



# Indiana Uplands Winter Food Conference

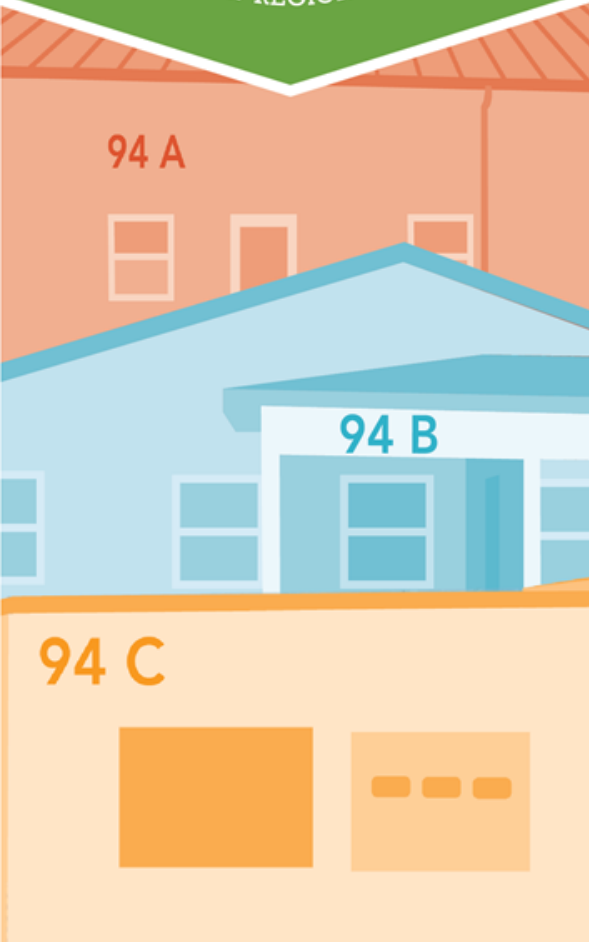
Adam Kody & Leslie Schaller



# ACENET'S MISSION

**The Appalachian Center for Economic Networks** is a regional entrepreneurship and economic development organization located in Athens, Ohio.

ACEnet builds the capacity of communities to network, work together and innovate to create a dynamic, sustainable regional economy with opportunities for all.





# Supporting Rural People & Places



2/12/2020

APPALACHIAN CENTER FOR ECONOMIC NETWORKS



# Learning in Central Appalachia





# Learning in Central Appalachia





# Learning in Central Appalachia

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Central Appalachian Network

## Working for a more just and sustainable Appalachia.

The Central Appalachian Network (CAN)'s mission is to develop and deploy economic strategies that build wealth in local communities, conserve natural and cultural resources, and empower marginalized communities. We work in collaboration across sectors, partnering with other non-profits, community groups, funders, educational institutions, local government, and private business. CAN actively pursues economic transition in Central Appalachian communities through a variety of economic sectors and market-based strategies, and currently focuses on:

FOOD SYSTEMS

CLEAN ENERGY

CREATIVE PLACEMAKING





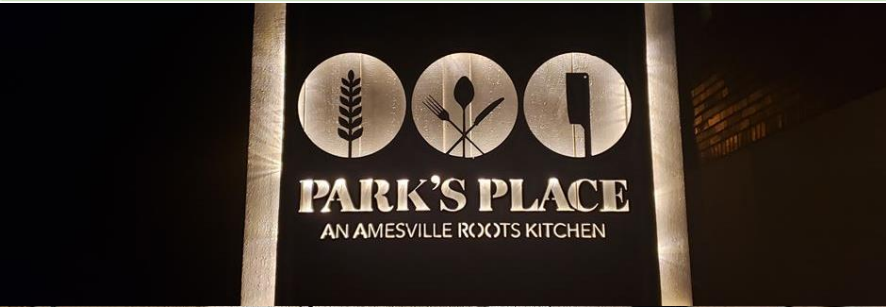
# Shifting the Narrative

*Bon* APPÉTIT!  
APPALACHIA!  
discover local food farms & flavor





# Reinventing Main Streets



## TRIPLE NICKEL

Kathy Strode is the owner of the Triple Nickel Diner in Chesterhill, but her niece, Sarah Berardi (left) and daughter, Rosie Berardi help in the family venture. Sarah says that if she's not in the store with Rosie, they're on the phone talking. They have that close of a bond.

### Chesterhill's Triple Nickel Diner is a true community friend

By KENNA HAMBEL

The first thing you notice about the Triple Nickel Diner is that it doesn't feel like a diner at all. The front door leads into a little mudroom where an open closet invites you to take off your coat and make yourself at home. An assemblage of ladder back and Windsor chairs sit ready to receive spillover guests on bustling days. But at 3 o'clock on a Friday, I practically have the diner to myself. The dining room is at once expansive and intimate. The furniture and decor are a mix of old and new.

I'm here to meet the ladies behind the unique operation. Unfortunately one day Kathy Strode, is away on vacation in southern Ohio. Kathy's daughter, Rosie Berardi, is a greater misfortune for me than Kathy. Rosie is a business partner, daughter, but her business partners, daughter, Rosie Berardi, and niece, Sarah Hager, were there to help her. With drinks in hand, we start our conversation.

As with any storied town like Chesterhill, Triple Nickel was something else. It was a diner. In the 1940s, it was the home of the Meat Locker and served as the community center. The diners were







# Preserving Farmland & Communities





# Celebrating Foodways & Traditions



SHARE A  
**30** MILE  
MEAL  
and a Local Libation

2/12/2020

## BREWED ON THE BIKEWAY



A craft beer and bike tour  
from Athens to Nelsonville, Ohio.



THE 21ST ANNUAL **OHIO**  
**PAWPAW FEST**  
LAKE SNOWDEN - ALBANY, OHIO  
SEPTEMBER 13-14-15



12th Annual **OHIO**  
BREW WEEK

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# Promoting Food & Farm Tourism

**SHARE A  
30 MILE MEAL  
AND A LITTLE ATHENS LOVE**  
*Visit Athens, Ohio*





# Sustaining Rural Livelihoods



2/12/2020







# Promoting Enterprise Development



2/12/2020



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# Sustaining Rural Livelihoods





