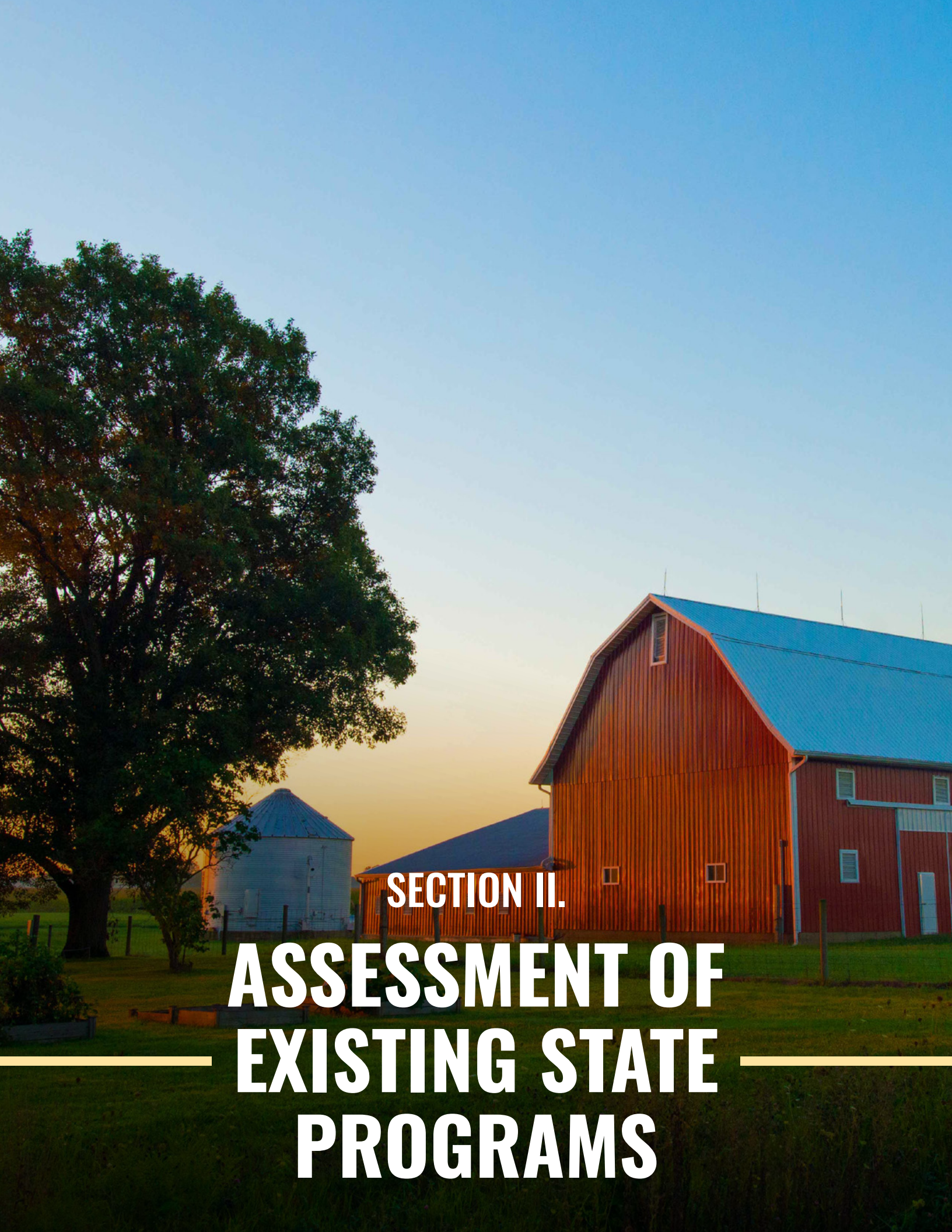




SECTION II.

ASSESSMENT OF EXISTING STATE PROGRAMS

INDIANA STATE DEPARTMENT OF AGRICULTURE

The Indiana State Department of Agriculture serves as a unifying role in Indiana's agricultural community, advancing stewardship, economic development and growth. Through its programs and partnerships, ISDA strengthens local economies, supports the state's producers and ensures Indiana's agricultural legacy continues to thrive.

From its earliest days, ISDA embraced a modern mission: to strengthen Indiana agriculture through economic growth and market expansion. Today, that mission is carried forward through the work of the Economic Development Division, which plays a central role in building a resilient and opportunity-rich agricultural economy. Through a portfolio of programs, technical assistance and strategic collaborations, the division strengthens markets, expands economic opportunity and elevates the visibility of Indiana-grown products. These coordinated efforts reinforce one another, supporting producers at every stage of growth, building consumer trust, and ensuring Hoosiers statewide have access to food that reflects the strength and diversity of Indiana agriculture.

As Indiana charts its path forward, it is essential to understand not only where ISDA stands today, but also how it can be positioned for growth in the future. The following overview of ISDA's current programs provides the foundation for this assessment, illustrating the agency's existing strengths, areas of focus, and the vital services already supporting food and farming businesses.





INDIANA GROWN

At its heart, the Indiana Grown program is a bridge — between rural and urban communities, between long-established farms and first-generation entrepreneurs, and between the traditions that shaped Indiana's past and the innovations that will define its future.

Businesses that join the program gain more than a label; they gain a champion. Indiana Grown helps them tell their stories, establish and grow market channels, and connect with consumers who care deeply about supporting local. Whether at farmers markets or on grocery shelves, restaurant menus or digital platforms, the Indiana Grown logo signals something meaningful: This product is part of Indiana's agricultural family.

Beyond its branding resources, Indiana Grown has grown into a robust suite of initiatives designed to elevate local products and deepen the connection between producers and consumers. The Indiana Grown Showcase offers members a high-visibility forum to present products directly to buyers, distributors and retailers — opening doors to new markets and long-term partnerships. In addition to the annual in-person showcase, the program provides buyer matchmaking, helping connect businesses with the right purchasing partners to strengthen sales opportunities and expand businesses' market reach throughout the year. Complementing this is the Indiana Grown marketplace, which creates direct-to-consumer sales opportunities and helps businesses broaden their reach and increase consumer awareness. Generating more than six figures in annual sales, the marketplace does not retain revenue within the program; instead, revenue flows directly to the participating businesses, ensuring the financial impact meaningfully supports local producers.

The program's marketing campaigns amplify consumer awareness efforts by sharing the stories behind Indiana-grown products, helping Hoosiers understand the craftsmanship and passion behind





every purchase. These campaigns strengthen consumer trust, increase statewide awareness and reinforce the value of choosing local.

Building on this foundation, survey results as part of this study show that Indiana Grown's visibility and storytelling are translating into meaningful impact. Nearly two-thirds of Hoosiers are familiar with the Indiana Grown mark, making it the most widely recognized local-food identifier in the state. This level of awareness gives Indiana Grown a strong platform for influencing purchasing behavior, particularly because over 90% of Hoosiers surveyed buy local at least occasionally, with grocery stores and farmers markets serving as the primary access points for local food.

The featured farms in marketing campaigns align closely with what motivates consumers most. Hoosiers consistently cite freshness (63%), taste (55%) and a desire to support the local economy (42%) as their top reasons for buying local. Indiana Grown's focus on showcasing producers, highlighting product quality and reinforcing community connection directly taps into these values. As a result, Indiana Grown not only

builds emotional resonance but also deepens consumer confidence in the integrity and quality of Indiana-produced foods. Importantly, this growing connection is shaping future purchasing behavior: Almost two-thirds of surveyed Hoosiers say they are likely to increase their purchases of local products in the next year. Indiana Grown's marketing campaigns — which emphasize authenticity, farmer stories and transparent sourcing — position the program to capture and accelerate this momentum. Together, these insights demonstrate that Indiana Grown's marketing investments are not merely raising awareness — they are actively strengthening consumer trust, aligning with core purchasing motivations and driving measurable shifts in buying habits across the state.

Indiana Grown also hosts educational and networking events. Its annual symposium convenes subject matter experts and industry leaders to discuss current and future trends and to provide insights and growth opportunities for food and farming businesses. Digital, print and live media appearances further broaden the program's reach, highlighting member



businesses throughout the year and encouraging consumers to discover new products and agritourism experiences across the state.

Together, these efforts create a shared identity for Indiana's local food movement, one that strengthens trust, supports business growth, and aligns regional and statewide networks around a unified message: Local matters. As the program matured, so did its impact. Indiana Grown has become a catalyst for economic development, a champion for small businesses, and a trusted resource for consumers seeking to support the state's food and agricultural economy.

The program spotlights the extraordinary range of Indiana agriculture — beyond the familiar corn and soybeans to honey, bison, duck, popcorn, dairy, fresh produce, maple syrup, craft beverages, and locally crafted products that showcase the creativity and innovation of Hoosier producers.

Most importantly, Indiana Grown helps make “local” easier. It provides the tools, visibility and connections needed to ensure every Hoosier can choose local. Whether it's families shopping for dinner; a chef sourcing ingredients for a menu; or a school looking to bring nutrient-dense, local food into their cafeteria, Indiana Grown helps make those connections possible.

The program continues to grow, evolve and inspire. And with every new member, every new product and every new consumer who chooses local, Indiana Grown adds another chapter to the story of Indiana agriculture, one rooted in community, strengthened by collaboration and shared by all who call Indiana home.



INDIANA GROWN: PROGRAM REACH, SCALE AND IMPACT

Indiana Grown offers measurable benefits to food and farming businesses, consumers and the broader agricultural economy. With nearly 1,700 members spanning all 92 counties, the program represents the full spectrum of Indiana agriculture. This diversity underscores Indiana Grown's role as a unifying statewide platform that brings visibility, credibility and opportunity to businesses of all sizes.

Today, two-thirds of Hoosiers recognize the Indiana Grown logo, a sign of the program's increasing visibility and influence on purchasing decisions. This trust translates directly into economic value. Members consistently report increased visibility, improved market exposure, more wholesale and retail connections, and stronger direct-to-consumer sales channels as a direct result of participating in Indiana Grown program events.

Members describe the Indiana Grown logo as a mark of authenticity and quality that gives them a competitive edge in crowded marketplaces.

For many, the logo is the starting point for conversations that lead to new customers, wholesale accounts and partnerships. Surveyed members have indicated an average increase in revenue of 12% by incorporating the Indiana Grown logo into packaging, marketing materials and promotional materials. The program's marketing engine — digital campaigns, social media, television, radio and connected TV — has consistently outperformed industry benchmarks, with engagement rates that double or triple national norms. These efforts have driven more than a 350% increase in website traffic during peak campaigns and have directly contributed to significant sales growth, in some cases boosting individual businesses by several hundred percent.

