor, University of MN **Applied Economics**







### **LES OLSON**

Co-Owner/Farmer, Big Stone Garlic near Clinton, MN

### **BONNIE CARLSON**

Owner, Bonnie's Hometown Grocery in Clinton, MN





### **DUKE HARRISON**

- Mason Brothers Wholesale Grocers
- Warehouse Operations



#### **REN OLIVE**

- Regional Sustainable Development **Partnerships**
- Sustainable Ag + Food Systems
- **Project Manager**







 Regional Sustainable **Development Partnerships** 

2015 Rural Grocery Survey

- Backhaul Project Progress and Stories
  - Logistics
  - Economics
  - Opportunities

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#### Closing the doors

Jan. 26, 2018

By Ivan Raconteur Editor

LESTER PRAIRIE – The sign in the window tells a tale that has become familia business is closing its doors.

In this case, it is Prairie Market, Lester Prairie's grocery store.

The sign states the store is closing Jan. 26. Remaining inventory is being sold

It is unclear if a buyer will step in and re-open the business.

For now, it seems that the chapter that began when Lester Prairie residents Ma from closing has come to an end.

The Detlefsens purchased Prairie Market in 2008 from Dan Wagner of Wells, a business in February 2006. The Wagner family owned several stores in southe

Once Prairie Market is closed, options to purchase grocery items in Lester Prai Carthedral, and Casey's General Store.

Kristina Blasen

2 reviews

★★★★★ 3 years ago

I love that they carry your groceries out and load them up for you:) They have a nice selection of fresh fruits and vegetables and the prices are good on the produce - especially when it is an advertised deal in the circular. It's right in town and even though it's a small grocery store, they have a little bit of everything.

Gary Godel

18 reviews · 20 photos

★★★★ 4 years ago

Cheap prices great place to shop

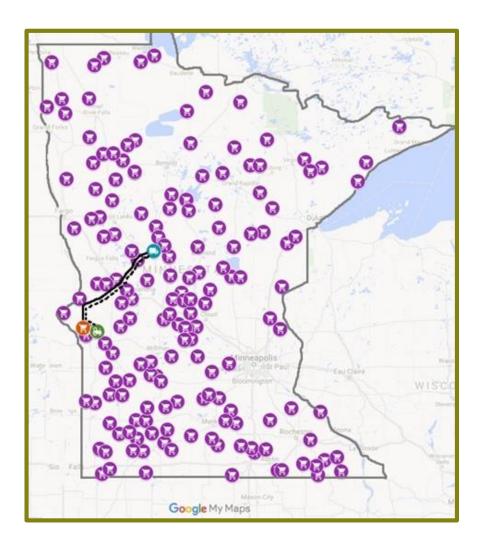
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Ryan Krieg
7 reviews

★★★★ 7 months ago

#### **2015 UMN RURAL GROCERY SURVEY**



- Rural Grocery Stores in towns with population less than 2,500
- 171 (69%) Grocery stores responded
- Rural grocer needs
- Results available at <u>https://z.umn.edu/RSDPruralgrocery</u>

Grocery Stores are a "Public Good"

### Farm to Rural Grocery to Wholesale:

Accessing markets for locally grown food

### "THE BACKHAUL PROJECT"





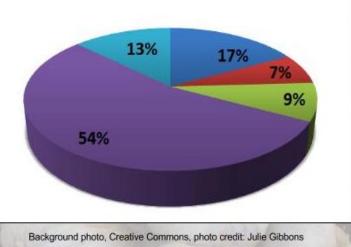
#### **BENEFIT SMALL AND MEDIUM-SIZED**

### FARMS

#### 2015 Big Stone Garlic sales (29,000 bulbs produced)

#### Percentage of Sales

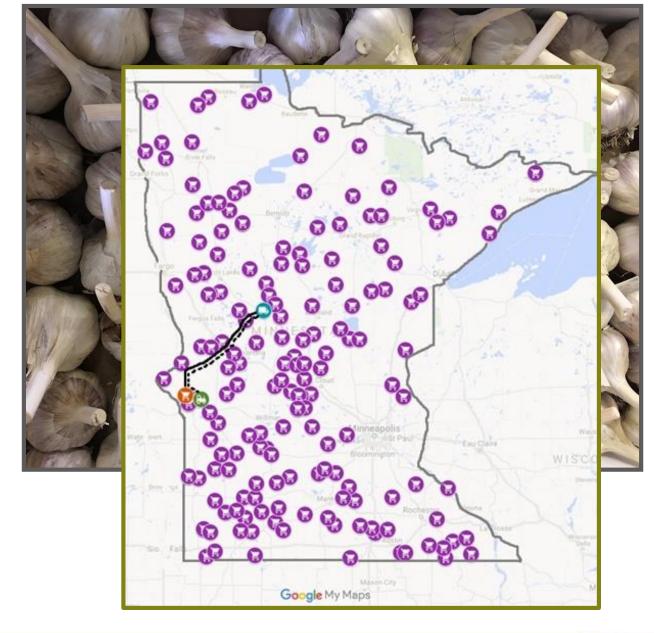
- Big Stone Garlic website (\$15/lb) DTC
- Minnesota Garlic Festival (\$12/lb) DTC
- Farmers' Markets (\$6.75/lb) DTC
- Food Shelf (\$0/lb, donated) Intermediate Market
- Held for Replanting (planting stock expense avoided)







- 2 years
- "Backhaul"
- Partners & **Supporters**





# PARTNERS/SUPPORTERS





















427 Main Street · Clinton, MN 56225 · (320) 325-5144







#### **FARM**

### RURAL GROCERY WHOLESALE























### **LOGISTICS**

Research

- Routes/Mapping
- Regulations
- Relationships



### **About Mason Brothers**

- Located in Wadena, MN
- Family owned and operated
- Founded 1920
- 19,000 stocked items
- Abby's Bakery 1995







### Fleet Utilization

- 45,000 weekly miles
- 30 Semi trucks
- 6 straight trucks
- 22-28 daily routes







### **ECONOMICS**



- Mutual benefit?
- Farm enterprise budgets
- Garlic survey
- Market access

### **OPPORTUNITIES**

- Greater local food access for communities
- Fresher, higher quality products for wholesalers
- Support rural grocery stores
- Access for farmers to larger markets
  - Replication of Backhaul Project



### **NEXT:**





**Organic Potatoes** 

Extended-season Strawberries w/UMN

### **AUGUST 14**



# Q: Could this model work for you?

# Q: What challenges do you see?





# University of Minnesota | Extension Driven to Discover<sup>5M</sup>



# THANK YOU!

Questions? Please contact Ren Olive - nolive@umn.edu

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