# Sustaining Rural Livelihoods







# Changing Food Policy





# Leveraging Shared Infrastructure

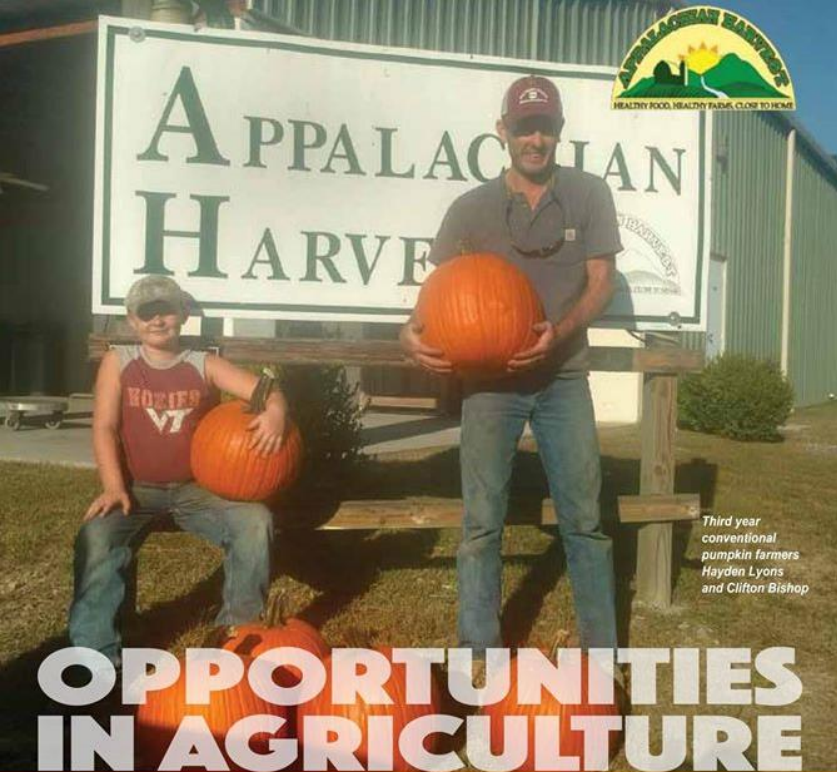


**FRESH  
LOCAL  
PRODUCE**





# Leveraging Shared Infrastructure



Third year conventional pumpkin farmers Hayden Lyons and Clifton Bishop

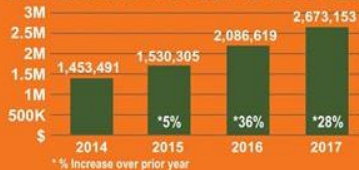
## OPPORTUNITIES IN AGRICULTURE

### APPALACHIAN HARVEST, ASD'S FOOD HUB: OVERALL GROWTH AND OPPORTUNITIES

2017 has been a record year for Appalachian Harvest's farmers. Appalachian Harvest reached \$2,673,154 in gross sales; including \$79,924 in trucking and backhauling income and also logged \$62,325 in volunteer matching hours. New opportunities with buyers have blossomed due to our consistent quality and presence at both dock and store level. This success has already secured additional demand for Appalachian Harvest supply for the 2018 growing season. The Appalachian Harvest staff provided technical assistance on topics that ranged from DOT compliance and securing backhauls to on-farm production support. These efforts produced 28%

growth compared to 2016's already incredible 36% growth. The two year combination is just a few thousand short of 5 million in gross revenue produced by the remote and rural Appalachian Harvest Food Hub in Duffield, Virginia.

#### APPALACHIAN HARVEST TOTAL SALES





# Leveraging Shared Infrastructure



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# The Case for Food Sector Incubation

What is the True  
Value of a  
Kitchen  
Incubator to a  
Food  
Community?



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# The Case for Food Sector Incubation

**“If the [shared kitchen] industry is going to make an impact, then we have to acknowledge that serial entrepreneurship is having the privilege of failing until reaching success. People on the margins are not afforded this privilege. Incubators need to be in the position to absorb that risk.”**

*- Caleb Zigas, Executive Director of La Cocina*



# What do you mean, “The Privilege of Failing”?

Start-up costs for small food businesses can be completely untenable

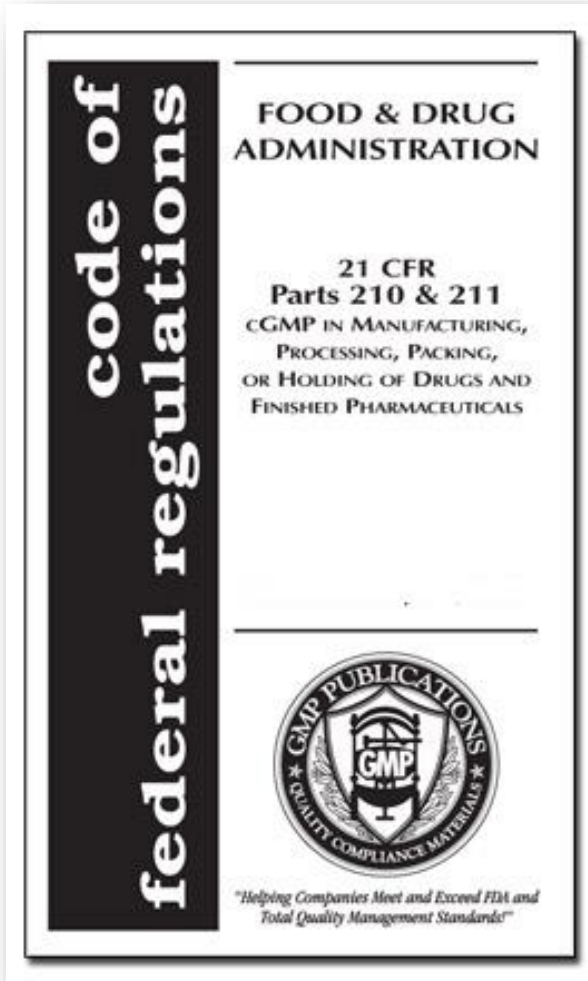
- Equipment
- Rent/Property Ownership
- Facility Maintenance
- Staffing

Average restaurant start-up costs is **\$275,000**; if you want to own the building? **\$425,000**