Indiana Grown has already demonstrated, at scale, that when Hoosiers choose Indiana products, Indiana farms thrive. Remarkably, this level of impact is achieved with an annual appropriation of \$250,000, which supports two full-time staff. Despite this lean budget and staffing structure,



Indiana Grown delivers branding, marketing, wholesale and retail matchmaking, media exposure, regulatory navigation, and high-impact consumer events. This study found that modernizing the Indiana Grown program to meet the current needs of food and farming businesses is both timely and widely supported. Stakeholders overwhelmingly endorse expanding Indiana Grown to deepen visibility, broaden economic reach and strengthen its statewide impact. With an enhanced program, agribusinesses will gain greater access to the tools, markets and visibility they need to grow. Indiana Grown has already laid the foundation for a more connected and locally focused food system. Recommendations include increasing Indiana-grown products' presence in institutional venues, restaurants and retailers, enabling the development of stronger, more innovative market channels for businesses.

LIVESTOCK MARKET REPORTING PROGRAM

The Indiana Livestock Market Reporting Program, launched in 2016 through a partnership between the Indiana State Department of Agriculture and the U.S. Department of Agriculture (USDA), was created to address a long-standing challenge in Indiana's livestock sector: the lack of reliable, localized and timely market data. Before the program existed, producers often relied on out-of-state auctions or reports from neighboring states simply because those markets offered a better reporting infrastructure. Without access to accurate market prices for livestock sold in Indiana, producers operated at a disadvantage.

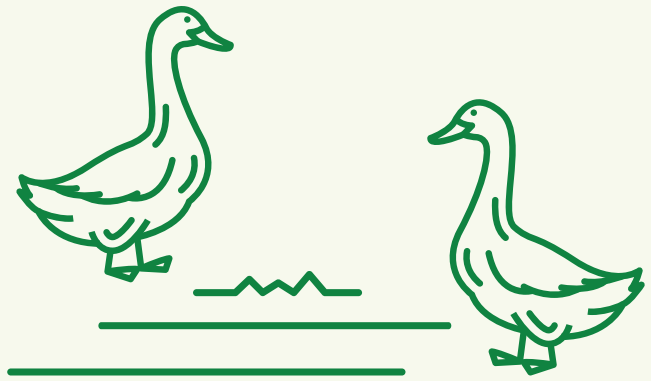
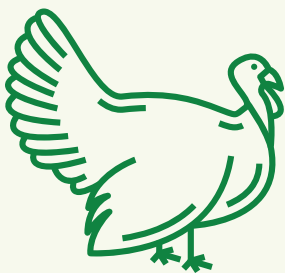
The Market Reporting Program filled that gap by providing weekly price and volume data for dairy cattle, beef cattle, sheep, goats, hay and straw. Published through USDA Market News, these reports give producers real-time insight into trends and strengthened market transparency and competitiveness across Indiana.

GRANT SERVICES

The Indiana State Department of Agriculture administers two major federal grant programs that drive economic development, strengthen supply chains, and support innovation across Indiana's food and agricultural sectors. Within ISDA, the Grant Services Division oversees the Resilient Food Systems Infrastructure (RFSI) program and the Specialty Crop Block Grant Program (SCBGP). Together, these programs deliver critical investment and technical support to Hoosier farms and food businesses.

ISDA currently manages more than \$6.7 million in federal funding through the RFSI grant program, a one-time USDA investment designed to strengthen the middle of the supply chain, including aggregation, processing, manufacturing, storage, transportation and distribution. The program's four-year performance period (May 25, 2023–May 24, 2027) provides a unique window to advance Indiana's food systems infrastructure.

As part of ISDA's RFSI state plan to strengthen local and regional food systems, a dedicated value chain coordinator role was established to expand capacity for farm-to-market connections. The coordinator launched Indiana Food Business Consultants, a statewide, no-fee technical-assistance network providing one-on-one support in business modeling, bookkeeping, compliance and access to capital. To date, this network has supported more than four dozen businesses,



strengthened ties with the Indiana Small Business Development Center (SBDC), and provided specialized advising for emerging food and farm enterprises.

Beyond technical assistance, the RFSI grant program supports 17 active projects that expand processing, increase aggregation capacity and improve access to locally produced food. These include equipment purchases, such as refrigerated vehicles that improve statewide movement of fresh foods, and major infrastructure investments, like co-manufacturing facilities, a food hub and an incubator kitchen. Collectively, these efforts enhance Indiana's processing and distribution capacity, making the state's supply chain more robust and more competitive.

ISDA also administers the Specialty Crop Block Grant Program, an annual USDA program funded through the Farm Bill. As of early 2026, ISDA manages more than \$1.5 million in active specialty-crop projects that advance research, education, market development, food safety and consumer awareness for fruits, vegetables, nuts, nursery crops and other specialty products.

Together, the RFSI and SCBGP programs underscore ISDA's role in strengthening local and regional food systems, supporting small and mid-sized farm and food businesses, and enhancing the competitiveness of Indiana's specialty-crop sector.



EXPANDING OPPORTUNITIES AND STRENGTHENING INDIANA'S FEDERAL FUNDING STRATEGY

If funding through the USDA should expand — with growing investments in local and regional food-system grants — Indiana has significant opportunities to deepen and broaden its participation in federal programs beyond RFSI and SCBGP. Recommendations from stakeholders and alignment of best practices nationwide point to a clear need for Indiana to fully capitalize on these opportunities. To do so, Indiana should require cross-agency coordination on USDA local food grants, with a lead convener driving action.

A planned, proactive approach — uniting state agencies — would create a single, transparent pipeline for identifying, prioritizing and pursuing federal funding opportunities.

Beyond expanding its core programs and grant administration work, key recommendations have been identified for placement within the Department of Agriculture that reflect the challenges, opportunities and systemwide needs raised through this study. These recommendations strengthen ISDA's capacity to support the entire agricultural value chain and ensure Indiana's food and agriculture economy remains competitive, resilient and future-focused.

One of the most significant opportunities is restructuring the current ISDA's Center for Value Added Research into an agricultural-market development fund. Stakeholders emphasized an ag-market development fund would allow the state to support a broader suite of market-development tools, such as value-added production initiatives, mobile processing units, shared-use commercial kitchens and regional food-hub development. Stakeholders consistently noted that these investments would position





Indiana as a leader in value-added production, diversification and market innovation, supporting both emerging enterprises and established operations seeking to expand into new markets.

Stakeholders recommended establishing a statewide ISDA value-chain coordination network housed within the ag-market development fund. With dedicated food-distribution specialists at its core, the network would guide producers through wholesale-market navigation, logistics coordination and forward-contracting relationships that build predictable demand for local products.

The ISDA-led network ensures all food and farming businesses receive the support needed to enter, grow and compete across diverse market channels. Together, these coordinated functions would help align supply with diversified demand, streamline market entry, and position Indiana agribusinesses to compete effectively across both traditional and emerging sectors.

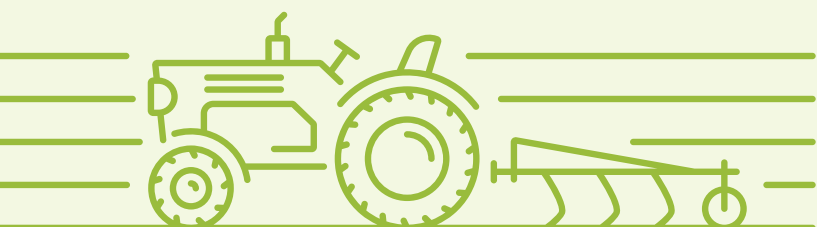
Stakeholders further underscored the need to expand support for beginning and transitioning farmers through a professional, statewide mentorship program that builds on current



educational programs. Stakeholders emphasized that new and diversifying producers need high-quality, hands-on guidance and training to enter markets successfully and to build long-term viability. Creating a paid mentorship program allows for quality, consistent training.

Together, these recommendations outline a forward-looking vision for Indiana agriculture, one in which producers have the services, infrastructure and markets needed to thrive; agencies and partners work collaboratively; and the food system is more connected and positioned for long-term competitiveness. As this study transitions from conceptual analysis to practical implementation, the ISDA has meaningful opportunities to collaborate on and contribute to the Department of Health's (IDOH) Executive Order 25-57 and the Department of Education's (IDOE) Executive Order 25-59. Strengthening connections between food and farming businesses and these state initiatives will be essential, not only for growing the local food economy, but also for integrating local products into key strategic efforts across the state.

As ISDA advances initiatives that strengthen markets, expand business development support and accelerate value-added growth across the state, the Indiana Board of Animal Health (BOAH) plays an equally essential role in ensuring Indiana's livestock, poultry, meat and dairy sectors are safe, regulated and positioned for sustainable expansion.





THE INDIANA BOARD OF ANIMAL HEALTH

For more than a century, the Indiana Board of Animal Health has served as an essential public health agency, protecting Indiana's animals, supporting its food system, and safeguarding the people and economy that rely on both. Originally created to stop the spread of disease in livestock, the Indiana State Board of Animal Health has grown into a modern regulatory agency. Its work now covers animal health, food safety, animal welfare and emergency response. Today, BOAH's mission is more relevant than ever, supporting Indiana's vast animal agriculture industry, and the complex systems that keep food safe from farm to consumer.

The scale of BOAH's responsibility is immense. Indiana ranks among the top national producers in multiple species, with 13.3 million ducks, 10.7 billion eggs, 22.9 million turkeys, more than 4.4 million swine and 4.5 billion pounds of annual milk production. Maintaining a healthy, disease-free environment for this industry requires continuous, statewide surveillance. BOAH veterinarians and inspectors investigate disease threats, monitor animal movement and coordinate closely with farmers, private veterinarians, USDA officials and neighboring states to ensure Indiana's animals remain healthy and its markets remain open.

This work has intensified as emerging threats such as highly pathogenic avian influenza persist. From October 2025 to March 2026 alone, BOAH staff devoted more than 15,000 hours to Highly Pathogenic Avian Influenza (HPAI) response. Despite these demands, the agency continues to deliver strong results with an efficient, highly dedicated team. Their ability to manage complex, statewide animal-health challenges demonstrates a solid foundation of expertise and commitment poised for growth: The Animal Health Division has decreased from 34 positions in 2004 to 28 today, underscoring the need to rebuild critical workforce capacity.

Animal welfare and humane standards are another core pillar of BOAH's mission. Through decades of leadership, from enforcing the Humane Slaughter Act to developing statewide livestock and poultry care standards, BOAH has shaped Indiana's reputation for consistent science-based animal care protections. Inspectors and veterinarians ensure humane handling in facilities and assist with investigations, supporting both industry integrity and consumer confidence.

ANIMAL HEALTH

2,910 HPAI tests of dairy cattle under the federal order

ZERO CASES Indiana maintained free status in 2024

ANIMAL MOVEMENTS UNDER OFFICAL DOCUMENTS

SUCH AS CERTIFICATES OF VETERINARY INSPECTION (CVI), COMMUTER HERD AGREEMENTS, PERMITS, ETC.

