Scaling Local: A Stakeholder Approach to the Local Food Movement

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Abstract: Food Hubs are in a unique yet precarious position to help the local food movement reform unsustainable aspects of the conventional food system but they themselves face challenges in strategic planning and managing growth. Due to the lack of consensus on what local food’s values are, the construction of meaning and the local food movement itself is at risk of being coopted by the very systems it seeks to reform. This research aims to explain the role of key stakeholders and their impact on the local food movement through a sequential explanatory design which seeks to answer the questions of who and what really counts among Food Hub stakeholders. Relying on stakeholder theory, stakeholder salience and social movement frameworks, the research has shown that Food Hubs consider their internal and customer stakeholders as highly important to strategic planning, yet could work more effectively at engaging regulatory and community stakeholders to construct and advance their own objectives as well as those of the local food movement.

Keywords: Food Hubs, Local Food, Social Movements, Stakeholder Salience, Strategic Management, Sustainable Development

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Summary: The demand for local food is challenging Food Hub management to know what growth is positive and when growth supersedes the values associated with local food. At the same time, the inseparability between the momentum of the local food movement and the growth of Food hubs is clear. Therefore, using a framework for the local food movement as a social movement, combined with a stakeholder approach to identifying who and what really count within Food Hubs, the relative salience of stakeholders can help to address this gap in management strategy. Furthermore, a deeper understanding of how the relative salience of various stakeholders effects the local food movement has been assessed. The study is meant to serve as an introspective tool for Food Hub managers to better formulate their own unique strategic objectives. Themes in the findings suggest that Food Hubs currently favor internal and customer stakeholders more heavily with some potentially dangerous relationships between particular customers. In addition, Food Hubs could work more strategically to engage regulatory stakeholders in order to facilitate some of the shared strategic objectives between most local food system stakeholders.

Keywords: Alternative Agriculture, Food Systems, Social Movements, Stakeholder Salience, Strategic Management, Sustainable Development

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1 Introduction
This chapter briefly describes the problem and the context from which this project is oriented. After which, the aim of the study, research questions, and delimitations are presented.

1.1 Problem background
The conventional food system is unsustainable. Through global integration, consolidation, commodity-favored policies, and environmental degradation the conventional food system has become a threat to itself as well as those that depend on it for sustenance. Illustrating this is a global binary where 795 million people are undernourished (FAO, 2015) while another 1.9 billion are overweight or obese (WHO, 2015). In the United States, obesity has been credited for today’s children being the first generation to have shorter, less healthful lives than their parents (Belluck, 2005). Furthermore, people are becoming increasingly aware of food-borne outbreaks that come from an increasingly complex supply chain which makes it difficult to identify the source of the issue (CDC, 2016). Compounding these social and health related costs is a conventional food system that is globally integrated, industrialized and commoditized to the extent that it is marginalizing the very people expected to produce the food (Lyson & Guptill, 2004; www, ERS, 2016). Farmer demographics show an aging, less profitable farm with declining numbers of new farmers, year over year (Lyson & Guptill, 2004; www, NASS, 2016). Furthermore, the reliance on finite fossil fuel inputs at nearly every stage of the supply chain from production to consumption exposes vulnerabilities in the system. The vulnerabilities have manifested themselves in volatile oil markets, and transportation strikes that highlight how insecure a consolidated and integrated food system is (FAO, 2015). The food system is hard-pressed to change these practices that contribute to contribute to climate change, degrade the soil and pollute the available freshwater (Hogg, 2000). Through its current contribution and susceptibility to environmental, societal and economic degradation, it could be said that the industrial food system is unsustainable in and of itself and that the true costs of the industrial food system are externalized in these issues described. Collective discontent with these issues has resulted in the emergence of alternative food systems (Blay-Palmer, 2008) with one such alternative being the Local Food Movement (LFM) (Hinrichs, 2003). However, a contested definition of local food (Joosse, 2014) as well as the purpose of the LFM (Tovey, 2010) puts the entire social movement at risk (Christiansen, 2009). What successes the LFM has had in establishing and growing alternative markets have been characterized as ‘niche’ (DeLind, 2011) and lacking the scale needed to be transformative (Bloom & Hinrichs, 2011; Dunning et al., 2015). This has prompted some to call for a hybrid approach to local food that relies on conventional distribution systems to scale up the LFM (Bloom & Hinrichs, 2011; Dunning et al., 2014). However, access to these distribution channels is restricted to growers that can meet rigid standards that typical local food producers struggle to meet.