**\$\$\$\$\$**



# Not to mention all of the regulatory hurdles, confusing food code, labeling requirements







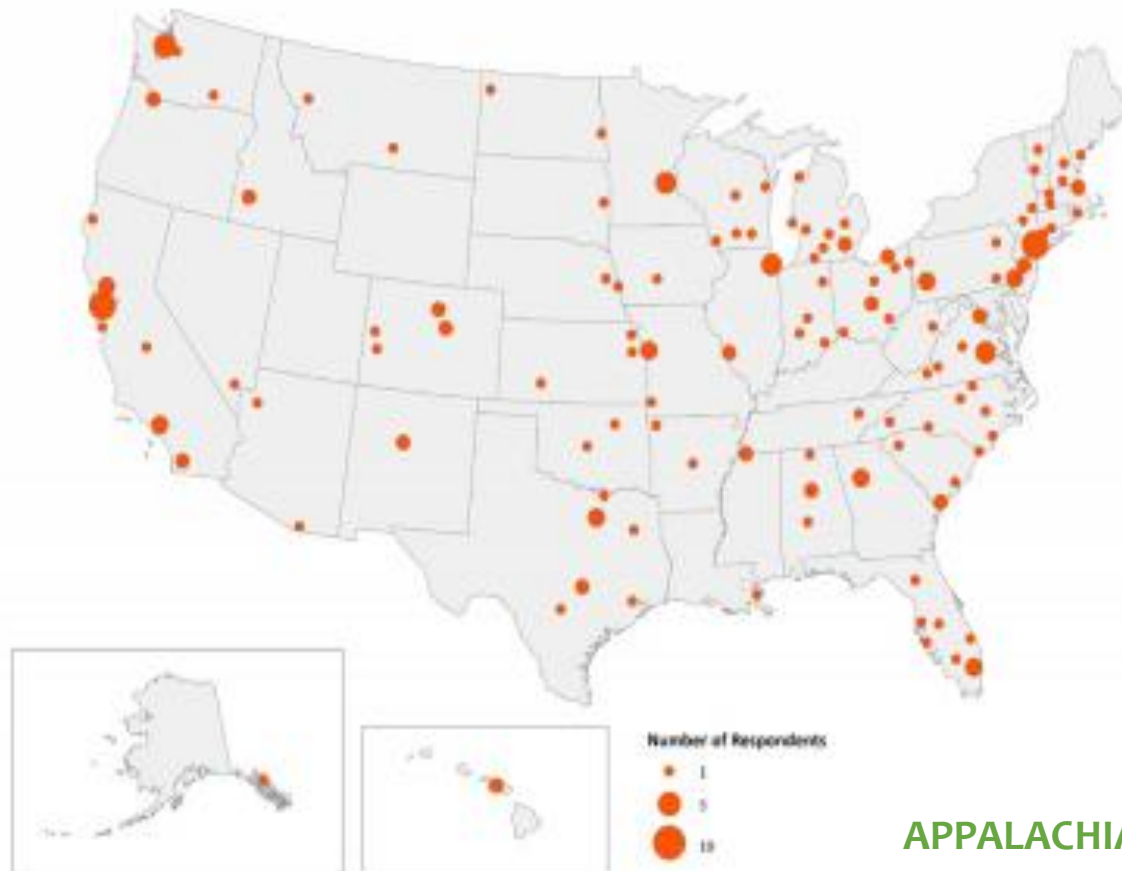
# Kitchen Incubators Mitigate Risk

Incubators have been shown to markedly improve the long-term survival rates of small businesses: incubated businesses have over double the success rate of those without the benefit of incubation after six years in operation.



# Incubators have a national reach across the U.S.

Nationally, over 600 shared use food facilities exist across 48 states and the District of Columbia. Survey respondents, 180 facilities in total, came from 44 states – an increase of 4 states and almost 120 respondents since 2015.



**180 RESPONDENTS  
FROM 44 STATES**

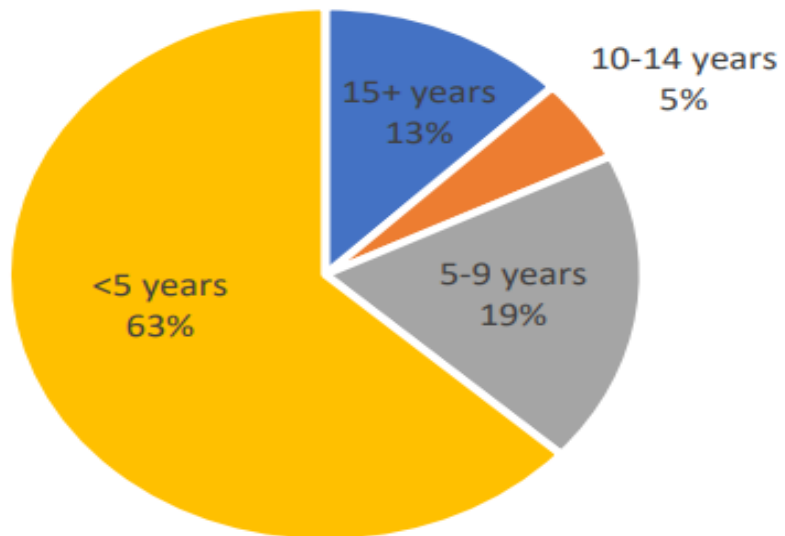


# Food Incubation is a Growing Industry

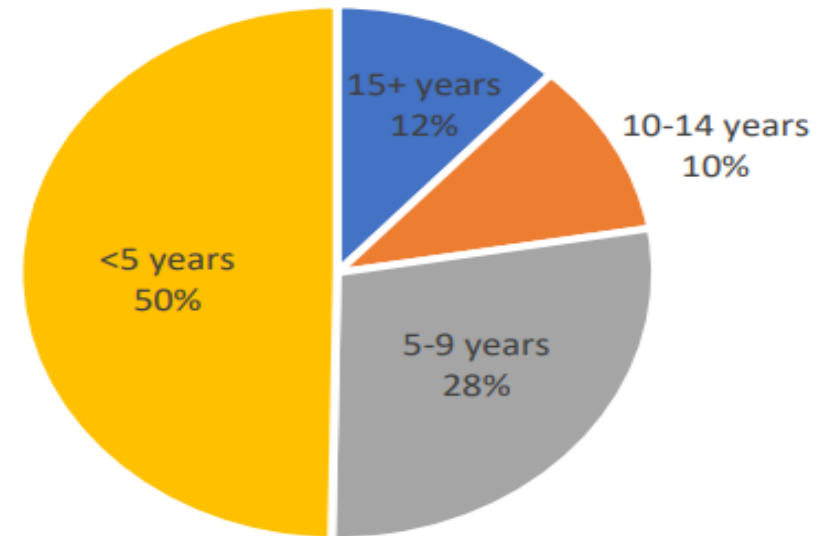
## TWO-THIRDS ESTABLISHED AFTER 2010

Most incubators were recently established, similar to the 2015 results. Over half of survey respondents were formed after the 2015 survey or are currently forming, indicating continued growth in the sector.

Years Established, 2015 Survey



Years Established, 2019 Survey





# What are the keys to a successful food incubator?

- Offering “wraparound” business services
- Strong community partnerships
- Diversity of equipment/specialization
- Emphasis on local economic growth over growth of incubator





# What are the keys to a successful food incubator?

**“What’s different about us is that we know success rates for food entrepreneurs are low. In response, we offer wraparound business supports and access to markets and capital. We offer what folks who have the resources would go out and pay for through consultants. Business is so skewed in terms of representation, and women and minority entrepreneurs succeed only if they have access to relevant tools and knowledge.”**

