

South Dakota
**SPECIALTY
PRODUCERS**
ASSOCIATION

Aggregation Business Model

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www.sdspecialtyproducers.org



The purpose of this model is to provide insight and resources for creating a regional aggregation system. It also offers prompts and important considerations when working to implement regional aggregation. The contents are based on SDSPA's projects and data collection.

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Overview

The regional aggregation of specialty crops brings together a variety of products in order to cut transportation and labor costs, pool time and resources, reach a larger audience, or sell to a different market. Aggregation can have positive impacts on the local food system as it aids in creating a larger and more consistent supply.

There are many successful aggregation models in South Dakota and beyond. This document offers assistance as producers, community organizers, and other stakeholders get started in the aggregation of specialty crops, or other local food.

Please visit our Aggregation Resource Guide if you are looking to learn more about what aggregation is and the social and economic impacts.

For questions about this guide or available technical assistance to assist with starting regional aggregation systems, please email **sdspecialtyproducers@gmail.com**.

Producers and Stakeholders

It is important to first gather preliminary support and create beginning concepts of the business or organization. Involved entities can be local producers, interested community members, community organizers, local businesses, and other potential stakeholders.

Linked here is [SDSPA's regional aggregation opportunities.](#)

This webpage can serve as a tool when looking to identify aggregation already taking place in the state and/or each region.

By gauging interest and involvement from a variety of parties, it allows the aggregator(s) to begin answering the following questions:

- What producers are participating?
- What products will be offered?
- What space in our region could be used for procurement?
- What is the role of the local government?
- Are there any desires from our market/community that impact the overall set up of the model (ie/ travel barriers, language barriers, pick up vs. drop off)

SDSPA Specialty Crop Market Partnership Checklist

This document offers guiding questions between specialty crop producers and buyers/distributors about logistics, product information, pricing, labeling, and more.

Identify Target Market and Desired Model

After identifying the producers involved and additional stakeholders, It is important to narrow down the purpose of aggregating specialty crops and identify target market, and how to best structure the regional aggregation model.

Potential market goals include:

- Wholesale
 - Distributors
 - Grocery stores
 - Schools
 - Institutions
 - Restaurants
- Direct to Consumer
 - Farmers market
 - Multifarm CSA
 - Online food hub

Resources for exploring aggregation models:

[Aggregation YouTube Playlist, SDSPA](#)

Videos on successful food hubs, regional aggregation opportunities, and other important considerations.

[Complete Guide to Farm Collectives, Food Co-ops, & Food Hubs, Local Line](#)

Comparing farm collectives, food co-ops, and food hubs to identify the best fit.

[Farmers Market Aggregation: An Analysis of Market Sustainability and Farmer Impact, University of Minnesota Extension](#)

Those interested in selling at a Farmers Market may consider aggregating with other producers, utilizing the farmers market as a pickup point.

[Farmers Market Resource Manual, SDSU](#)

A guide to developing and maintaining a successful farmers market.

[Farmer to Farmer eCommerce Exchange, CSA Innovation Network](#)

This video reviews various eCommerce platforms, specifically for farms needing software for their CSA or direct sales.

[Farm to Grocery Toolkit, University of Minnesota Extension](#)

This toolkit provides information, checklists, and templates that are useful for producers interested in selling to grocery stores.

[Farm to School Resources, USDA](#)

Resources to create and maintain a successful farm to school program including a program planning guide and information on procuring local food.

[Guide to Starting a Multi-Farm CSA, New Entry Sustainable Farming Project](#)

Multiple farms working together to fulfill a CSA market demand can use this guide to guide discussions between farms on roles, finances, agreements, crop planning, and crop bidding.

[Local Harvest, a Multi Farm CSA Handbook, SARE](#)

This digital book provides an in depth overview of what a multi farm CSA is, the benefits, and structure including board & staff, distribution, crops & bids, and legal framework.

[Running a Food Hub, Farm Answers](#)

A series of four guides on lessons learned, an operations guide, assessing financial viability, and learning from food hub closures.

Choosing a Business / Organization Structure

Regional aggregation can be a for profit business, a cooperative, or a non profit. When deciding how to structure each business or organization, it is important to consider the producers, the market, finances and funding, and any support organizations or local government involvement.

Resources for exploring business structures:

[How to Start a Cooperative, USDA](#)

A guide to creating and financing a cooperative.

[Local Food and Cooperatives, NC State Extension](#)

An overview of Local Food Cooperatives, including types, features, and the basics of how to set up a cooperative.

[Non Profit Status Overview, SDSPA](#)

This video covers the basics of being a non profit in South Dakota and an overview of being a registered 501c.

[South Dakota Small Business Development Center](#)

For assistance with business plans and questions related to starting a business.

Operations and Logistics

In this section, you will find resources to assist in the operations and logistics of an aggregation model including traceability, transportation, infrastructure, and storage.

In this section it is important to consider volume and variety of products, how/where the food will be aggregated, delivery/pick up methods, and customer payment options.

[Building a Food Hub From the Ground Up, USDA AMS](#)

A case study focused on facility designs for food hubs.

[Developing Traceability for Produce Growers, Kansas State University](#)

A publication on a simple system producers can utilize to mark their produce with the date and location of production to track it from field to producer.

[Local Foods, SDSU](#)

Regulation information, current programs, and other resources related to making local food accessible.

Planning for a Networked Produce Storage & Aggregation System for the Piedmont Triad Region, Poiesis Design & Planning

In a consortium of 12 counties in North Carolina, this report describes a project investigating how aggregation and food storage can help small scale farmers connect with institutional and wholesale markets.

Transportation and Marketing Program, USDA

Programs, grants, and technical assistance to help increase access to local food.

Wholesale Packing Resource Guide, SARE

This publication goes over steps to packaging & labeling products, types of containers, standards, and insurance requirements.

Food Safety Considerations

Farm Food Safety Considerations for Wholesale Production, SDSPA

A webinar focused on considerations for on-farm food safety.

Navigating on Farm Food Safety, SDSPA

A webinar focused on on-farm food safety including FSMA and GAP.

Tools for Writing an On Farm Food Safety Plan, Penn State Extension

A guide to On Farm Food Safety Plans, including templates and samples.

Pricing, Finances, and Invoicing

A Manager's Guide to Food Hub Finance, Iowa State Extension

A resource guide to help evaluate financial statements, pricing, and profitability.

Food Hub Financial Fundamentals, Wallace Center

This series of nine videos, each approximately 30 minutes long, goes over accounting systems and how to maintain financial records specific to food hubs.

Running a Food Hub : Assessing Financial Viability, USDA

How to analyze food hub viability for different operational models including wholesale and direct to consumer.

Price Sharing Data, SDSPA

A reference for pricing specialty crops in South Dakota at farmers markets, food hubs, and farm stands.

Regional Food Hub Resource Guide, USDA AMS

An overview of regional food hubs including economic viability, barriers to growth, funding opportunities and other support resources.

Using Accounting Software for Food Hubs Processing Traceable Orders, Iowa State Extension

Published by Iowa State Extension, this publication shares how an Iowa Food Hub utilizes Quickbooks & Excel to manage their inventory.

Wholesale Market Reports, USDA AMS

A reference for wholesale pricing of specialty crops in a variety of regions across the US.

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