1.2 Problem
A Food Hub is an intermediary between local food producers and new markets that address some of these challenges to scale through a range of activities (Cantrell & Heuer, 2014). Food Hubs
have the distinction of being small businesses that operate as an intermediary in both the local and conventional food systems. As an intermediary in the food value chain, the potential for conflicting priorities between stakeholders is increased (Ross & Dentoni, 2013). Stakeholders have been defined as “any group or individual who can affect or is affected by the achievement of the organization’s objectives.” (Freeman, 2016 p 46). As an advocate for Food hubs, the Agricultural Marketing Service (AMS) of the United States Department of Agriculture (USDA) has expressed the need (Barham, 2016) and the absence of stakeholder research for Food Hubs (pers com. Barham, 2016). Compounding this need for stakeholder research are recent studies that identify a lack of strategic management skills (Fischer et al., 2014) as well as the challenge of managing the growth of Food Hubs while maintaining the values associated with local food (Hardy et al., 2016).

It could be said that because Food Hubs are businesses that facilitate the distribution of local food, that they can both affect and be affected by the success or failure of the LFM. Therefore, ensuring that they remain viable by filling the strategic management gaps while working toward constructing and maintaining the values associated with local food and its movement are vital to the success of the Food Hub. Stakeholder salience is a strategic management approach to identifying stakeholders and understanding the implications to their influence on the organization (Mitchell et al., 1997). As a theory, it has been underutilized in small businesses, like Food Hubs (Westrenius & Barnes, 2015). However, the less fragmented management structure of small businesses allow for organizational clarity in identifying and prioritizing stakeholders (ibid).

1.3 Aim and research questions

Due to the challenges for Food Hubs in strategic planning, the inextricable dependence between Food Hub and LFM success, and the lack of stakeholder salience applications to small businesses; the aim for this research is to explain the impact of Food Hub stakeholders on the LFM. This study is centered around the Food Hub as a stakeholder within the LFM and seeks to inform Food Hub managers of their reported stakeholder salience and the resulting theoretical implications based on a social movement framework. With that in mind, the following researching questions were selected:

- Who are the Food Hub stakeholders?
- Which stakeholders do Food Hubs regard as salient?
- How should stakeholders and their salience be managed with regard to the LFM?
2 Theory and a conceptual framework

This chapter provides a theoretical background that leads to the choice of stakeholder theory and salience for this study. This chapter also provides an understanding of social movement models relative to this research and outlines a conceptual framework for the LFM that this study relied on. Lastly, the commonalities are synthesized in a conceptual model.

2.1 A Theoretical background

Stakeholder theory asserts that businesses are beholden to their stakeholders and through managing them appropriately, the long term success of the organization is strengthened (Freeman, 2010). The stakeholder has both narrow and broad views but by taking the broad view, one can be defined as “any group or individual who can affect or is affected by the achievement of the organization’s objectives.” (ibid, p. 46). This research shares this definition as a starting point and seeks to more precisely identify the stakeholders of the food hub organization. The need to identify specific stakeholders as well as new models, particularly for non-traditional groups like food hubs, is expressed by Freeman (ibid). The model in figure 1 offers a generic understanding as to the stakeholders of any organization, from which a food hub model can be developed.

Fig 1. A generic stakeholder model of the firm (Freeman, 2010, p. 25).
The stakeholder definition, model and theory are the evolution and synthesis of organizational management theory, systems theory, corporate strategic planning and corporate social responsibility (ibid). From the notion that management should be responsive to more than their stockholders, the conceptualization of the stakeholder has charted a more holistic approach to strategic management. Each body of literature lends unique perspectives in the development of stakeholder theory however, only the pertinent aspects of these influential theories will be offered here for contextual application to the research.

The concept of industrial democracy within stakeholder theory could be summarized in the notion that an organization can only survive if it can effectively manage the demands of the groups on which it is resource dependent (Pfeffer & Salanick, 1978). Systems theory lends support for democracy in organizational management in its assertion that many societal problems can be solved through redesigning organizations toward a fluid relationship with stakeholders in the system (Ackoff, 1974). This democratic notion, as we will explore in the conceptual framework, represents a critical aspect of the LFM. Where systems theory differs from other organizational management theories is in its collective view of the stakeholder system in which there is shared recognition that particular stakeholders may warrant priority over others, but systems theory forebodes that effectively satisfying the demands of one group of stakeholders could lead to dissatisfaction among another group (Freeman, 2010). This means that it is not only important to identify stakeholders but to evaluate how those stakeholder’s interests are being operationalized. This is because stakeholder theory borrows from corporate planning literature in the assumption that there are objectives to which the organization is strategically moving toward (ibid). Stakeholder theory then assumes that organizations are on a trajectory or that they are planning toward a desired state which includes a provision for withdrawing the support of stakeholder whose own expectations are not in line with the organizational objectives (ibid). Again, this underscores the importance of identifying stakeholders and their influence on operations, however a normative approach to identifying stakeholders is not found within stakeholder theory.