*-Bonnie Rosenbaum, Director of Communications, Commonwealth Kitchen*



# So what services does a food incubator provide to it's businesses?

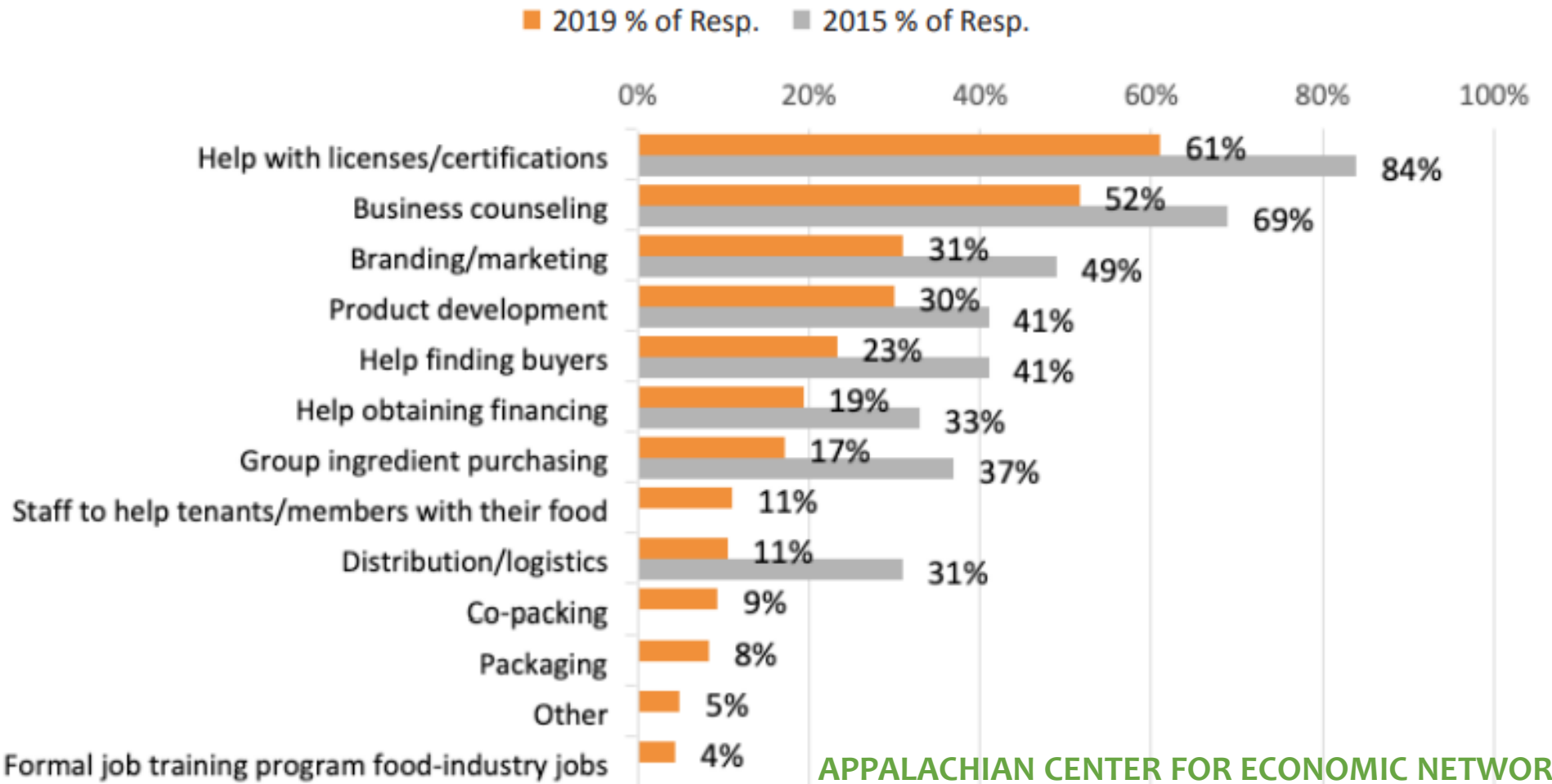


**Well... it depends!**



# No shortage of incubation service options...

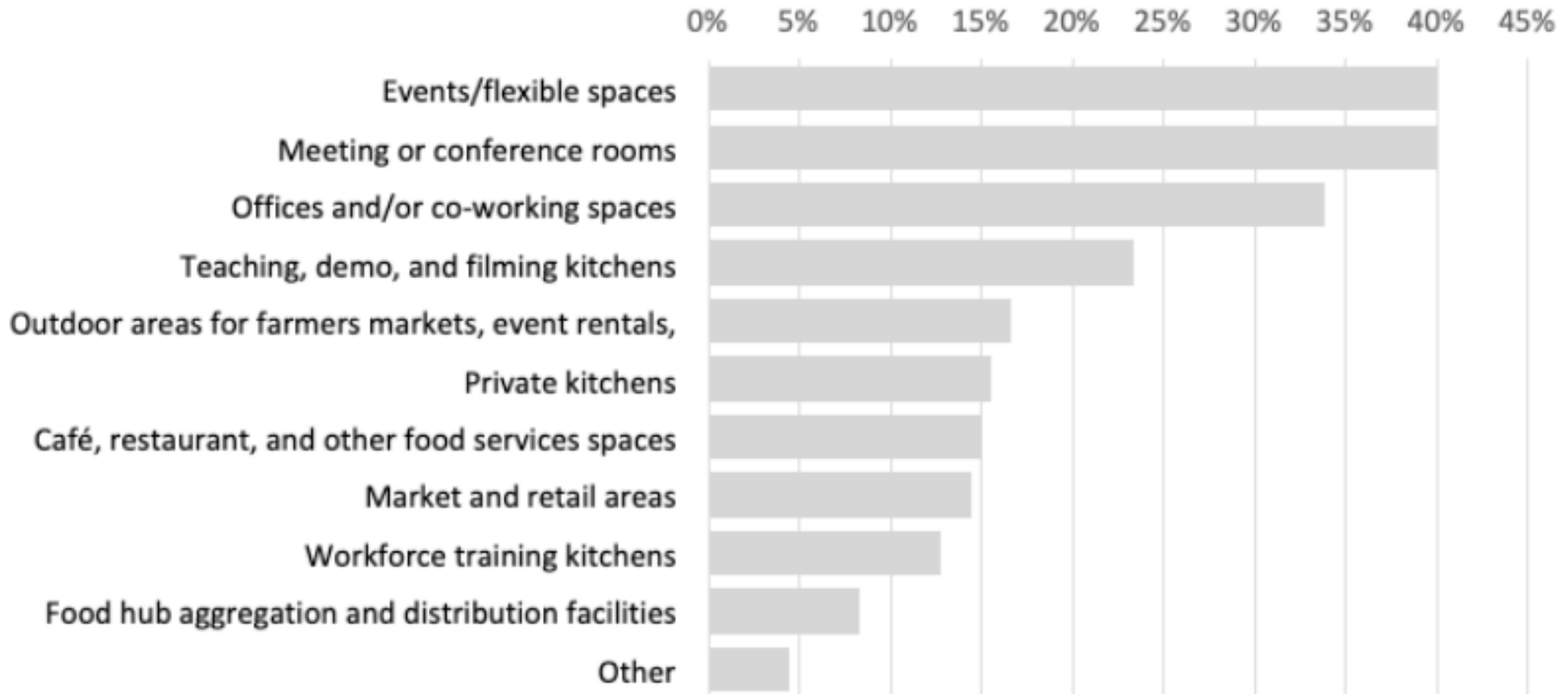
## What service do you provide your members/tenants?





# ...and the list goes on.

What additional services are available at your facility? (% of Resp.)







# What services does ACEnet provide?

## Workshops and Training



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# What services does ACEnet provide?

