

Scaling Up Agri-Food Businesses

Collaborative project of the University of Southern Maine
Food Studies Program and the Maine Food Strategy
Spring 2018

OVERVIEW

USM graduate and undergraduate students of Food Planning and Policy examined critical issues surrounding scaling up of agri-food businesses. Primary data were collected and analyzed of nine food producers and processors. This research project was conducted in partnership with the Maine Food Strategy.

FACTORS OF SUCCESS

FUNDING

Slow Money Maine and Maine Technology Institute (MTI) financing; crowd-funding such as IndieGoGo, Kickstarter, and GoFundMe; small-business competitions such as Green Light Maine, Maine Small Business Bureau, Launch Pad.

MARKET

Research competition to develop niche product; increase in market demand (mature market) should parallel natural growth before scaling up process and before financial investment.

NETWORKING AND ADVICE

Building healthy relationships and receiving business advice from a variety of sources (examples: bankers, trusted experts, investors); some advice may not be helpful.

OPERATIONS

Vertical integration within producing and processing; knowledge of state and local regulations that can help or hinder one's business; well-defined brand identity and solid marketing.

BARRIERS TO SCALING UP

CONSUMERS

Consumers' lack of awareness and education of mainstream, conventional food systems and alternative possibilities; staying relevant and profitable with increasing consumer demand and competition.

LABOR

Finding, training and keeping talent; seasonality; payroll (work base equilibrium and security in making payroll); maintaining small culture and potential loss of small-family business culture when scaling up.

MARKET

Transportation infrastructure and convenience favor larger entities as opposed to smaller businesses.

OPERATIONS

Local sourcing to maintain Maine brand identity; human resources and legal requirements; working with and establishing relationships with new distributors; lack of distribution partners in part of the state; time constraints and lower profits distributing smaller orders; efficiency in scaling up, need more stocking space.

RECOMMENDATIONS

- Create resource directories of funding sources, partner organizations, and labor/employment agencies.
- Offer open-source employee handbook information with hiring guides.
- Establish small and mid-sized food processors that operate state-wide, including livestock processing.
- Develop consistent eco-labels of Maine-made goods

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