Corporate Social Responsibility (CSR), another field that has both shaped and been shaped by stakeholder theory, begins to provide some broad groupings for stakeholders in the idea of a business having a Triple Bottom Line, or an organizational focus on measuring success through its impact on people, planet and profit (Elkington, 1998). In this way, Corporate Social Responsibility or CSR employs stakeholder theory more liberally by not just allowing, but favoring more non-traditional stakeholders like the public, local communities in which they operate (Freeman, 2010). Food Hubs, while operationally independent, overwhelmingly support social and environmental initiatives, not as an extension of marketing, but as an inseparable function of their business model (Barham et al., 2012). This is CSR as it was intended, which includes recognition of the inextricable links between social, economic and environmental issues (Mark-Herbert & Rorarius, 2009). Ignoring these links, as Freeman notes, is a failure in management and intellect (Freeman, 2010). Porter and Kramer expand on this by identifying CSR as the strategy for increasing competitiveness (2006). Supporting the latest industry survey report, which calls for effective management strategies in Food Hubs, this aspect of Stakeholder Theory contributes to the research aim while helping to fill an identifiable research gap (Barham et al., 2012; Fischer et al., 2013)
2.2 Stakeholder salience

As Mitchell, Agle and Wood contend in their seminal piece that defines stakeholder salience; stakeholder theory does not offer a normative approach to identifying and describing stakeholders (1997). The intent of using stakeholder salience in the research is that this normative approach will lend validity to the identification of what stakeholders matter as well as informing the discussion for why they matter. Salience relies on attributes to describe the degree of influence that a stakeholder has in strategic direction. Influence is further broken down into the attributes of power and legitimacy that Mitchell, Agle and Wood have identified as being inherent in Freeman’s definition. They argue that these attributes are rarely weighted equally and when combined with the attribute of urgency a more definitive picture of the stakeholder is formed. Whether these attributes are ascribed independently or conjunctively creates new meanings that shall be elaborated on in this section. Figure 2 below offers a model, adopted from Mitchell, Agle and Wood, that presents the attributes of stakeholder salience and the relationships between them.

![Model of Stakeholder Salience](image)

Fig. 2. Model of Stakeholder Salience (Mitchell et al., 1997, p. 874).

As the model shows, the ascription of the attributes and their relationship to one another creates new categories through which to view stakeholder. Should an identified stakeholder not possess any of the attributes, the assumption is that the stakeholder is in fact not a stakeholder. However,
stakeholder salience is dynamic in that just as the attributes that stakeholders possess are: subjectively ascribed; can change over time; and may not be exercised or even realized by the stakeholder (ibid). The flexibility of this model provides that it is both a descriptive tool as well as a strategic one that allows for discussion about whether stakeholders should be as salient as they are. Because of this subjectivity, rather than adopt the nomenclature of a Nonstakeholder, this study takes the alternative classification of Potential Stakeholder that is offered in the literature (Mitchell et al., 1997). This term accounts for the potential of the stakeholder to gain an attribute as well as allows for a prescriptive discussion as to whether they should be regarded differently.

In order to gauge a stakeholder’s salience, their perceived degree of power, urgency and legitimacy must be ascribed, after which they can be categorized as definitive, expectant or latent stakeholders which corresponds respectively to how high they scored in three, two or just one of the attributes. If they possess all three attributes to a high degree, they are Definitive Stakeholders, whereas possessing two attributes labels them as Expectant, in terms of their expectance of acquiring the missing attribute. From the strategic perspective, managers should remain alert to the balance of attributes possessed by each stakeholder in order to understand their motivations and manage them appropriately.

The distinction between labels of Expectant Stakeholders also offers an area of analysis. There exist three possible combinations which Mitchell, Agle and Wood have alliterated as Dangerous, Dominant and Dependent as illustrated in figure 2 above. A Dangerous Stakeholder, possessing power and urgency is seeking legitimacy. The danger lies in how they work to obtain it which can threaten the organization through coercive means or potentially even violent. Identifying Dangerous Stakeholders is critical to mitigating risk. Dominant Stakeholders are those which possess power and legitimacy, yet the exertion of their power is not always a given. Still, by possessing these two attributes, managers are advised to give formal recognition and keep informed through progress reports. The Dominant Stakeholders are often argued for as the only stakeholders to which an organization should be accountable. Finally, Dependent Stakeholders, possessing legitimacy and urgency, lack the power to exert their will. Mitchell, Agle, and Wood (1997) give the example of those affected by an oil spill as requiring government intervention to enforce the offender to attend to their interests.