## Branding & Labeling

**BETTER WITH EVERY BITE**

**OUR LEGACY**  
MY FATHER PERFECTED THIS PEPPER BUTTER RECIPE COVER THE COURSE OF HIS LIFE. WE'VE DECIDED TO CARRY ON THAT TRADITION AND SHARE THIS DELICIOUS PRODUCT WITH EVERYONE. FROM OUR FAMILY TO YOURS: EVERYTHING TASTES BETTER WITH TED'S PEPPER BUTTER!

TED'S PEPPER BUTTER

**ORIGINAL**  
GREAT FLAVOR MILD HEAT

**PEPPER BUTTER**

NET WT 16OZ (454g)

HOMEMADE FOR OVER 30 YEARS

**MILD**

FOLLOW US AND SHARE YOUR STORIES AND RECIPES!

TED'S PEPPER BUTTER

tedspapperbutter.com

**Nutrition Facts**  
22 servings per container  
Serving size 1 Tbsp. (20g)  
Amount per serving  
**Calories 20**

	% Daily Value*
<b>Total Fat</b> 0g	0%
Saturated Fat 0g	0%
Trans Fat 0g	0%
<b>Cholesterol</b> 0mg	0%
<b>Sodium</b> 75mg	3%
<b>Total Carbohydrate</b> 5g	2%
Dietary Fiber 0g	0%
<b>Total Sugars</b> 4g	8%
Includes 3g Added Sugars	6%
<b>Protein</b> 0g	0%
Vitamin D 0mg	0%
Calcium 7mg	0%
Iron 0.2mg	0%
Potassium 40mg	1%

\*The % Daily Values (DV) tells you how much a nutrient in a serving of food contributes to a daily diet. 2,000 calories a day is used for general nutrition advice.

**Ingredients:** Hungarian Hot Wax Peppers, Yellow Mustard (Distilled Vinegar, Water, Mustard Seed, Salt, Turmeric, Paprika), 5% Cider Vinegar, Brown Sugar (Sugar, Molasses), Flour (Bleached Wheat Flour, Malted Barley Flour, Niacin, Reduced Iron, Thiamine, Mononitrate, Riboflavin, Folic Acid), Salt

Contains: Wheat

tedspapperbutter.com

**BETTER WITH EVERY BITE**

**OUR LEGACY**  
OUR ORIGINAL RECIPE WAS SO GOOD THAT WE WANTED TO SHARE IT WITH EVERYONE, BUT NOT EVERYONE LIKES SPICY THINGS. SO WE'VE TAKEN OUT THE HEAT AND KEPT ALL THE FLAVOR. FROM OUR FAMILY TO YOURS: EVERYTHING TASTES BETTER WITH TED'S PEPPER BUTTER!

TED'S PEPPER BUTTER

**SWEET**  
GREAT FLAVOR & NO HEAT

**PEPPER BUTTER**

NET WT 16OZ (454g)

HOMEMADE FOR OVER 30 YEARS

**NO HEAT**

FOLLOW US AND SHARE YOUR STORIES AND RECIPES!

TED'S PEPPER BUTTER

tedspapperbutter.com

**Nutrition Facts**  
22 servings per container  
Serving size 1 Tbsp. (20g)  
Amount per serving  
**Calories 25**

	% Daily Value*
<b>Total Fat</b> 0g	0%
Saturated Fat 0g	0%
Trans Fat 0g	0%
<b>Cholesterol</b> 0mg	0%
<b>Sodium</b> 75mg	3%
<b>Total Carbohydrate</b> 5g	2%
Dietary Fiber 0g	0%
<b>Total Sugars</b> 4g	8%
Includes 4g Added Sugars	7%
<b>Protein</b> 0g	0%
Vitamin D 0mg	0%
Calcium 6mg	0%
Iron 0.2mg	0%
Potassium 33mg	0%

\*The % Daily Values (DV) tells you how much a nutrient in a serving of food contributes to a daily diet. 2,000 calories a day is used for general nutrition advice.

**Ingredients:** Red Bell Pepper, Yellow Mustard (Distilled Vinegar, Water, Mustard Seed, Salt, Turmeric, Paprika), 5% Cider Vinegar, Brown Sugar (Sugar, Molasses), Flour (Bleached Wheat Flour, Malted Barley Flour, Niacin, Reduced Iron, Thiamine, Mononitrate, Riboflavin, Folic Acid), Salt

Contains: Wheat

tedspapperbutter.com

**BETTER WITH EVERY BITE**

**OUR LEGACY**  
THIS IS FOR THOSE OF US THAT LIVE A "SPICIER" LIFE! WE'VE MADE THIS WITH ONLY JALAPEÑO PEPPERS, BUT LEFT IN ALL THE FLAVOR. SO TAKE A WALK ON THE WILD SIDE AND TRY OUR JALAPEÑO FLAVOR. FROM OUR FAMILY TO YOURS: EVERYTHING TASTES BETTER WITH TED'S PEPPER BUTTER!

TED'S PEPPER BUTTER

**JALAPEÑO**  
GREAT FLAVOR SPICY HEAT

**PEPPER BUTTER**

NET WT 16OZ (454g)

HOMEMADE FOR OVER 30 YEARS

**SPICY**

FOLLOW US AND SHARE YOUR STORIES AND RECIPES!

TED'S PEPPER BUTTER

tedspapperbutter.com

**Nutrition Facts**  
22 servings per container  
Serving size 1 Tbsp. (20g)  
Amount per serving  
**Calories 20**

	% Daily Value*
<b>Total Fat</b> 0g	0%
Saturated Fat 0g	0%
Trans Fat 0g	0%
<b>Cholesterol</b> 0mg	0%
<b>Sodium</b> 75mg	3%
<b>Total Carbohydrate</b> 4g	1%
Dietary Fiber 0g	0%
<b>Total Sugars</b> 3g	6%
Includes 3g Added Sugars	6%
<b>Protein</b> 0g	0%
Vitamin D 0mg	0%
Calcium 6mg	0%
Iron 0.2mg	0%
Potassium 44mg	1%

\*The % Daily Values (DV) tells you how much a nutrient in a serving of food contributes to a daily diet. 2,000 calories a day is used for general nutrition advice.