DOCUMENTS ISSUED	ANIMALS SHIPPED	LIVESTOCK	ECONOMIC VALUE TO INDIANA
22,754	9.2 Million Head	Livestock	\$6.2 Billion
20,206	34,859 Million Head	Equine	\$4.6 Billion
6,561	129.6 Million Head	Poultry	\$18.35 Billion



FOOD SAFETY

DAIRY INSPECTION

4.51 BILLION lbs of Milk Produced

678 Farms

520 Tanker Trucks

68 Plants

15 Farmstead Processors

33 Farms with **173** Robotic Milkers

MEAT & POULTRY INSPECTION

18.7 MILLION lbs of Meat Inspected

83 Official Establishments

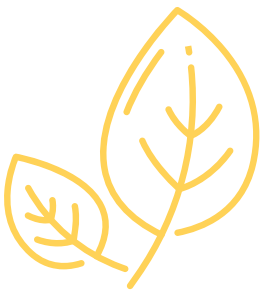
26 are Enrolled in Cooperative Interstate Shipment Program

55 Cutom-exempt Establishments

3 Limited Hotel-Resturant-Institution (HRI) Permits



BOAH serves as a foundational link in Indiana's food safety infrastructure. The Meat and Poultry Inspection Program (MPIP), operated under a federal partnership with USDA's Food Safety and Inspection Service, ensures that all meat and poultry products entering Indiana's markets are safe, accurately labeled and produced under humane conditions. State-inspected facilities serve local and regional supply chains, while 26 Cooperative Interstate Shipment (CIS) plants are authorized to ship across state lines. The growth in CIS participation — from 10 plants in 2019 to 26 today — reflects BOAH's strong inspection program and industry trust.



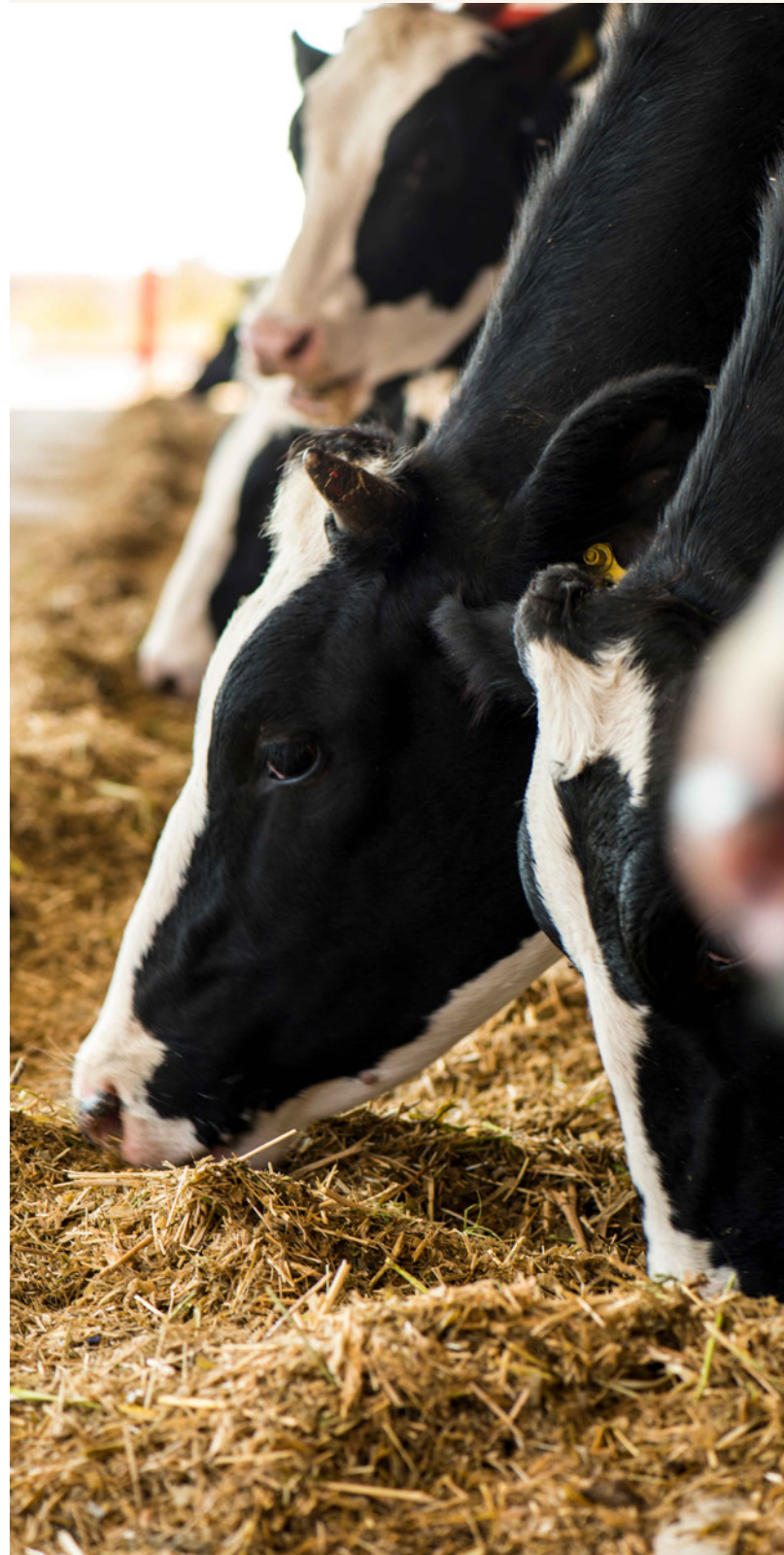
At the same time, the number of state-inspected facilities has risen from 125 in 2019 to 139 today. In 2025, state-inspected facilities produced more than 18.7 million pounds of meat and poultry, and slaughter numbers for both livestock and poultry continue to rise.

Across all programs, BOAH's work reflects a consultative model that stakeholders repeatedly describe as invaluable. Inspectors guide new meat plants through construction, teach food-safety practices step-by-step, help dairy operators troubleshoot equipment requirements and support farmers during disease events. During disasters, BOAH serves as the state lead for animal rescue and care, coordinating efforts across agencies and communities. This "boots-on-the-ground" support is central to why BOAH is trusted by farmers, processors and local governments alike.

Stakeholders also made clear that BOAH is essential but shared a vision for improvement. Stakeholders shared stories of unfilled processing inspection hours, small dairies struggling under tight milk pickup timelines to sell into co-ops, and entrepreneurs seeking clear support during permitting and construction or remodeling projects. Their feedback reflects a shared reality: Indiana's food and agriculture sectors are growing faster than the regulatory capacity that supports them, putting a strain on current operations.

The recommendations emerged from stakeholders' reality. They are grounded in practical needs and unanimously viewed as critical for the agency's next chapter.

Stakeholders' recognized BOAH's inspection staffing — an acknowledgment of how effectively the agency operates today. BOAH has consistently done more with a lean, highly capable team, bringing new facilities, state-inspected plants and dairy operations online with efficiency and professionalism. With at least a dozen new facilities projected in the near term, the momentum of Indiana's meat and dairy sectors is clear. To sustain this strong performance and support continued growth, the agency will need additional capacity. While BOAH has proven its ability to excel with current resource levels, expanding staffing is essential to prevent





delays and ensure farmers and processors have timely access to the markets they need to thrive.

Second, stakeholders emphasized the need for BOAH to establish and promote a designated industry liaison to support meat, poultry and dairy facilities — especially new or remodeling plants — as they navigate local approvals, zoning, construction and ordinance processes. A clear, formal path for requesting BOAH participation in public meetings, along with annual reporting on engagement metrics, was consistently cited as a game-changing improvement for processors statewide. Third, Indiana can support producers by removing inspection fees for farm-raised bison, quail and rabbit, helping reduce a meaningful cost barrier for niche livestock markets exploring entry into restaurants, retailers and local supply chains. This no-cost inspection approach can open additional sales channels for producers while increasing consumer access to Indiana-grown proteins.

Another recurring theme was the need for BOAH to lead a statewide review of the fluid milk pickup window. Current 24-hour pickup requirements limit market viability for small farms, many of whom cannot produce the volume needed for hauling within the required timeframe to sell into co-ops. Stakeholders suggested BOAH conduct a time-bound milk feasibility study — guided by a working group of industry leaders and impacted farmers — to explore expanded pickup timelines, right-sized regulations and modernized storage options that preserve safety while unlocking market access.

As the state looks ahead, BOAH enters its next century not as the agency it was, but as the agency Indiana now needs — responsive, well-funded, well-equipped and prepared to meet the needs of a modern agricultural economy. This alignment is critical to safeguarding Indiana's food system, supporting business expansion, and sustaining the trust that producers, processors and communities place in the BOAH every day.

INDIANA ECONOMIC DEVELOPMENT CORPORATION – SMALL BUSINESS DEVELOPMENT CENTERS

Indiana is home to 591,671 small businesses, representing 99.4% of all businesses in the state. These enterprises employ 1.2 million Hoosiers — 43.2% of the state's workforce — underscoring their essential role in Indiana's economic strength. Indiana added 432 newly established businesses in 2025, reflecting continued positive growth in the state's business landscape.

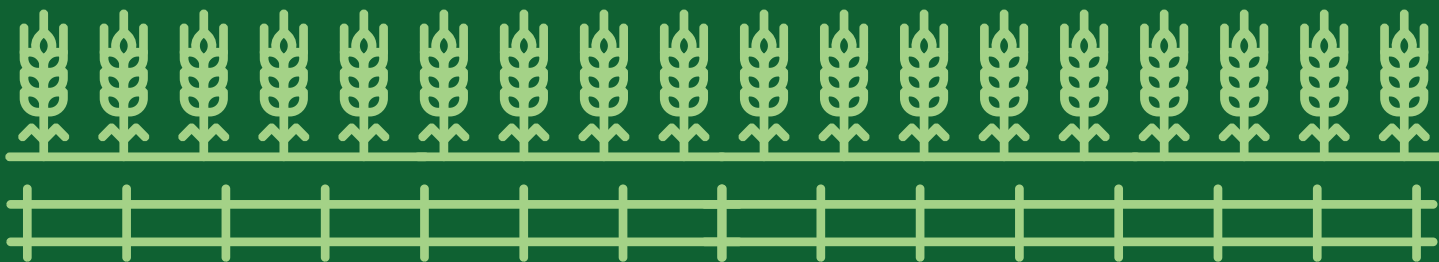
Small businesses also play a significant role in Indiana's global footprint. In 2024, 7,044 Indiana small businesses exported goods, contributing \$6.1 billion in known export value. Much of this came from soybeans, corn, soybean meal, feed grains, poultry and pork, which rank among Indiana's top five agricultural products that connect Indiana growers to international markets.