Referring back to stakeholder theory, there is a model of stakeholder’s potential for cooperation and as a competitive threat that offers additional strategic management insights. Figure 3 shows this strategic matrix.
Fig. 3. *Generic Stakeholder Management Strategies (adapted form Freeman, 2010 p 143)*

The model allows for the assessment of stakeholders as competitive threats and for their potential to cooperate. It is important to understand that if a stakeholder is already highly cooperative, this may result in a low cooperative potential (Freeman, 2010). Starting in the upper left corner with stakeholders that rank high in both categories, the *Change the Rules* strategy can be seen as formal changes in laws, by-laws or other policies. This strategy could also rely on a change in where decisions get made. For instance, the jurisdiction of agricultural policy moving from the national to local level. Other changes can include a change in the agenda for what requires decision making and finally, changing the transaction process between the organization and the stakeholder. The strategy to *Exploit* a stakeholder is an offensive strategy if the competitive threat is low and the cooperative potential is high. Changing the transaction process is a strategy for these stakeholders as well. Others include changing the beliefs that a stakeholder holds about the organization, or finding common objectives that both parties stand to gain from. To *Defend* is to regard a stakeholder as a high competitive threat with low cooperative potential. This involves ‘preaching to the choir’ in order to reinforce the existing beliefs that the stakeholder has about the organization to mitigate against a change in beliefs which could be negative. It also involves allowing the stakeholder to drive the transaction while being overly responsive to the stakeholder’s requests. This responsiveness is a gesture that may result in favorable transactions. Lastly, to *Hold* is also a strategy of reinforcing current beliefs while guarding against changes in programs and the transaction process.

Through an understanding of stakeholder theory and salience, the first two research questions of ’who are the Food Hub stakeholders?’ and ’which stakeholders do Food Hubs regard as salient?’
can be answered. In turn, this information and the models presented in this and the subsequent section, will provide the points of discussion to answer the final research question of ‘how should stakeholders and their salience be managed with regard to the LFM?’

2.3 Social movements

Social movements occur when a group of people come into conflict with a social structure or status quo and collectively take actions to change it (Christiansen, 2009). Stemming from sociological origins in collective action, Tilly (1978) helped to legitimize social movements by contesting that collective action was not the irrational reactions to the pace of social change that characterized the discourse but rational expressions of frustration among social groups who lacked the access to influence change. Thus began the dominant approach toward understanding contemporary social movements in North America through resource mobilization theory (Buechler, 1995). The subjectivity of social movement theories can be seen in their reflections of temporal concerns among social scientists at the time of development and thus, new social movement theory has emerged which differs from traditional social movements in their central organization and targeted membership (Melucci, 1995). New social movements are born out of diverse pockets in society with multifaceted objectives, linked by a democratizing ideology and the objective of structural change (Buechler, 1995). This democratizing characteristic is embodied in Melucci’s description of collective identity as being cultivated among participants in an iterative process (1995). Within new social movements, perhaps facilitated through new media approaches to communication, this iterative process allows members to move in and out of the movement as their participation is welcomed without requiring strict adherence to the objective (Buechler, 1995). The ways in which to categorize social movements are numerous and critics of these categorizations can typically hold up examples of movements that defy the models (Christiansen, 2009), however those presented here are useful in forming a picture of the common characteristics of social movements which help to understand them.

Aberle’s influential model for social movement typologies begins with two questions regarding scope (1982). The first is that of ‘who is changed’ and the second addresses the question of ‘how much change’. The matrix below (Figure 3) illustrates the possible responses from which we can derive four distinct types of social movements.
While this model is useful for its accessibility for nearly any social movement, one critique has been that social movements, including and maybe especially new social movements, may possess attributes of multiple movement types (Masuda, 1998). For example, within the LFM, there is an internal debate about whether the purpose is to remain as an alternative or to become a reformative movement (Tovey, 2010). In addition, DeLind’s characterization of ‘Locavores’ (2011) might map neatly into the Redemptive movement which seeks total individual change, but as chapter 2.4.2 will illustrate, there are risks to this focus on the individual. Furthermore, climate change and environmental issues related to agricultural practices, creates a time sensitive restraint on the ability for the LFM to remain as an alternative movement and demands that it takes either a reformative or revolutionary approach. However, the LFM has already been argued for as a new social movement which is distinguished by seeking social change (Buechler, 1995). In addition, the stakeholder at the center of this study has been described as relying on the distribution end of the conventional food system while working to grow and advance local food systems. For this reason, this research will take the perspective of the LFM as a reformative movement. In taking the perspective of societal change, whether partial or in total, it becomes critical for researchers and movement actors to understand the stages of social movements in order to locate the progress and pitfalls therein. The model below is adapted from Blumer’s (1969) terminology for four stages of social movements and reflects the development of the terms since (Christiansen, 2009).

Fig. 4. Social movement typologies based on (Aberle, 1982).
Fig. 5. Model depicting four stages of social movements (adapted from Christiansen, 2009 p 15-21)