**Ingredients:** Jalapeño Pepper, Yellow Mustard (Distilled Vinegar, Water, Mustard Seed, Salt, Turmeric, Paprika), 5% Cider Vinegar, Brown Sugar (Sugar, Molasses), Flour (Bleached Wheat Flour, Malted Barley Flour, Niacin, Reduced Iron, Thiamine, Mononitrate, Riboflavin, Folic Acid), Salt

Contains: Wheat

tedspapperbutter.com



# What services does ACEnet provide?

## Connecting to Local and Regional Retailers



**Keller Market House**  
Lancaster, OH



**The Butcher & Grocer**  
Columbus, OH



**Nelsonville Emporium**  
Nelsonville, OH



**The Wild Ramp**  
Huntington, WV



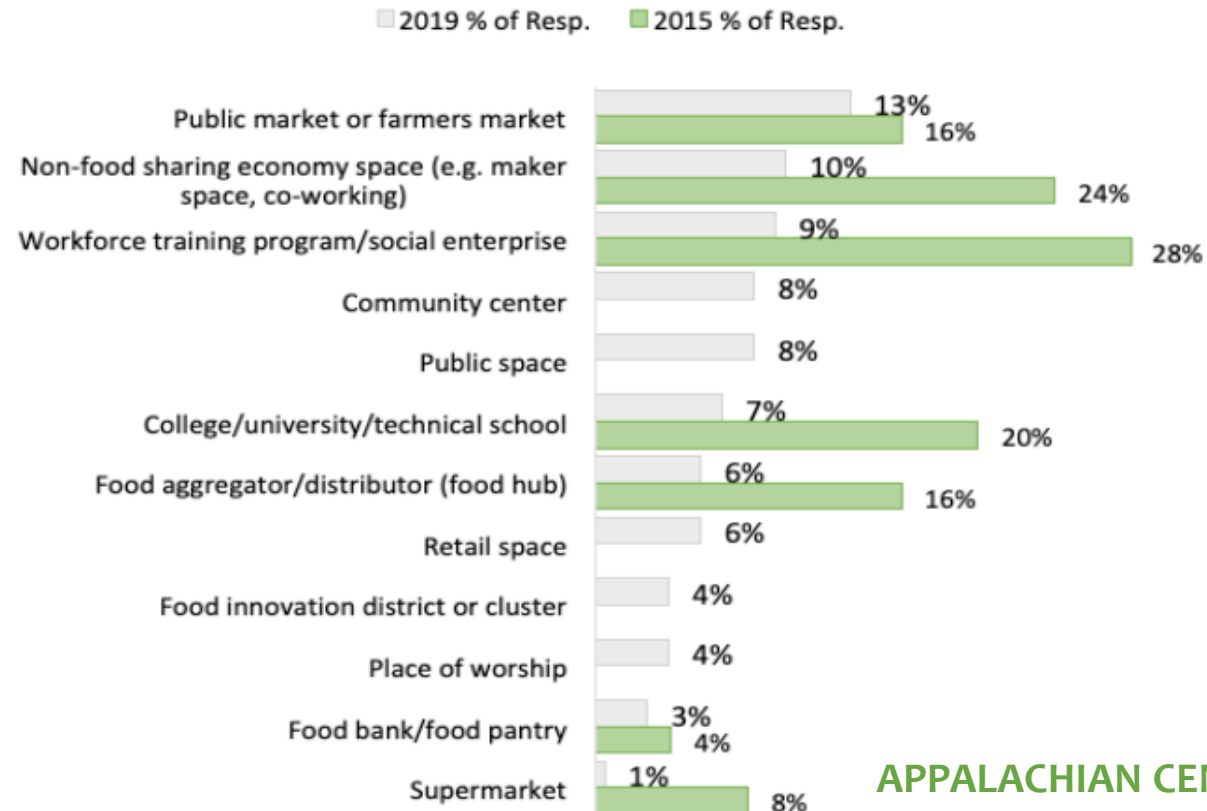


# Many community partnership opportunities

## 40% OF INCUBATORS INVOLVED IN AT LEAST ONE PARTNERSHIP

Many of the incubators are involved in some type of partnership, whether it be aligned with professional development or food product distribution.

Does your facility include or are you part of any of the following?





# ACEnet also sees value in close relationships

**with other service providers who offer what we cannot**

- Insurance providers
- Financial institutions/lenders
- Label printers
- Graphic designers
- Website designers
- SBAs/SBDCs

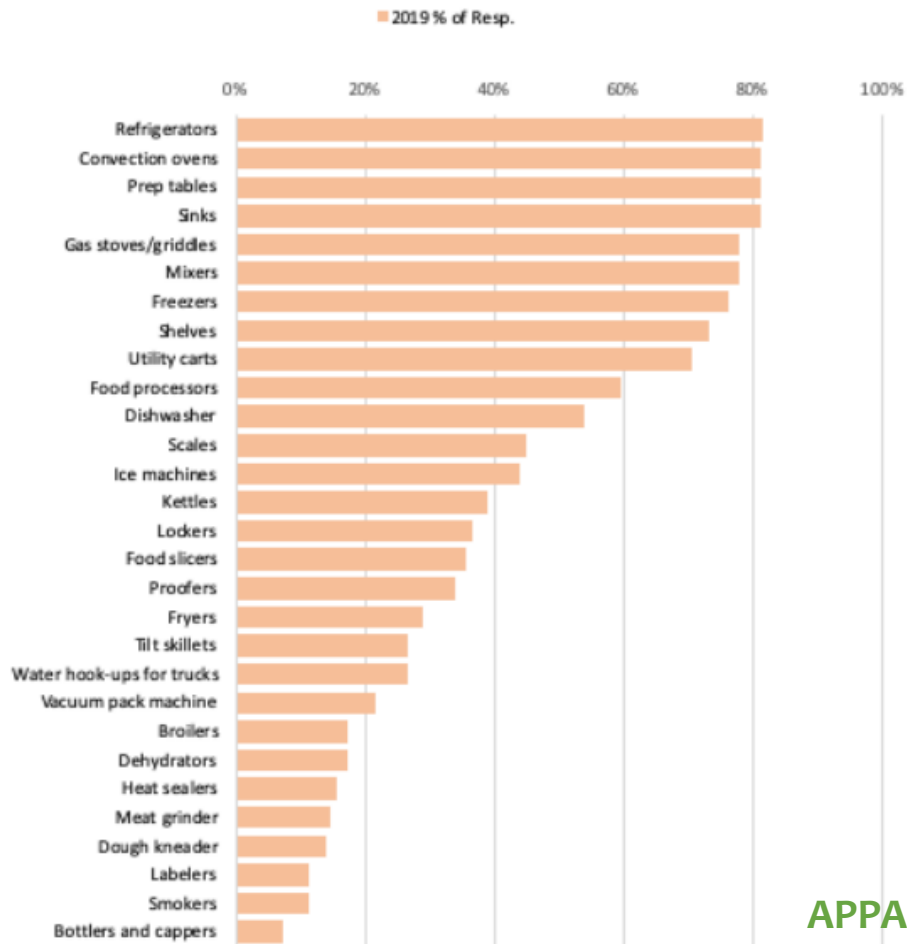




# Diversity of Equipment

## REFRIGERATORS AND CONVECTION OVENS ARE THE MOST COMMONLY PROVIDED EQUIPMENT

What equipment do you provide to members/tenants?