Within the Indiana Economic Development Corporation (IEDC), the Small Business Development Center (SBDC) provides no-cost, confidential advising through ten regional offices. Its mission is statewide, with services that span startup planning, financial packaging, operational strategy, innovation services and transition planning. Agribusiness clients, including farmers, processors, value-added manufacturers and food entrepreneurs, receive sector-specific advising while staying connected to local offices for hands-on, community-based support.

However, while both IEDC and SBDC offer strong business planning and entrepreneurial resources, stakeholders noted that neither currently operates programs designed specifically to support the growth and expansion of Indiana agribusinesses. This gap presents a meaningful opportunity for strategic alignment: Better coordination with the Indiana Department of Agriculture — particularly through ISDA's emerging agricultural-market development strategies — would help ensure that agricultural enterprises receive the targeted market-access support, sector-specific guidance and long-term growth pathways needed to remain competitive in evolving markets.





INDIANA SBDC AGRIBUSINESS INITIATIVE RESULTS (MAR 2022–DEC 2025)

Agribusiness Initiative Program reported results demonstrate both depth and demand:

- 544 unique agribusiness clients served
- 1,803 counseling hours provided
- Annual advising volumes of 600–700 hours and 150–180 clients
- Support for USDA lending, capital formation, value added product development, and export readiness

Illustrative annual performance targets (2025) include:

- 160–180 agribusiness clients
- 600–700 advising hours
- 6–8 training events (150+ attendees)
- \$3–\$5M in facilitated capital (incl. USDA loans)
- 5–25 USDA loan packages prepared
- 25–35 value added product projects assisted
- 20–30 export readiness clients

Indiana provides export support through the IEDC's State Trade and Export Promotion program and the SBDC's Export Indiana Accelerator program. The accelerator program is a 12-week educational planning course to build export strategies, while the STEP program helps cover the costs of executing them.

Across interviews and listening sessions, a clear theme emerged: Early connection to state and federal resources is essential for business growth. These insights point to the need for a more coordinated, user-friendly entry point into Indiana's agricultural and small-business ecosystem. The recommendation to create a unified onboarding experience developed in partnership with multiple agencies and integrated with existing state platforms, was born directly from this feedback. By allowing businesses to opt-in and automatically connect, Indiana can streamline early-stage support and transform the experience of starting a food or farming enterprise, making it clearer, faster and far more supportive.

The recommendation to create a unified onboarding experience — in partnership with other agencies and integrated with the ISDA Ag Portal — was born directly from these stories. By allowing businesses to opt in and automatically connect with IEDC, SBDC, ISDA, and other partners, Indiana can transform the early experience of starting a food or farming business.

Rather than discovering critical programs years into their journey, entrepreneurs would receive early, proactive guidance on:

- Capital access
- Workforce and training needs
- Facility development and permitting
- Modernization and expansion opportunities
- Market Development support

Stakeholders were clear: For some, this is the missing link — a better connection from the very beginning.

By embracing a unified onboarding model, Indiana shifts from a system that waits for food and farming businesses to seek help to one that proactively reaches out. This approach creates a more navigable experience for entrepreneurs by strengthening cross-agency coordination, reducing confusion and fragmentation, and ensuring that businesses gain early access to the resources most critical to their success. With clearer pathways and more consistent support, food and agriculture companies are better positioned to scale effectively and contribute to a stronger statewide food economy. This unified model also reinforces a broader statewide goal: Making “local” easier and advancing common-sense solutions within an entrepreneurial, service-oriented administration.

Stakeholders emphasized the importance of coordinated data-driven strategy to strengthen Indiana’s agricultural economy. In alignment with this feedback, this study suggests modernizing ISDA’s existing value-added research fund into the newly envisioned agricultural-market development fund, expanding its purpose and sharpening its strategic focus. The updated fund is designed to support statewide economic development framework, guided by regional analyses and sector-specific strategies to ensure Indiana remains responsive to shifting market conditions.



A central component of this modernized approach is the development and maintenance of a comprehensive GIS-based asset map, enabling faster, more informed decision-making and helping leaders identify opportunities, reduce project risk and direct resources where they will have the greatest impact. This strengthened analytical foundation will improve cross-agency collaborations, enhance investment readiness and provide timely, actionable data to better align priorities and support entrepreneurs across Indiana's food and agriculture economy.

As part of these regional strategies, stakeholders recommended creating a Grocery Store Development Task Force to identify gaps, address market barriers, and shape a statewide approach to attracting and expanding grocery stores. With time-bound deliverables, the task force would craft recommendations and provide project guidance.

Together, these recommendations outline a future-ready vision — one that equips Indiana to support agricultural businesses with modern tools, coordinated data, and stronger pathways for integrating agriculture into regional and statewide growth strategies. By improving business onboarding, strengthening economic development planning, and addressing food access directly, Indiana moves toward a more resilient, entrepreneur-friendly and community-focused food economy.

To understand the broader environment that Indiana's food and farming businesses must navigate, the next section examines the role of the Indiana Department of Health in fostering a consistent and predictable statewide regulatory system.



INDIANA DEPARTMENT OF HEALTH

FOOD PROTECTION DIVISION (FPD)

Indiana’s Food Protection Division (FPD) sits at a complex intersection of public health and local autonomy. Indiana entrusts county health departments with significant authority to implement and enforce food safety regulations. FPD’s role is to orient, equip and calibrate that work — supporting consistent standards, providing voluntary training and responding rapidly when foodborne illness or recall concerns arise while respecting county decision-making. The result is a system that depends on partnership: State expertise paired with local execution. The Food Protection division’s portfolio spans Retail Safety Program, Wholesale Manufactured Foods, and Produce Safety, complemented by a Food Emergency Response function.

PROGRAMS OF FOOD PROTECTION DIVISION:

	SCOPE & FOCUS	STAFF
PRODUCE SAFETY PROGRAM	Covers farms growing fruits and vegetables for public consumption	2.5 Staff
WHOLESALE MANUFACTURED FOOD PROGRAM	Oversees facilities that process, package, or manufacture food products.	4.5 Staff
RETAIL SAFETY PROGRAM	Encompasses grocery stores, resturants, and other food service establishments.	6 Staff
FOOD EMERGENCY RESPONSE	Activated for outbreaks, recalls and consumer complaints. Includes food borne illness reports and sanitation concens.	3 Staff





PRODUCE SAFETY PROGRAM

Indiana's Produce Safety Program oversees a diverse landscape of fruit and vegetable farms. Today, the program oversees 393 registered operations, of which 147 fall into a routine three-year inspection cycle based on risk. The program operates within the framework of the Food and Drug Administration's (FDA) Food Safety Modernization Act (FSMA) Produce Safety Rule (PSR). Smaller farms often qualify for exemptions under PSR. The FDA determines whether a farm undergoes inspection, receives education-focused outreach, or remains exempt.

Since its inception in 2019, the program focused on education first, investing in grower training, on-farm consultations, and compliance assistance to build familiarity and trust before inspections became mandatory. Unlike many regulatory programs, Indiana has no formal registration requirements for farms, meaning the program relies heavily on outreach, self-reporting, and partnerships to identify farms that fall under FSMA oversight. State Inspections are complimentary though farms may encounter additional local fees depending on county requirements.



STANDARDS FOR PRODUCE SAFETY

COVERAGE AND EXEMPTIONS/ EXCLUSIONS FOR 21 PART 112

The Preventative Controls for Human Food rule clarified the definition of a farm to include primary production farms and secondary activities farms. This definition also applies to the Produce Safety rule (Section 112.3[c]). Below are the basic criteria for determining whether an operation meets the “farm” definition subject to the produce rule.

DOES YOUR FARM GROW, HARVEST, OR HOLD PRODUCE?

Sections 112.1 and 112.3[c]

We define “produce” in section 112.3[c]

NO

YOUR FARM IS **NOT** COVERED BY THIS RULE.

NO

DOES YOUR FARM ON AVERAGE (IN THE PREVIOUS THREE YEARS) HAVE \$25K OR LESS IN ANNUAL PRODUCE SALES?

Section 112.4[a]

YES

YOUR FARM IS **NOT** COVERED BY THIS RULE.

NO

IS YOUR PRODUCE ONE OF THE COMMODITIES THAT FDA HAS IDENTIFIED AS RARELY CONSUMED RAW?

Section 112.2[a][1]

If you grow, harvest, pack, or hold more than one produce commodity, you must ask this question separately for each one to determine whether that particular produce commodity is covered by this rule.

YES

YOUR FARM IS **NOT** COVERED BY THIS RULE.

NO

IS YOUR PRODUCE FOR PERSONAL/ ON-FARM CONSUMPTION

Section 112.2[a][1]

YES

YOUR FARM IS **NOT** COVERED BY THIS RULE.

NO

IS YOUR PRODUCE INTENDED FOR COMMERICAL PROCESSING THAT ADEQUATELY REDUCES PATHOGENS (FOR EXAMPLE, COMMERCIAL PROCESSING WITH A “KILL STEP”)

Section 112.2[b]

YES

THIS PRODUCT IS ELIGIBLE FOR EXEMPTION FROM THE RULE,

provided you make certain statements in documents accompanying the produce, obtain certain written assurances, and keep certain documentation, as per Sections 112.[b][2] through [b][6]

NO

DOES YOUR FARM ON AVERAGE (IN THE PREVIOUS THREE YEARS) AS PER SECTION 112.5: HAVE <500K ANNUAL FOOD SALES AND A MAJORITY OF THE FOOD (BY VALUE) SOLD DIRECTLY TO QUALIFIED END USERS

Section 112.3[c]

“Qualified End-User” as defined in Section 112.3[c] means:

- The consumer of the food OR
- a resturant or retail food establishment that is located–
 - (i) in the same State or the same Indian reservation as the farm that produced the food OR
 - (ii) not more than 275 miles from such farm

(The term “consumer” does not include a business.)