It is important to note that social movements, while presented above as progressive steps, can repeat steps in the process as well as embody aspects of any stage at any given time (Christiansen, 2009). That said, we can begin to explore the characteristics of each stage. Beginning with emergence, this stage is where initial discontent with the status quo spreads among individuals but has yet to become organized in any recognizable way (Hopper, 1949; Macionis et al., 2000). The movement can be said to coalesce when people begin to recognize more specifically and more collectively, the source of their discontent; in other words, who or what is responsible (Hopper, 1949). In this stage mobilization occurs through various forms of demonstration and charismatic leaders begin to emerge (Christiansen, 2009). Delind cautions against the reliance on leadership as it may disengage participants who assume the issue is being addressed by experts (2011). This is why many social movements fail to bureaucratize, as they lose the sustained emotional connection to the issue and lack paid representatives to carry the torch (Hopper, 1949; Macionis et al., 2000). To bureaucratize is to reach a level of success where the awareness has been raised, the objectives are strategically addressed through formal organizations and there may even be political response to the objectives (Christiansen, 2009). This is where the linear progression of a social movement may move into decline although to decline is not necessarily a negative end (ibid). Decline can be due to success (Miller, 1999) or being adopted in the mainstream (Macionis, 2001). Going mainstream is a structural change that occurs through the social and political adoption of the ideology which eliminates the need for the social movement (Macionis, 2001). Successful movements share the characterization of being localized in their approach, even if nationally coordinated and having very specific goals (Christiansen, 2009).

In addition to ways in which movements succeed, it is necessary to understand how they can fail in order to avoid those risks. The first way movements typically fail is repression by the authorities
which can occur violently or through legal structures that are perceivably legitimate from the authority perspective but not from the movement perspective (Miller, 1999). Outside of repression, movements commonly fail at the organizational level and this typically occurs either through factionalism and encapsulation (*ibid*). Factionalism occurs when the rapid expansion of a movement cannot be handled organizationally and different factions emerge that distort the objectives through internal disputes (*ibid*). Encapsulation is the effect of movement factions becoming so rigid in their ideology that they isolate themselves from the broader objectives which erodes participation in the process (*ibid*). Lastly, co-optation of a movement is a mode of failure that occurs when the objectives of the movement’s leadership begin to identify more closely with actors outside of the movement constituents.

### 2.4 Local Food Movement

Through a synthesis of selected work by Feenstra (2002), Dahlberg (1994) and DeLind (2006; 2011), along with significant influence from Werkheiser and Noll (2014); a model for how to build on the effectiveness of the LFM is formed (Figure 6). In identifying three research focuses for the LFM and labelling them sub-movements, Werkheiser and Noll provide a way to understand actions within the LFM as actions within the respective sub-movements (2014). They move from descriptive to prescriptive when they caution against initiatives to advance local food that do not fully understand this framework and call for a new approach that recognizes the compatibilities between the sub-movements in order to strategically align their goals in the advancement of local food (*ibid*).

**Fig. 6. Approaches to the LFM (adapted from Werkheiser & Noll, 2014)**
The elements of this model are therefore proposed as approaches, rather than sub-movements to highlight their flexibility as both a means to understand and a tool for advancement. Additionally, the selection of terminology to delineate the approaches differs slightly from Werkheiser and Noll’s sub-movements due to the inclusion of other research in this area as well as the objective of facilitating interpretation within the food hub industry vernacular. That said, the consumer approach, system approach, and community approach are described below for their distinctions from one another as well as what makes them both indispensable and a risk, when considered independently.

2.4.1 Consumer approach and benefits
The consumer approach to the LFM is simply understood as ‘lifestyle politics’ which is to influence the food system through consumer choices (DeLind, 2011). This is what Werkheiser and Noll have dubbed as the Individual-Focused Sub-movement which purports that though the actions of individuals at the local level, global change occurs (2014; DeLind, 2011). The consumer approach is fueled by consumer demand for local food which is why it receives the most attention from markets, policy makers and researchers (Werkheiser and Noll, 2014). In this way it is the public face of the movement (ibid). Through the consumer approach, the reasons behind consumer choice do not have to map neatly with the impacts of that choice and at times the impacts may be greater than what motivated your action (ibid) but this is supported by the characterization of new social movements in which participation in the movement is not predicated by strict adherence to movement objectives (Buechler, 1995). What is consistent within the consumer approach is that consumers see food in its broad instrumental ability to bring benefits or harm (Werkheiser & Noll, 2014). This is what makes the consumer approach indispensable to a reformative movement in that it broadens the scope of who can be involved by saying your purchase is a vote for the food system that you want (Pollan, 1998). Conscientious consumers represent continued emergence for the social movement, from which consumers can be engaged, educated and mobilized. Reformative movements, seeking at least partial societal change (Aberle, 1982) can then build a critical mass of people seeking that change. Furthermore, the revenue from consumer purchases help to sustain the movement by keeping the local food producers viable.