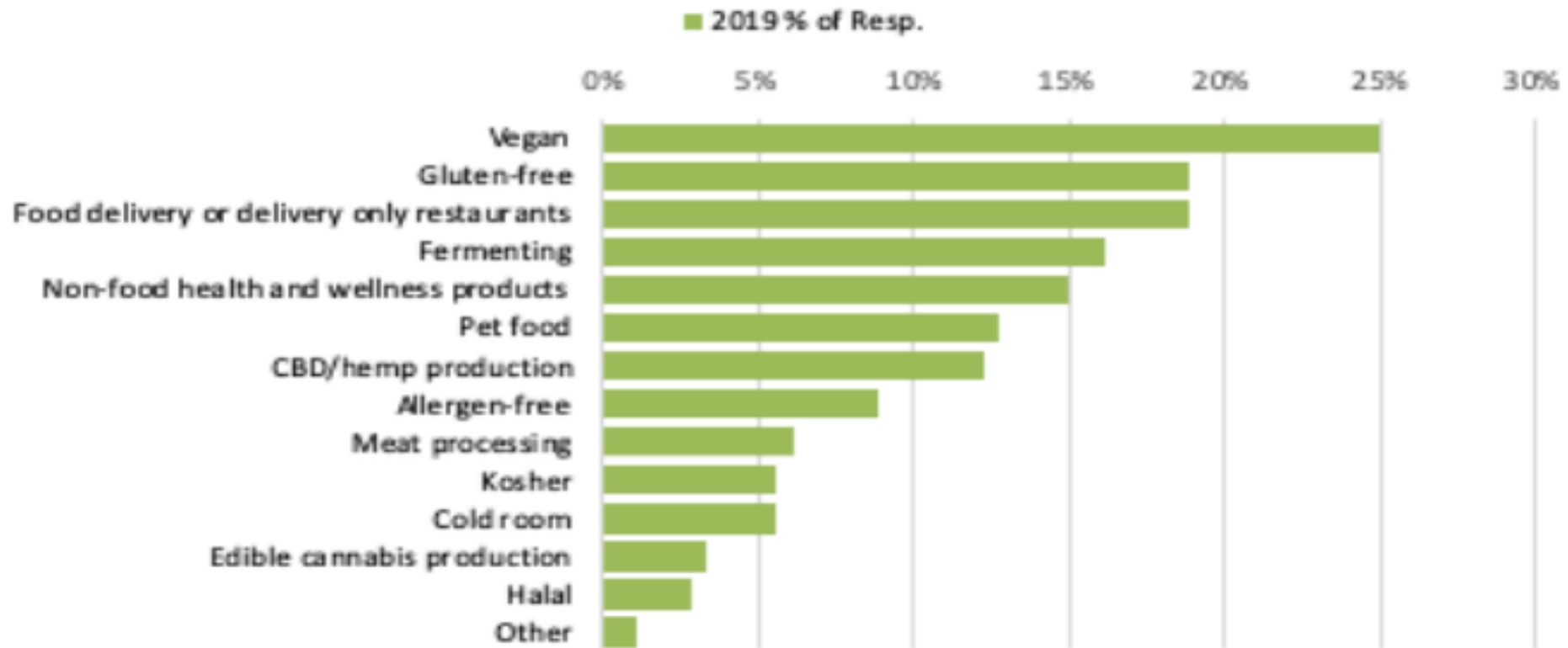




# Facility specialization becoming more important

## 25% OF FACILITIES ACCOMMODATE VEGAN PRODUCTS

Do you accommodate specialty production for any of the following?



Note: 2015 survey results were not included for comparison due to significant changes in categories used.



# What specialized production options does ACEnet offer?



## FDA Thermal Processing

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# What specialized production options does ACEnet offer?



## State-Inspected Meat Processing

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# What specialized production options does ACEnet offer?



## Natural Care & Dietary Supplements

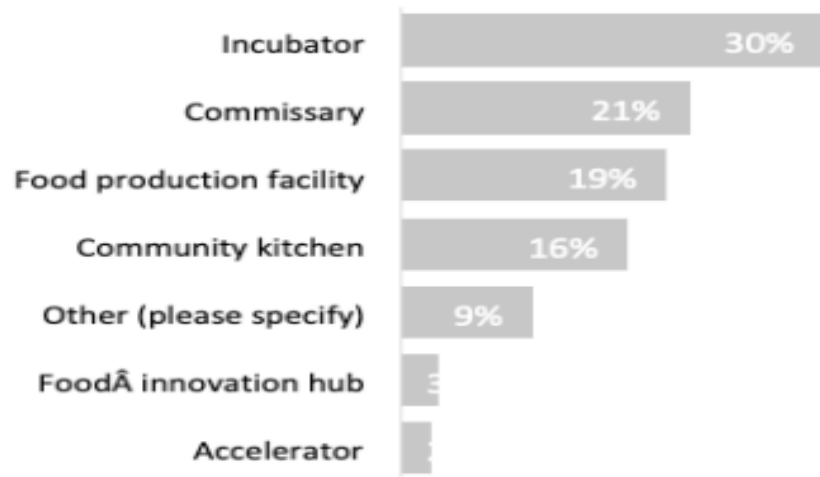


# The Goals of Food Incubation Align with the Goals of a Growing Food Economy

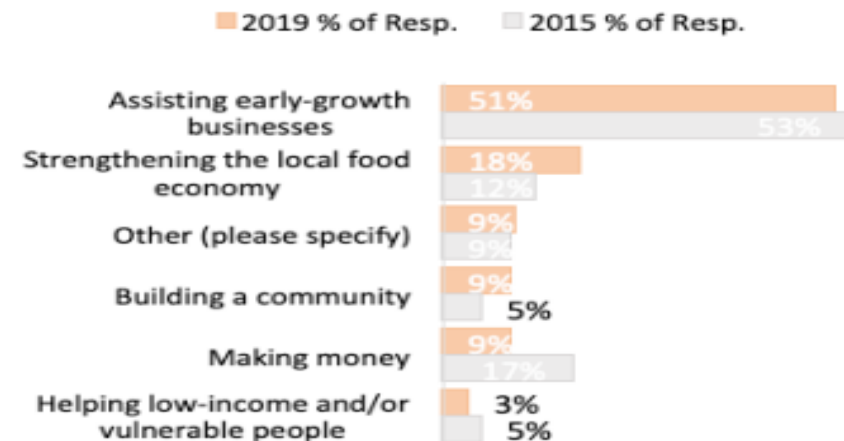
## OVER HALF VIEW A MISSION-BASED FOCUS AS THEIR PRIMARY GOAL

Asked about the primary goal of their facilities, a majority of respondents claim to prioritize a basic mission of incubators: assisting early-growth businesses. This response, in addition to another 18 percent who chose "strengthening the local food economy," indicate that, regardless of corporate classification, many kitchens are mission-focused. In addition, these facilities identify primarily as an incubator, with only 19% identifying first as a food production facility.

Primary Goal of Facility (% of Resp.)