YES

THIS PRODUCT IS ELIGIBLE FOR EXEMPTION FROM THE RULE,

Which means that you must comply with certain modified requirements and keep certain documentation, as per Sections 112.6 and 112.7

NO

YOU ARE COVERED BY THIS RULE

HIGH RISK		MEDIUM RISK		LOW RISK		VERY LOW RISK	
2 YEARS		3 YEARS		4 YEARS		7 YEARS	
Description	PC	Description	PC	Description	PC	Description	PC
Cut Produce	20-28	Bakery Products, Dough, Bakery Mixes, Icings	3	Snack Foods	7	Beverage (W)	29
Sandwiches	37			Vegetable Oils	26	Ice (W)	29
Salads	39	Filled Milk, Imitation Milk Products	14	Spices, Salts, Flavors	28	Candy (W)	33,34
Cheese Products (M,R)	12	Fruits, Fruit Products	20-22	Soft Drinks, Bottled Water (Municipal Source) (M)	29	Snack Foods (W)	7
Egg (Non-Chicken), Egg Products (M,R)	15	Nuts, Edible Seeds	23	Beverage Bases	30	Alcoholic Beverages (W)	32
Fishery/Seafood Products (FDA) (M,R)	16	Vegetables, Vegetable Products	24,25	Coffee, Tea (Dry)	31	Multiple Food Warehouses (Ambient)	47
Sprouts (based on FDA guidance)	24,25	Dressings, Condiments	27	Alcoholic Beverages	32	Snack Bins, Cross- Docks (W)	
Ice (M) (Supplying State Fair) (June)	29	Multiple Food, Dinners, Gravies, Sauces	37	Candy	33,34		
Salvage/Food Banks	47x	Soups, Dried Soups	38	Gelatin, Pudding Mixes, Pie Fillings	35		
Bottled Water (Private Source) (M)	29	Macaroni, Noodle Products	4	Honey (July-Sept), Syrups, Sugars, Maple Syrup (Feb- March), Sorghum (Sept)	36		
		Cereals	5	Food Additives	45,46		
		Frozen Desserts	13	Multiple Food Warehouses (Cold & Frozen)	47		
		Vegetable Protein Products	18	Color Additives	50		
		Ice (M)	29	Cheese Produces (W)	12		
		Grains, Milled Grains, Starch	2	Egg (Non-Chicken), Egg Products (W)	15		
		Fermented Foods		Fishery/Seafood Products (FDA)(W)	16		

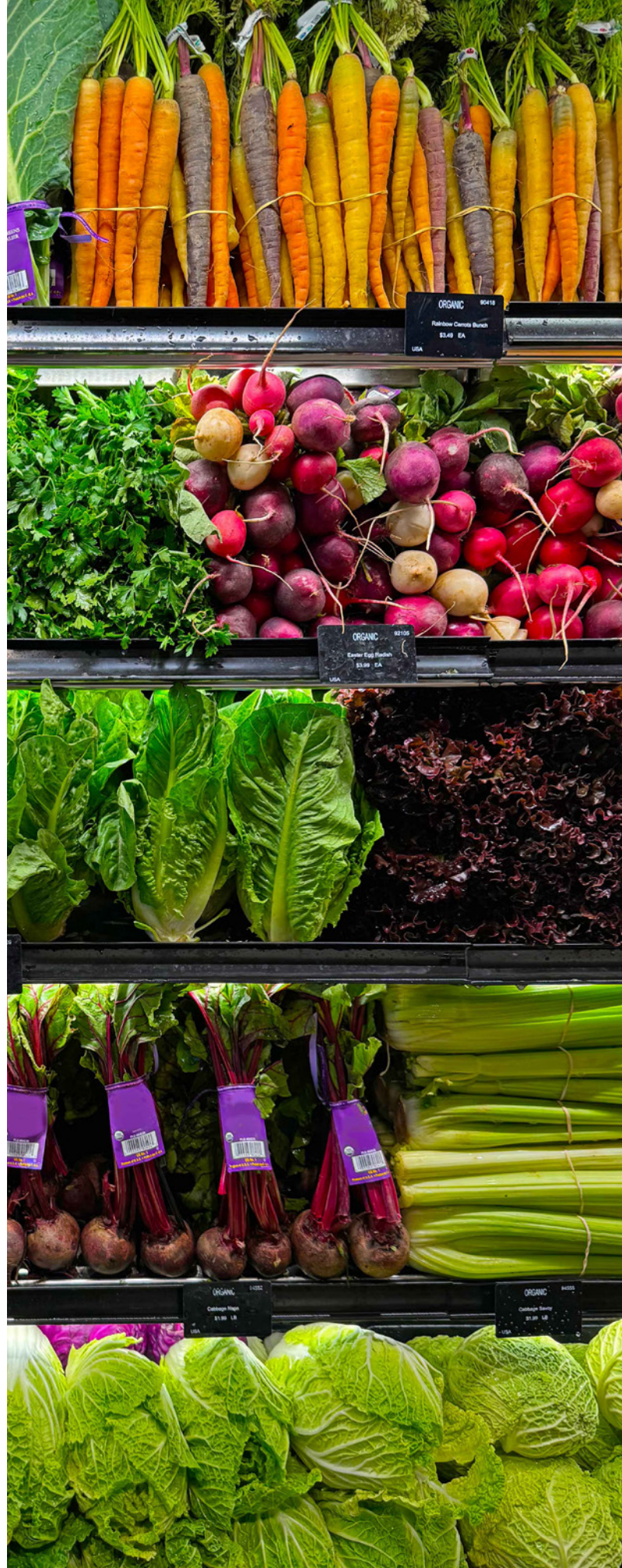
(PC) Product Code, (M) Manufacturer, (R) Re-Packaging, (W) Warehouse

WHOLESALE MANUFACTURED FOODS PROGRAM

FPD's Wholesale Manufactured Foods Program oversees one of the most diverse and complex segments of the state's food system. With 1,267 facilities operating across the state — from small specialty processors to large manufacturing plants — the program's work spans an enormous range of products, practices and risks. A team of 4.5 full-time employees supports the program, conducting fully risk-based inspections guided by a score-driven assessment system. High-risk facilities may see inspectors annually, while lower risk operations may be inspected as little as every 7 years. The Wholesale Manufactured Foods Program is regulated and inspected by IDOH under cooperative agreements with federal partners.

The Wholesale Manufactured Food Program also works corroboratively across regulatory boundaries: Facilities producing animal-derived products may fall under joint oversight with the Board of Animal Health (BOAH), requiring close coordination to maintain regulatory clarity.

Despite its size and complexity, the Wholesale Manufactured Foods Program focuses its work on practical support. Inspectors collaborate with processors to understand evolving risks, maintain sanitation controls, and implement regulatory requirements that vary by type and production scale. For new businesses entering the sector, whether launching a co-manufactured product, building a processing line, or expanding into wholesale markets, this program provides crucial guidance on food safety, labeling, environmental controls, and compliance expectations.





RETAIL SAFETY PROGRAM

Indiana's Retail Food Program is the largest and most locally driven component of the state's Food Protection Division. In this context, "Retail" refers to food sold directly to the end consumer. With more than 50,000 retail food establishments statewide, including grocery stores, restaurants, food trucks, catering facilities and other businesses, oversight is carried out largely by local county health departments under Indiana's home-rule structure. Counties have the authority to enforce the Indiana Food Code and establish fee structures, making local health departments central to daily regulatory activity.

Within this home-rule framework, the IDOH's Retail Food Program provides essential statewide support. IDOH conducts inspections of retail food establishments located on state property and provides calibration visits, technical consultation and voluntary training for local health departments. The Food Protection Division also maintains responsibility for statewide public communication during foodborne illness outbreaks, recalls and sanitation concerns. Through its consumer complaint hotline, IDOH receives reports of illness or unsafe conditions and relays them to the appropriate local health department for investigation.

Local health departments serve as the front-line inspectors of the Indiana Food Code, which is based on the 2022 FDA Model Food Code. They conduct retail food inspections within their jurisdictions and carry out a broad set of public health responsibilities, including environmental health and additional duties defined by statute or local ordinance. This structure creates natural complexity, especially for businesses operating across county lines or falling under multiple regulatory scopes.

RECIPROCITY AND APPEAL

In Indiana, no formal reciprocity or appeals process exists for food businesses that disagree with decisions made by their county health departments. For businesses, this can create confusion, particularly those operating in multiple counties with differing interpretations of the Indiana food code.

Stakeholders repeatedly expressed a desire for a clearer process to resolve disputes, clarify expectations and promote consistent enforcement. The FPD can play a greater role as an advisor, offering education and guidance when businesses and counties need clarity.



Across stakeholder insights, a clear picture emerged of Indiana's food safety landscape: It is wide, locally driven and deeply reliant on partnership. IDOH FPD sits upstream as a guide — calibrating, consulting and supporting — but without the authority to mandate uniform standards. That model creates both strength and strain. It allows counties to tailor oversight to their communities, but it also means that businesses experience inconsistency and variation when operation in multiple counties.

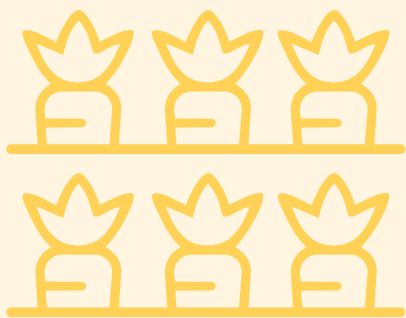
Stakeholders were candid about what would help. Stakeholders asked for predictability across county lines and better alignment.

The path forward begins with what we heard most often: Consistency. A statewide baseline requiring all counties to participate in IDOH-led trainings, adopt standardized inspector qualifications and submit monthly inspection data would create a shared foundation without undermining home rule. Annual trainings and county-hosted education sessions would give

small farms, homestead, home-based vendors, and food business clearer, more uniform expectations. A statewide reciprocity process for handling county-issued violations would help ensure that violations are aligned with the state's interpretation of the Indiana Food Code.

Focusing on the farmer experience creates an opportunity to turn Indiana's ag portal into a true one-stop shop for resources. By bringing all farmer-facing tools, guidance, and programs into a single, easy-to-navigate platform, the state can offer a more customer-service-driven experience. This streamlined approach makes it easier for growers to access opportunities and build stronger, more resilient operations.

By embracing statewide consistency, requiring reporting, prioritizing customer service in produce safety and strengthening communication, Indiana can turn a complex network into a cohesive statewide system — one that honors home rule, supports business growth and protects the health of every Hoosier.



INDIANA DEPARTMENT OF HEALTH DIVISION OF NUTRITION AND PHYSICAL ACTIVITY (DNPA)

The Indiana Department of Health's Division of Nutrition and Physical Activity leads statewide efforts to improve health, reduce chronic disease, and strengthen nutrition and physical activity environments across communities. DNPA's work centers policy, systems, and environmental change strategies and leverages federal and state funding to increase access to healthy foods for Hoosiers.

All nutrition initiatives are organized under a single umbrella known as Community Nutrition Programs. Within this structure, DNPA supports three primary categories of work that collectively advance food access, nutrition security, and connections to local food systems across Indiana.

The first category includes Food is Medicine programs, which integrate food access with positive health outcomes. These efforts include the Produce Prescription (Rx) Program, Double Up, and the electronic Farmers Market Nutrition Program (eFMNP) for both WIC and senior participants. Among all programs, Double Up and eFMNP serve as the only nutrition incentive programs, enabling eligible individuals to purchase additional fruits and vegetables, particularly from farmers markets.