2.4.2 Risks to the consumer approach
The inordinate attention given to this consumer demand is a threat to the LFM because it “suggests that what is wrong with the world (from monoculture practices, to obesity, to global warming) can be addressed through altered personal behavior” (DeLind, 2011 p. 276). The suggestion that global issues with agriculture are solvable through consumer choice, shifts responsibility away from the systemic issues of inequity and puts the responsibility and potential blame squarely on consumers (ibid). That is, power structures in place give you a choice between two options which impedes the individual from conceiving of a third. Garnett supports DeLind’s characterization of the consumer approach as shortsighted criticizing the ability to consume away the issues or that, by shopping locally, we have contributed to a more sustainable society (Garnett, 2014). An example from Garnett’s work with life cycle assessments demonstrates this false choice by illustrating that
between greenhouse production of Spanish lettuce and British lettuce, the Spanish lettuce is environmentally preferable but the alternative of not producing lettuce out of season is not considered (2014). DeLind and others also identify the view of individuals as consumers as ignoring the systemic inequities that restrict access to healthy food choice. While consumer demand for local food is necessary to the existence of a reformative movement, the reduction of individuals to that of consumers and food as product, relinquishes control of the agenda to authorities in the food system which create the conditions for coopting the movement (Christiansen, 2009). In DeLind’s identification of a ‘Wal-Mart Emphasis’, she identifies the motivation for participating in local food as having more to do with economic benefits related to targeting the growing demand for an ambiguous local product and the savings from realizing shorter distribution channels (2011). In Wal-Mart’s own definition of local food which is “Grown and available for purchase within a State’s borders” (Martinez et al., 2010 p. 13), it supports what DeLind asserts in that Wal-Mart is not concerned with the breadth of value associations people make towards local food, such as responsible growing practices, health, nutritional variety or additive economic benefits and restricts itself to existing, agricultural staples (2011).

2.4.3 System approach and benefits
The system approach, like the consumer approach, shares the market approach to food system reform however, it approaches this reform through the formation of new organizations, supportive policy and institutional support (Werkheiser & Noll, 2014). Dahlberg advocates for systems reform in localized regenerative food systems which entails internalizing environmental costs of agriculture, rethinking the role of international trade policies in sustainable agriculture and the “abandonment of the legal fiction that corporations are ‘persons’ entitled to the same constitutional rights as individuals” (1994 p. 174). Although considered as part of a community food system development strategy, Feenstra’s approach to creating political space might fit at least partially in the system approach for its focus on influencing policy, land use and incubating new institutions (2001). Through this focus on advocacy and policy, the coalescence stage of social movements occurs as the objectives of change become more specific. The formation of new institutions in support of these objectives can be understood as the bureaucratization stage of the system approach; with Food Hubs being understood as a localized new institution in the LFM. The system approach also contains the geopolitical focus on Food Security which is “A situation that exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life.” (FAO, 2003 p 28). With localized and international support, the system approach is indispensable to the LFM as a reformative movement.

2.4.4 Risks to the system approach
The risk in focusing too strongly on the system approach to reforming the food system is that of repression, factionalism and encapsulation. As Werkheiser and Noll contend, the problem with a systems focus “is that one is committed to those systems, albeit while trying to overhaul them” (2014 p 206). For example, the USDA is a supporter of local food in general through the Agricultural Marketing Service. In addition, Food Security is listed as a benefit of local food (Martinez, et al., 2010). However, the system approach takes a market approach to food system reform and part of that approach has been to address chronic hunger as an issue of supply, to which GMOs have been offered as solutions to productivity (Werkheiser & Noll, 2014). This strengthens
the concern for the nepotism between the largest agro-chemical companies and leadership positions at the USDA which has been argued to have already weakened organic standards (Strom, 2012). With local surpassing organic as the most influential claim a product can make (Rushing, 2014), the risk is that the USDA could begin to repress the LFM in the same way through coercive means. Movement failure of the LFM is another risk within the system approach where the rigid agendas of new institutions factions that prevent the movement from progressing collectively (Christiansen, 2009). Factionalism can also result in encapsulation which is when these factions turn inward and restrict the inability for new members to get engaged (ibid).

2.4.5 Community approach and benefits

The community approach can be seen as a regulatory arm of the other two approaches of the LFM. While the system approach constructs the instrumental objectives of local food, the community approach is not restricted to instrumental values or the existing system. In this way the community approach can construct intrinsic values such as culture and the social meaning of food, as well as challenging systemic norms for how food is produced, distributed, and consumed (Werkheiser & Noll, 2014). The network and relationship building that occurs in the community approach converts and empowers consumers to be civic activists in the system approach but allows for other competing identities that individuals retain (ibid). The ability for the LFM to address social inequities rests in its ability to incorporate the community approach, as within this approach lies the food sovereignty movement or the notion that people have both rights and obligations to land, food and community building (Desmarais, 2008; Schanbacher, 2010). New networks in the community approach can be seen as the ideation of both objectives and new institutions and therefore bring the LFM from emergence to coalescence. The community approach is social space where democracy in theory, is practiced (Feenstra, 2002). The result becomes greater than the sum of its parts as all of these factors are blended into the consumer approach.