Primary Goal of Facility





# Determining Economic Impacts

## Measuring what matters

- Since 2010 utilizing the Wealthworks framework
- Framework funded by the Ford Foundation & piloted by the Central Appalachian Network – 7 anchor organizations
- Wealthworks identifies and track metrics in 8 forms of capital/assets



[www.wealthworks.org](http://www.wealthworks.org)



# Why Wealth Creation?

*The wealth creation approach links together the whole system of assets, producers, and consumers in ways that benefit everyone –that builds rural wealth.*



This systems approach involves:

- Moving from the parts to the whole
- Emphasizing investment for long-term gain
- Understanding the difference between wealth and income
- Collaborating for mutual benefit



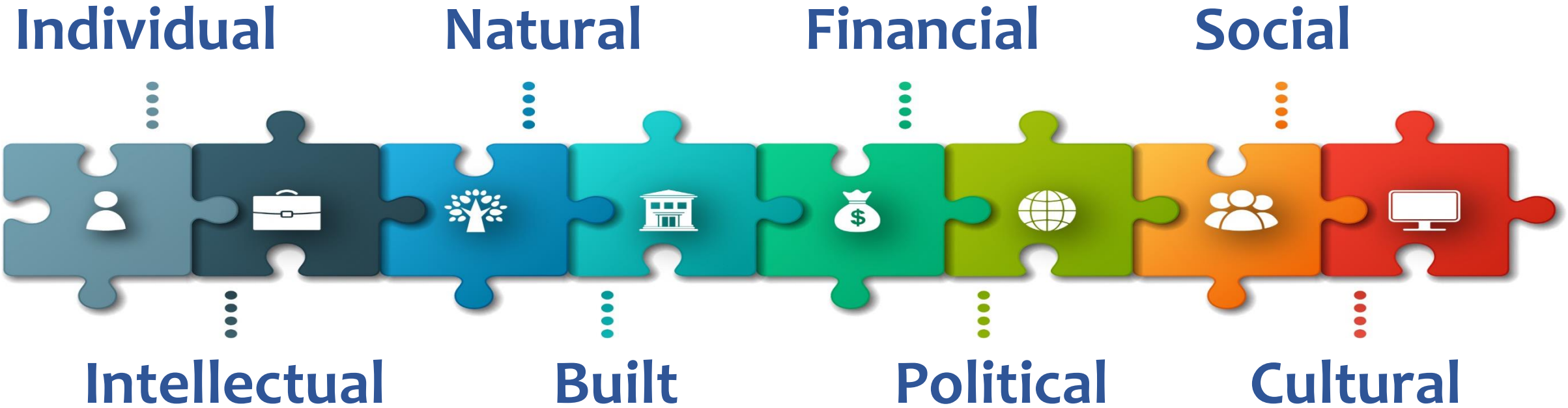
# Strategies to Sustain Wealth Building



- Start with **market demand!**
- Choose market opportunities with the greatest “wealth-building” **potential**
- Connecting community assets to real **market demand**
  - Start by serving local demand – it may be more flexible
  - Find regional customers / demand partners to bring initiative to scale
- Map process and partners from input to end customer (**value chain** is a great tool)
- Identify the **gaps** – create opportunities for new entrepreneurs



# Establishing Metrics in the Food Sector



Collaborators align and share data for a shared vision

# Individual Capital

- ✓ Value chain assessment practices acknowledges individual's & families entrepreneurial assets & place based opportunities
- ✓ Personal financial planning, micro-lending & CreditAbility workshops & services





# Intellectual Capital

- ✓ Increase in number of entrepreneurs participating in training, workshops, conferences & technical assistance
- ✓ Formation of peer leaning networks & entrepreneurs acting as co-trainers
- ✓ Toolkits, guides, production manuals, social media videos assist start-ups



# Social Capital

- ✓ Food retail locations become hubs for networking & peer learning
- ✓ Increase in entrepreneurship marketing partnerships
- ✓ Increase communications between buyers & sellers along the local food value chain
- ✓ Regular celebratory gathering, food festivals, brand programs, fundraising dinners



# Natural Capital

- ✓ Increase in acreage for sustainable agriculture & organic certification, local grains, pastured meat production
- ✓ Increase in GAP training
- ✓ Increase in beginning farmers
- ✓ Increase in farmland preservation



# Financial Capital

- ✓ Increase partnerships and products for micro and small business loans
- ✓ Strategies for “Slow Money” & crowdfunding to create equity & community capital
- ✓ Increase private investment by farm & food entrepreneurs
- ✓ Collaborative (non-profit or social enterprise) facilities for entry & early profitability



# Built Capital

- ✓ Expansion of season extension, packing, retail & storage by farm operators
- ✓ Accelerated number of start-up & expansion: restaurants, retail, processing, distribution
- ✓ Collaborative facilities raise capital for expansion: CPA, ACEnet FVC and Nelsonville Food Hub
- ✓ Entrepreneurs incorporate efficiency & renewable energy into expansion design



# Political Capital

- ✓ Increased elected officials and agency staff support for public investment
- ✓ Entrepreneurs run and some elected to public office
- ✓ Traditional media channels & social media explosion tells the story
- ✓ Increased recognition through publications & journals
- ✓ Food Policy Councils encourage new policies favoring food entrepreneurs



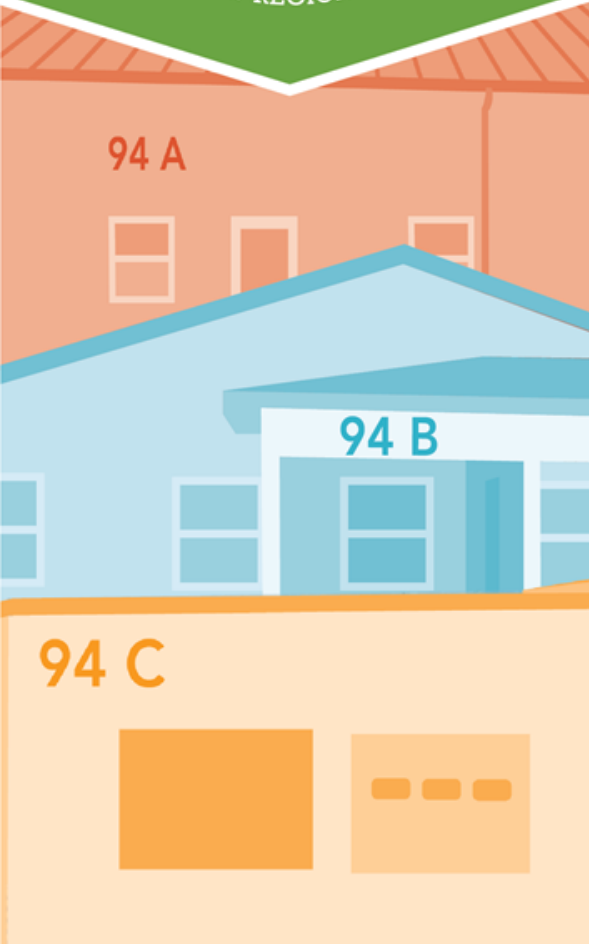
# Cultural Capital

- ✓ Preserving our foodways & eating traditions
- ✓ Celebrating our heritage in festivals & cultural events
- ✓ Creating an inclusive culture for rural communities
- ✓ Communicating the importance of rural places





# MORE FROM ACENET!



[www.acenetworks.org](http://www.acenetworks.org)



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