The second category, general community nutrition, consists of the Farm to School program. Farm to School, implemented through the Indiana Grown for Schools Network, focuses on increasing student access to and education about locally sourced foods.

The third category consists of Commodity Programs, specifically TEFAP (The Emergency Food Assistance Program) and CSFP (Commodity Supplemental Food Program). TEFAP delivers commodity food products directly to food banks, while CSFP supplies commodity food boxes for seniors to local partner organizations for distribution. Neither of these commodity programs includes a local food component.



Across the full portfolio, only two programs — Farm to School and eFMNP — are designed specifically to support and expand local food systems, whether through improved school procurement or farmers market incentives. Together, these programs demonstrate a comprehensive approach to improving nutrition access while also supporting Indiana’s agricultural community.





ELECTRONIC FARMERS MARKET NUTRITION PROGRAMS

Indiana's WIC Farmers Market Nutrition Program (FMNP) and Senior Farmers Market Nutrition Program (SFMNP) are collectively known as eFMNP. While separately regulated, because of the similarity between the two, Indiana chooses to administer them under a single, consolidated state plan of operation. The program aims to provide participants with access to fresh, locally grown, unprocessed fruits, vegetables, and edible herbs, while also increasing their awareness and use of farmers markets. An objective is to encourage participants to engage directly with local producers. All produce purchased through the program must come from WIC approved farmers markets and be obtained only at WIC authorized selling locations.

Eligibility is based on both residence and income criteria. Participants must live within the service area of a participating local agency and have a gross household income at or below 185% of the current federal poverty guidelines. For the Senior Farmers Market Nutrition Program (SFMNP), eligible individuals must be at least 60 years of age. However, individuals who are at least 55 years old may also qualify if they reside in a household that is primarily elderly occupied and participates in congregate nutrition services.

DOUBLE UP INDIANA

Double Up Indiana is a nutrition incentive program that matches SNAP/EBT purchases dollar-for-dollar (up to \$20 per day) when eligible participants purchase fresh fruits and vegetables. Participants can use benefits to purchase double the amount of healthy, fresh produce at participating farmers markets, roadside stands, and grocery stores.

FOOD IS MEDICINE (FIM)

Food is Medicine is a broad, overarching healthcare model integrating healthy food into medical care. It is used to prevent, manage, and treat diet-related chronic conditions. This broad category also includes Produce Rx (Prescription) as well as Medically Tailored Meals (MTM) and Medically Tailored Groceries (MTG).

PRODUCE RX (PRESCRIPTION)

Produce Rx is a specific, targeted medical intervention where healthcare providers prescribe fruits and vegetables to a patient. Patients usually receive vouchers, debit cards or loyalty points to purchase these items at local grocery stores or farmers markets.

According to the predictive modeling from the 2026 Feeding the Economy Study, Indiana's Food is Medicine (FIM) State Snapshot reveals a striking opportunity: More than 993,000 Hoosiers living with diet-related chronic conditions and earning at or below 185 percent of the federal poverty level would qualify for FIM support. Reaching these residents with medically tailored meals, groceries or produce prescriptions — sourced from local farms wherever feasible — would generate benefits far beyond individual health outcomes.

The study estimates that a fully scaled FIM system in Indiana could drive more than \$1.16 billion in annual expenditures, with approximately \$513.7 million circulating directly through the state's local food economy. This surge in purchasing power would help anchor stable, long-term markets for Indiana's farmers, processors, distributors, and food businesses. For farmers alone, the projected impact exceeds \$100.9 million in new revenue — supporting roughly 640 small- and mid-sized farms and influencing more than 236,000 acres of agricultural land statewide.

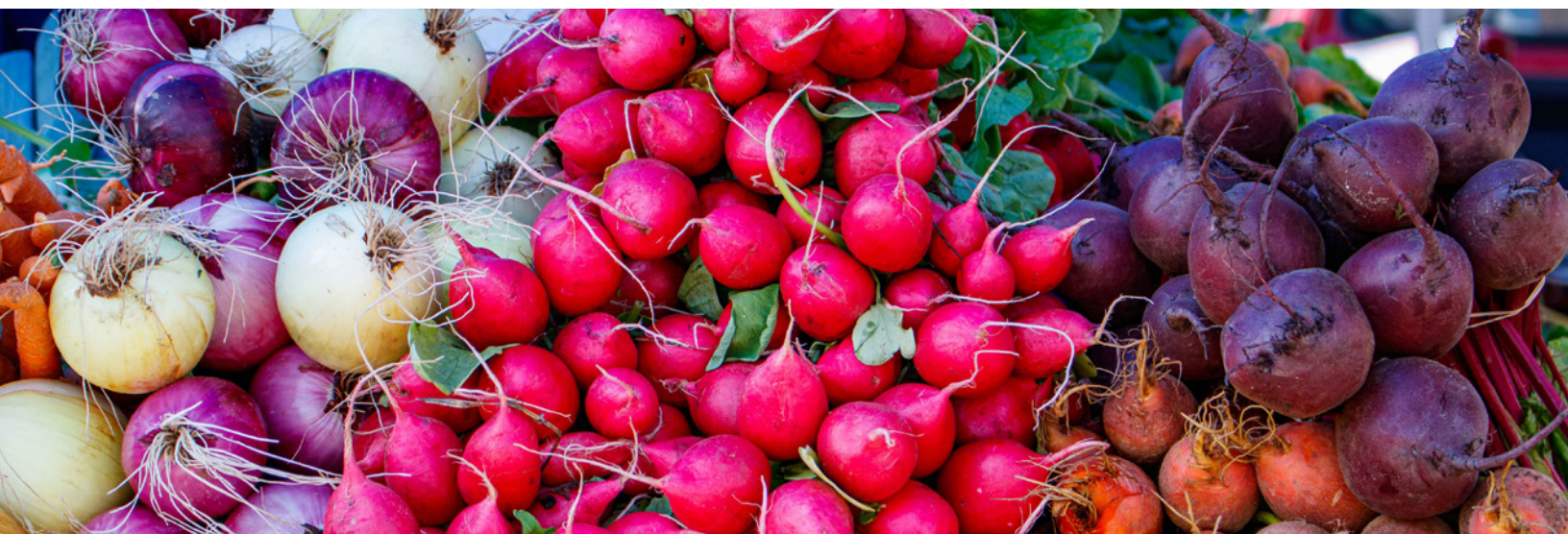
These dollars would not simply move through Indiana's food system; they would remain embedded within local communities, reinforcing the economic fabric of towns and counties across the state. The job creation potential is equally transformative. As detailed in the

2026 Feeding the Economy Indiana analysis, prioritizing local food procurement within FIM programs could catalyze more than 7,530 new jobs across food production, processing, logistics, fulfillment, and healthcare aligned services.

Food is Medicine and eFMNP programs within the Indiana Department of Health's Division of Nutrition and Physical Activity (DNPA) are the most immediate and impactful ways Hoosiers experience the benefits of locally grown, nutritious foods. Funding for these initiatives is a blend of federal and private funding sources with minimal state investment.

INDIANA FARM TO SCHOOL

IDOH, working within DNPA's portfolio, has served as the lead grant recipient for the Patrick Leahy Farm to School grant through the USDA Farm to School Program. This multi-agency collaborative effort — spanning IDOH, IDOE, and ISDA — works to strengthen connections between Indiana schools and Indiana producers by building reliable procurement pathways and supporting agriculture-based education. In 2018, Indiana created the Indiana Grown for Schools Network, a coordinated statewide framework that assists schools in sourcing local foods and integrating agriculture into the classroom. Through this work, the program has developed practical toolkits,



buyer guides and implementation resources that enable schools to purchase Indiana grown products, implement Harvest of the Month, and engage students in school gardens and agricultural education activities.

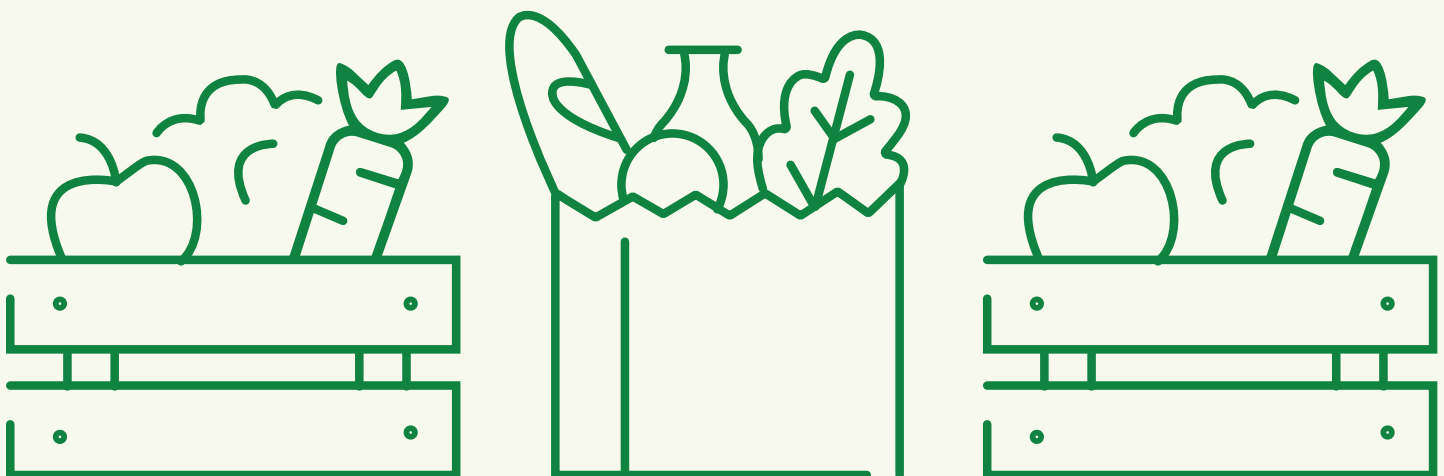
To anchor and sustain this work, IDOH employs a full-time staff member funded through stable state chronic disease dollars, ensuring continuity, technical assistance, and strategic deliverables. The Farm to School grant had also supported a Value Chain Professional who works directly with schools to source from Indiana farms; however, this position depends on grant funding for long-term continuation. The Indiana Department of Education similarly dedicates a full-time employee to Farm to School Coordinator, supporting districts across the state. ISDA contributes through the Indiana Grown staffing structure, reinforcing a coordinated cross-agency model that aligns agricultural development, educational priorities, and public health goals.

Indiana's Farm to School effort is rooted in a partnership-driven, capacity-building approach that emphasizes motivation, practical support and local flexibility. Schools consistently achieve the greatest success when they join the effort through shared goals rather than mandates. When districts feel excited, supported and connected to a broader vision through procurement tools, peer networks, dedicated staffing and hands-on

technical assistance, they are significantly more likely to adopt Farm to School activities, deepen their engagement and sustain programs over time.