2.4.6 Risks to the community approach

It could be argued that through community gardens, farmer’s markets and CSAs, the community approach to the LFM is already a success in creating these transparent new ways of production, distribution and consuming food. However, as delineated, this research takes the view of the LFM as a reformative movement and therefore understands the community approach as an alternative movement, outside of the conventional food system. Furthermore, the impact of alternative markets for local food has been described as lacking the capacity to reform (DeLind, 2011; The risk is then remaining as an alternative movement without effecting systematic change. Another risk is in the form of encapsulation which as described, erodes participation through isolating potential members (Christiansen, 2009) and the work required in democratically constructing the local food agenda to incorporate all voices, is physically, intellectually and temporally intensive (Delind, 2006; Feenstra, 2002; Werkheiser and Noll, 2014). This work load can restrict the ability for consumers to move from the arena of “lifestyle politics” to effecting real change. Lastly, a risk to social movements in general is in not formulating clear objectives, which are incubated in the community approach but without new institutions or advocacy from the system approach, the risk becomes that the movement remains constantly in flux, or muddled to what the outcomes should be.
2.5 A Conceptual framework
Stakeholder theory argues for organizationally specific models to be created for each unique organization (Freeman, 2010). Stakeholder salience builds on stakeholder theory through providing a normative approach to identifying stakeholders based on the attributes they possess. The relative absence and presence of these attributes can be interpreted through stakeholder typologies (Mitchell et al., 1997). Furthermore, this stakeholder salience approach can be used to either describe the impact of stakeholder’s influence or prescriptively challenge whether particular stakeholders are more salient than they should be (ibid). As presented in the previous section (2.4), the framework for the LFM also has descriptive and prescriptive tendencies and through using social movement models of progression, insights into prescriptions become for prescient. All of these ideas have been synthesized below into a conceptual model (Figure 7) which will be used to analyze and describe how Food Hubs consider stakeholder salience, the implications to the LFM with recommendations when substantiated.
Fig. 7. Conceptual Model of Stakeholders, Salience and the LFM as a Social Movement (with inspiration from Christiansen, 2009 pp 15-21; Freeman, 2010 p 25; Mitchell et al., 1997 p 874; Werkheiser and Noll, 2014)

Working from the outside in, the boxes are color coordinated with the associated approach and indicate the risks and benefits to each approach, as discussed throughout chapter 2.4. The boxes must pass through the stakeholders which are listed in the circles and arranged in a ring around the Venn diagram. The stakeholders are also positioned as well as color coordinated to correspond to the most appropriate approach for their attributes relating to being internal, regulatory or customer stakeholders. That stakeholders are human beings with changing values depending on whether they identify with the community, the system, or as consumers is addressed by connecting the ring of stakeholders and on Food Hubs and the changing colors. While this may not capture the entirety of identities, models are not to be taken as accurate in all instances but rather, helpful to
understanding the phenomena as a whole. The internal stakeholders are understood in the literature as Employees and the Owner / Manager but in the case of Food hubs, Producers are also internal stakeholders as they are at the heart of the Food Hub objective and in many cases make up either the ownership, advisory board or cooperative governance or business structure. Regulatory stakeholders, with the exception of the Local Community are primarily positioned around the System approach for their relevance to the market and policy approaches to the LFM. While the Board of Directors and Competitors, while considered regulatory stakeholders, may not map as neatly in that approach as they do in the community. Lastly Customers align with the consumer approach except for the Direct to Consumer markets which straddle the space between consumer and community. Likewise, Large Retailers due to their position in the food system and ability to influence policy straddle the space between consumers and systems. The ascribed salience can then be compared for its relation to other stakeholders or groups of stakeholders and discussed for the relative risks posed to the LFM. The Food Hub as a stakeholder to the LFM, can be assumed to be somewhere within the Venn diagram. Depending on how they evaluate their own stakeholders, they can be positioned more accurately. The conceptual framework presented here is descriptive and it will be used in chapter 6 to discuss how Food Hubs might help the LFM succeed as a social movement and thereby advance their own objectives.
3 Method

This section presents all methodological choices and their appropriateness in answering the research questions and achieving the research aim. The research relies on a multi-strategy design and more specifically, sequential transformative design, which extends from a case study strategy built upon a literature review and non-experimental surveying. Descriptive statistics, cross comparisons and cross tabulations result and derive from multiple sources of evidence, including primary data, secondary data and personal communications.

3.1 Research design

Among the researcher’s own preferences and ideas for design, other design influences include the research aim, location, available time and access to the phenomena (Hakim, 2000). In consideration of these influences, this research relies on both a fixed and flexible design, otherwise understood as a quantitative and qualitative approach. In using both fixed and flexible design, the research is broadly referred to as multi-strategy design (Robson, 2011). The fixed aspect of the research design is non-experimental which means that variables are not being manipulated in the process. This results in the study being explanatory over exploratory in that understanding the phenomenon relies on the relationship between two or more variables (ibid). The most precise description of this research design incorporates the order in which the fixed and flexible designs occur. In beginning with the quantitative method and then relying on the qualitative framework to help explain and interpret findings, this research is specifically categorized as sequential explanatory design (Creswell, 2003). As a type of multi-strategy design, sequential explanatory design has some benefits. The most relevant to this study are outlined in the table below.