Although Indiana state agencies were not awarded the Patrick Leahy Farm to School grant in the most recent funding cycle, IDOH, IDOE, and ISDA will continue to lead and support Farm to School activities across the state, maintaining progress through existing infrastructure, partnerships, and agency level commitment.

Given their strong alignment with the goals of Making Indiana Healthy Again, these programs warrant a focused, strategic alignment that leverages their measurable impact and potential. Each initiative serves not only as a direct intervention to improve access to nutritious food but also as a catalyst for broader systems change, strengthening Indiana's food and agriculture economy, reducing avoidable healthcare costs and reinforcing the state's long-term public health priorities. By prioritizing Indiana's food and farming businesses within these programs, Indiana can target investment and coordinated actions to effectively strengthen local agriculture, expand market opportunities, and generate meaningful health benefits for Hoosiers.





FUNDING FOR COMMUNITY NUTRITION PROGRAMS

PROGRAM NAME	TOTAL PROGRAM FUNDING	FUNDING SOURCE
COMMODITY SUPPLEMENTAL FOOD PROGRAM*	\$502,085	Federal Grant
DOUBLE UP INDIANA	\$291,460	Private and State Funding
PRODUCE RX	\$156,793	Private Funding
SENIOR FARMERS MARKET NUTRITION PROGRAM	\$115,831	Federal Grant
TEFAP (THE EMERGENCY FOOD ASSISTANCE PROGRAM)*	\$1,549,774	Federal Grant

*Note - no local food component to these programs

SUMMARIZING INDIANA STATE AGENCIES' DIRECT AGRICULTURAL IMPACT

Indiana's state agencies bring significant strength, reach and expertise to the foundation of the local food system, each playing a distinct yet complementary role in supporting producers and ensuring that food reaches Hoosiers safely and reliably.

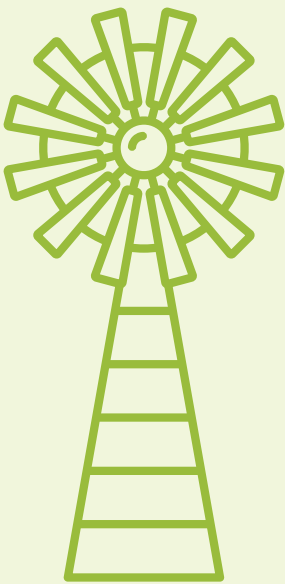
The Indiana State Department of Agriculture anchors this work, promoting Indiana-grown products, expanding market access, and supporting local and regional food system development across all 92 counties. BOAH protects animal health and food safety through inspection programs and disease response. The agency provides the regulatory foundation that allows consumers to trust the safety and quality of poultry, dairy and livestock products.

The Indiana Economic Development Corporation and the Indiana Small Business Development Center help food and farm entrepreneurs through advising, capital readiness and small-business support.

The Indiana Department of Health strengthens public health through food protection, nutrition programs, local health department engagement and community-based initiatives that link food access with long-term wellbeing.

As comprehensive as these programs are, they also highlight the next phase of Indiana's work. Insights from stakeholders point to areas where additional support for entrepreneurs and stronger structures could make "local" the easier and more viable choice.

These insights show where long-term, intentional investment is needed to reinforce the systems that will support Indiana's food and agriculture sector for decades to come. Ultimately, ensuring that Indiana agriculture continues to thrive is not just the mission of any single program — it is a shared, statewide priority.





OVERVIEW OF OUR LOCAL FOOD SYSTEM AND VALUE CHAIN COORDINATION (VCC) IN INDIANA

An ideal Indiana food system is one in which every part of the food economy operates in sync through a coordinated, statewide framework. Farmers, processors, distributors, buyers and consumers are connected through intentional regional networks that function as an integrated whole rather than a series of isolated or duplicative efforts. In this model, food production and consumption remain closely aligned, enabling farmers to retain more value in their operations while ensuring consumers have consistent access to fresh, Indiana-grown products.

A well-organized system provides clear, predictable pathways for farmers and food businesses to access support, enter new markets, and navigate the regulations and resources that shape their growth. Processors and distributors operate within an aligned logistics landscape that reduces inefficiencies, strengthens regional aggregation, and keeps more Indiana-grown food circulating within the state. Buyers, from schools and hospitals to grocery stores and restaurants, have reliable, streamlined routes to source local products, supported by strong relationships and modern infrastructure.



At the center of this ideal model is a shared statewide strategy — one that aligns goals, data, investments and operational capacity across agencies, partners and regions. With coordinated planning, real-time market insight, and stronger connections between local production and local demand, Indiana's food system becomes more resilient, more competitive, and more responsive to community needs.

However, realizing this vision is constrained by the absence of state support dedicated to food system coordination, and the lack of sustained capacity to lead this work. Although many partners across the state contribute valuable efforts, Indiana lacks a formal, state-supported structure that intentionally links agriculture, food access, health, and economic development into a unified system.

Indiana's food economy is poised to be not only efficient and well-structured, but also deeply rooted in community well-being. The recommendations of this study directly address the gap in state involvement and propose a clear pathway for building the coordinated, resilient, and Indiana-focused food system that Hoosiers deserve.

In 2025, Hoosiers spent more than \$27.5 billion on food. Redirecting even a portion of that spending toward local products presents a major economic opportunity for Indiana's agricultural sectors. However, capturing this opportunity requires that buyers — from individual consumers to institutions — can easily identify, purchase and receive Indiana-sourced products. Today, that pathway is often unclear or inconsistent, limiting the extent to which local food dollars stay within the state.

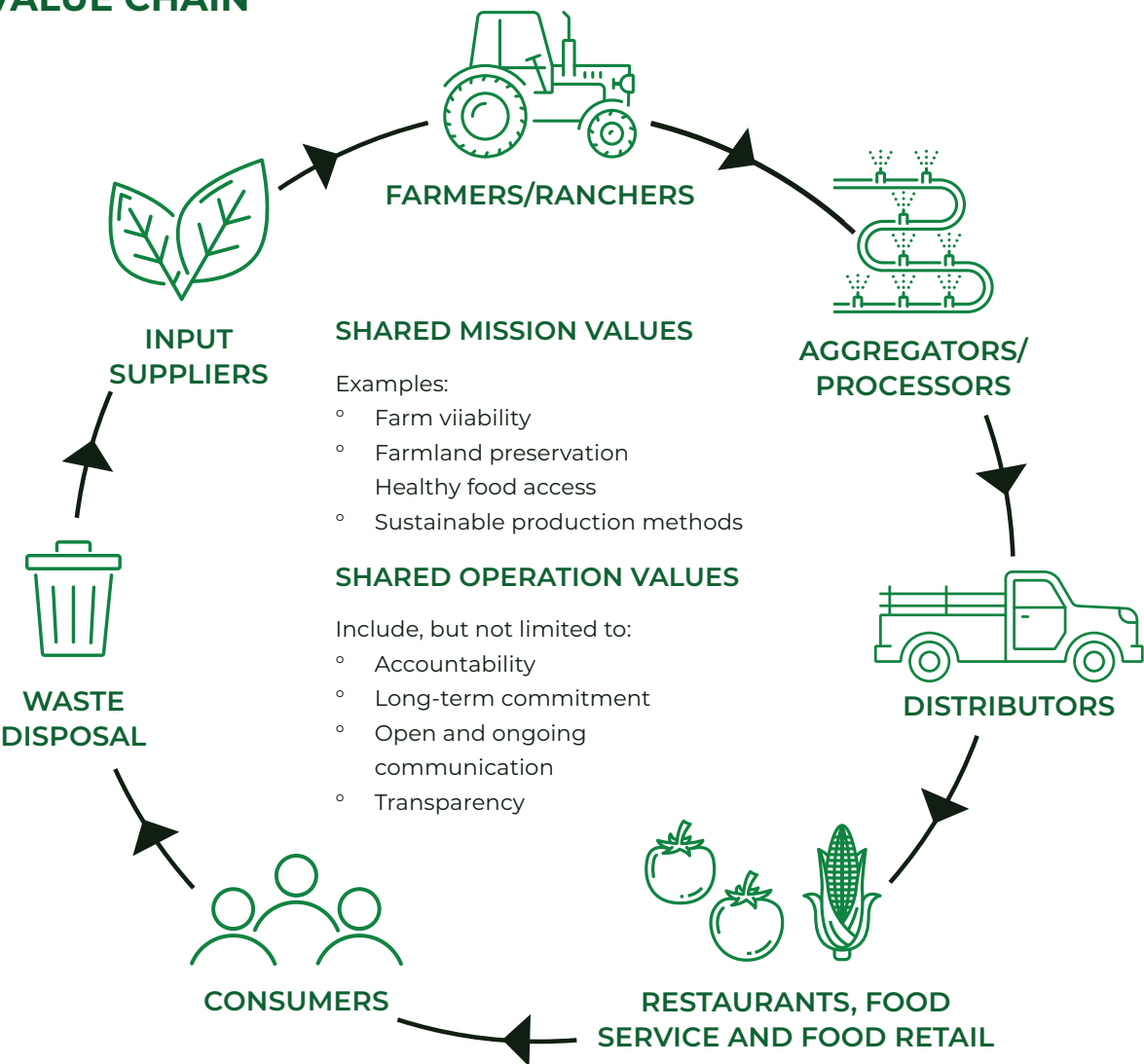


This is where Value Chain Coordination becomes essential. Value Chain Coordinators “connect the dots” across the food system to ensure that local products can move efficiently from Indiana farms to Indiana tables. They strengthen markets, improve transparency, and build the relationships required for a reliable supply chain that keeps more food dollars circulating in our local economy.

Indiana’s local food system includes a spectrum of sales channels — from farmers markets and CSAs to wholesale retailers, and restaurants. Each channel requires different volumes, packaging, pricing, food safety standards, and delivery logistics. For many small- and mid-scale farmers, navigating these complexities alone can be overwhelming and can limit access to margin-value markets. Value Chain Coordinators bridge this gap. They help farmers understand buyer expectations, help buyers understand what Indiana farms can reliably supply, and work across the system to address barriers such as limited aggregation and cold storage, inconsistent demand, or fragmented communication. With even a handful of existing VCC professionals, Indiana has already seen how transformative this role can be.

Through intentional coordination, farms, distributors and consumer-facing markets, VCCs become aligned rather than operating in isolation. VCCs help shift Indiana’s local food system from fragmented, individual efforts to a cohesive, thriving network — one that supports producers while creating meaningful, market-ready pathways to get local food onto plates in homes, schools, workplaces and communities.

FOOD VALUE CHAIN



DIRECT FARM-TO-CONSUMER MARKET CHANNELS AND BUSINESS MODELS

Across Indiana, direct farm-to-consumer channels form the most personal layer of the food system places where growers and eaters meet face-to-face, stories are exchanged, and community connections deepen. These channels allow farmers to share the fruits of their labor without intermediaries and give consumers a direct window into how their food is grown, raised, and harvested. From farmstands and u-pick operations to farmers markets, CSAs, and co-ops, Indiana farmers use a growing mix of pathways to bring local food directly into the hands of Hoosiers. These connections set the stage for a more thriving and transparent local food economy.

CURRENT BUSINESS MODELS WITHIN INDIANA:

FARMERS MARKETS

Farmers markets play a pivotal role in Indiana's food system. Across the state, farmers markets have become one of the most known entry points for farmers and food entrepreneurs, allowing them to test products, build customer relationships, and establish brand recognition without the high barriers typically associated with traditional retail. Farmers markets help ensure that more of that value stays rooted in local communities. While chain retailers often retain only about 15% of revenue locally, farmers markets keep as much as 45% circulating in the surrounding economy.

According to the 2022 Purdue Extension - Selling at Farmers Markets: Benefits and Price Trend study, farmers who participate in farmers markets are nearly 10% more likely to stay in business than those who do not. Additionally, this Purdue Extension study shows that half of all farmers selling at markets earn at least

50% of their total revenue from market sales. Purdue Extension's study highlighted in Indiana, nearly 63% of specialty crop growers rely on farmers markets as their primary sales channel, underscoring the critical role these markets play in sustaining local agriculture. Farmers markets also advance food access. Programs like Triple-Up SNAP at the Michigan City Market empower residents to turn \$20 of SNAP benefits into \$60 of purchasing power for fresh, local foods. Markets across the state increasingly offer SNAP, WIC, and Double Up Food Bucks, expanding healthy food access and strengthening local farm economies simultaneously.

Despite these strengths, Indiana lacks a unified, state-supported framework that connects markets, producers and consumers in a strategic way. The existing Indiana Grown initiative provides powerful branding and promotional infrastructure, yet it does not currently include a comprehensive platform to support the state's farmers markets or to help individual growers navigate these important direct-to-consumer opportunities. With modest investment and targeted coordination, Indiana has an opportunity to elevate farmers markets statewide, increasing economic impact while strengthening food access. Recommendations from stakeholders indicated a need for a state-wide program supporting farmers markets and this recommendation has been incorporated into the Indiana Grown program enhancements outlined in this study.





COMMUNITY-SUPPORTED AGRICULTURE

Customers subscribe to seasonal shares and receive regular boxes of farm products, giving farms upfront cash flow and consumers a steady connection to local food.

ON-FARM RETAIL AND FARM STANDS

Dedicated farm shops (including year-round stores) allow producers to offer fresh and value-added items on-site, often paired with tastings, demonstrations, or educational opportunities or tours.

U-PICK / PICK-YOUR-OWN

Consumers harvest on the farm, allowing for an agricultural experience often paired with other activities deepening the farm-to-family connection.

MOBILE MARKETS / MOBILE FARM STANDS

Farms bring goods into neighborhoods via mobile formats to expand reach where traditional markets or stores are less accessible.

ONLINE DIRECT SALES

Farm-managed e-commerce platforms allow for preordering systems, often with pickup or delivery options, extending consumer access beyond farmers markets and other seasonal outlets. This creates an additional, year-round direct-to-consumer sales channel.

AGRITOURISM + RETAIL EXPERIENCES

Tours, festivals and farm events often combined with onsite retail, allow for the ability to reinforce the farm's story.

FARM STOPS

A brick-and-mortar store offering year-round products for customers, almost exclusively from local farms. Products are often sold on consignments with this model, which is an important component.

FOOD HUBS

An organization or facility that aggregates, stores, processes and distributes food from multiple local farms while maintaining each farm's identity throughout the supply chain. By coordinating logistics such as transportation, handling, and marketing, food hubs make it easier for farmers to reach larger markets without losing the direct connection between producer and consumer.

PRODUCER-OWNED COOPERATIVES

Shared administration, merchandising, and distribution that let multiple farms sell directly under coordinated operations.

ONLINE MARKETPLACES

Connecting producers and consumers through digital platforms that centralize ordering while keeping farm identification intact, yet rely on a third party to handle logistics, customer service and other back-end functions, allowing farmers to focus on production rather than administrative tasks.



RETAIL AND WHOLESALE PARTNERSHIPS FOR FOOD AND FARMING BUSINESSES

Retail and wholesale channels play an essential role in expanding market opportunities for Indiana's food and farming businesses. While direct-to-consumer sales remain important, scaling a resilient and profitable local food system requires strong partnerships with wholesalers, distributors, retailers, and food service entities. These relationships form the foundation of local and regional supply chains, enabling Indiana grown products to reach more households, institutions, and communities.

Wholesale distribution connects producers to consumers through intermediaries such as wholesale markets, food brokers and distributors. These channels are particularly valuable for farms and food businesses seeking to diversify sales portfolios, stabilize revenue, and move larger volumes of product. Wholesale markets also support consistent supply to large buyers, including schools, healthcare facilities, business dining and restaurants, whose demand often exceeds what individual producers can meet alone.

Retail partnerships — from large retailers and grocery stores to specialty markets and independent retailers — offer critical visibility and accessibility for Indiana-grown products. When producers integrate into retail markets, they gain access to wider audiences, stronger branding opportunities and predictable purchasing cycles that can significantly boost long-term profitability. A 2026 survey of 488 Hoosier grocery decision-makers found that most Hoosiers do their primary grocery shopping at supermarkets (82%) and large retailers (61%), with fewer than one in four regularly visiting farmers markets (24%). Retailers can benefit as well: Consumer demand for local foods continues to grow, offering product differentiation and stronger community ties. The survey also found that over 90% are familiar with local product availability in grocery stores, 50% buy occasionally and 33% buy often. Overall, 55% of Hoosiers buy local foods from grocery stores with local sections, second only to farmers markets (63%).





A successful wholesale or retail strategy requires careful consideration of several key factors:

COST AND PROFITABILITY

As products move into larger markets, transportation, logistics, storage, packaging, and marketing costs increase. Farms must balance these expenses with viable margins, and tools such as forward contracting can stabilize revenue and improve financial planning.

PRODUCT CHARACTERISTICS

Wholesale food producers in Indiana operate primarily under federal food safety requirements, with IDOH conducting inspections through cooperative agreements with federal partners. As a result, the state's role centers on implementation, compliance assistance, education and technical support rather than establishing separate regulatory standards. Wholesale buyers depend on uniformity, rigorous food-safety compliance and consistent quality — expectations that dictate what farmers and processors must provide to access these higher-value markets.

For small- and mid-scale growers, one of the most significant barriers to entering wholesale channels is the requirement for third-party food-safety certification, such as Good Agricultural Practices (GAP) or Harmonized GAP. These certifications signal to buyers that products meet strict standards for safety, handling, and traceability. Yet for many producers, the path to certification is costly, time-intensive, and difficult to navigate without specialized technical assistance. The certification process alone can be a prohibitive barrier, preventing growers from entering wholesale markets that could substantially increase their sales and broaden their customer base.

Recognizing these challenges, stakeholders recommended establishing a cost-share program to reimburse first-time certification expenses. This type of support directly reduces a major financial barrier, helps more producers access wholesale and institutional markets, and strengthens the consistency and reliability of Indiana's supply for retail, foodservice, and institutional buyers.



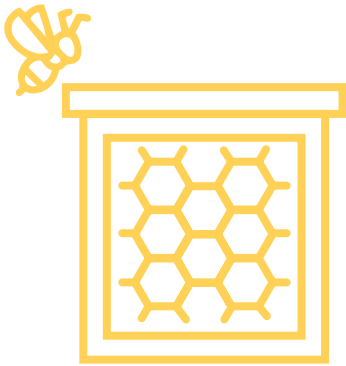
As producers gain access to new market channels, the state's food economy becomes more resilient, more competitive, and better positioned to meet the needs of wholesale partners and consumers alike.

To succeed in wholesale and retail markets, producers must build and maintain strong relationships with distributors and retailers by:

- Providing product specifications, training and support
- Maintaining reliable supply and clear communication
- Collaborating to respond to consumer feedback or make product adjustments

Behind these partnerships lies a critical layer of logistics. Effective supply chain management — from coordinating delivery schedules to ensuring cold chain integrity and contingency planning — is foundational. Investments in aggregation, storage and transportation infrastructure further strengthen reliability and help producers meet wholesale standards.

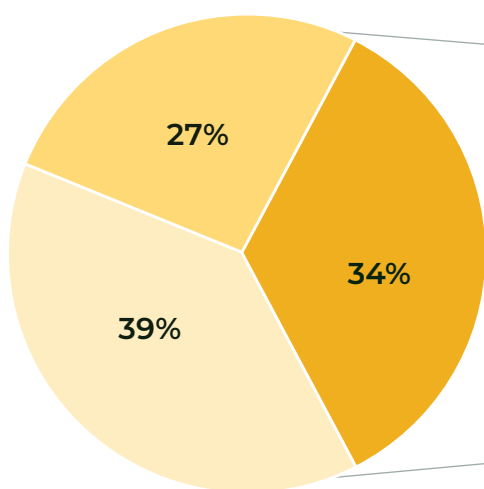
Together, wholesale and retail channels create a powerful engine for expanding Indiana's local food economy. They enable producers to scale, improve consumer access to Indiana grown foods, and strengthen the resilience and competitiveness of the state's agricultural marketplace.





IN THE MOST RECENT 2015 STUDY, FOODS SOLD THROUGH INTERMEDIATE MARKETS AND INSTITUTIONS ACCOUNTED FOR THE LARGEST SHARE OF LOCAL FOOD SALES

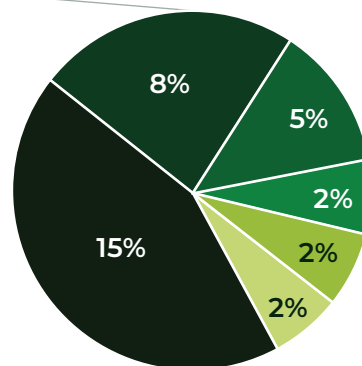
PERCENT OF LOCAL FOOD SALES BY OUTLET



Note: Intermediate markets and institutions include processors, wholesalers, schools, hospitals, food hubs, and colleges and universities.

Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service, 2015 Local Food Marketing Practices Survey.

MARKETS FOR DIRECT-TO-CONSUMER SALES



- Retailers
- Direct-to-Consumers
- Intermediate Markets and Institutions
- On-site farm stores or stands
- Farmers markets
- All other
- Community-supported agriculture programs
- Online
- Off-site stores or roadside stands