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Reasoning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Triangulation</td>
<td>Enhances the validity of findings that result in the synthesis of qualitative and quantitative data.</td>
</tr>
<tr>
<td>Completensness</td>
<td>A more comprehensive understanding of the research topic is produced.</td>
</tr>
<tr>
<td>Counteracting weaknesses / Creating stronger results</td>
<td>The criticisms of a one approach is often offset by the use of the other.</td>
</tr>
<tr>
<td>Answering multiple research questions</td>
<td>A wider range of research questions can be addressed through mixed method designs</td>
</tr>
<tr>
<td>Dealing with complex phenomena</td>
<td>Varied perspectives are needed to understand the complexities of phenomena in real world research settings.</td>
</tr>
<tr>
<td>Explaining findings</td>
<td>Using one research approach to explain the results of another approach is particularly useful for unanticipated results as well as for adding qualitative substance to dry quantitative data.</td>
</tr>
<tr>
<td>Refining research questions</td>
<td>Using a qualitative method to develop the research questions to be tested through the quantitative method.</td>
</tr>
</tbody>
</table>
Table 1. Benefits of a mixed method design adapted from Robson (2011 p 167)

Primarily, the multiple strategies of fixed and flexible design occur in the data analysis and interpretation. In analysis, empirical results are cross compared and cross tabulated with secondary data. Through the conceptual framework, the qualitative choices that are derived from a theoretical and empirical literature review, inform the interpretation.

Relying on a researcher’s interpretation makes it critical to refine the flexible design and conceptual framework in order to ensure the research quality (*ibid*). For this reason, an abductive approach to the flexible design has been used in interpretation and facilitating the aim. The abductive approach involves a fluid and continual cross referencing of theory, empirics and analysis. The back and forth nature of the abductive approach reduces the risk of overlooking pertinent data which safeguards the quality by ensuring the completeness and validity through triangulation (Yin, 2009). Through the aforementioned benefits of the abductive approach, the capacity to integrate findings in analysis is improved, which is one of the concerns identified in these types of designs (Bryman, 2006). Another concern for multi-strategy design rests in the perception of the research as unfocused but this can be avoided by being clear in the rationale for the research and its aim, both in the selection of method and the analysis (Mason, 2006). For instance, clarity in analysis is addressed by nesting both analysis and interpretation within the discussion chapter (6). This helps to integrate the fixed and flexible designs through the conceptual framework and focus the research. This multi-strategy integration of analysis and interpretation is consistent with what Robson describes as taking “full advantage of the opportunity provided by this type of design” (2011 p 412).

3.2 Literature review

A literature review has the benefit of identifying gaps in the research area as well as helping to decipher the methods and instruments for data collection (Robson, 2011). At a minimum, it gives the researcher assurance about their knowledge of the issues (Yin, 2009). In moving from comprehensive to judicious, the literature review will help in the development of the research design (Maxwell, 2006). Literature for this research was critical to forming the conceptual framework that the research depends on. For this reason, the credibility was necessary and only peer reviewed journal articles and primary source books were selected. Additionally, professional networks, industry reports, government documents, periodicals, web pages and personal communications give breadth and contemporary relevance to the study.

3.3 Case study

Case studies evaluate particular phenomena in relation to contextual settings (Robson, 2011). They stand above the method, more as strategy and therefore can make use of multiple methods to collect data (*ibid*). It is a prolific strategy for social science which requires that the aim and methods are scientifically sound in order for the scientific value to be sound (2011).
3.3.1 Choice of case and units of analysis

The Food Hub is the case at the center of this study of Food Hub stakeholder salience and the implications to the LFM. Food Hubs were chosen for four reasons, the first being their novelty as an emerging stakeholder within the LFM which begets a lack of research in the area (Pers com., Joosse, 2015). Secondly, there had been an expressed need for research into food hub stakeholders (www, Barham, 2016) which at present has not been undertaken (Pers com., Barham, 2016). Their position between producers and consumers in the food supply chain also creates dynamic context due to competing interests on both sides (Ross & Dentoni, 2013). Additionally, the potential conflict between a commitment to the values of local food while trying to satisfy the interests of conventional distribution channels which is demonstrated in section 4.2. In choosing the sample, the USDA’s National Food Hub Directory is a large and representative sample with contact information and other secondary data that could be exported and used to distribute the survey. All Food Hubs in the directory were offered the opportunity to participate.

Embedded in the theoretical framework of stakeholder salience are the presence and absence of stakeholder attributes (Mitchell et al., 1997). The existence and scored value of these attributes, as well as the relative balance between them and the corresponding stakeholders, constitute the units of analysis. The units of analysis are then interpreted through the conceptual framework model which contextualizes the findings for their implications to the LFM.

3.3.2 Quantitative data

In collecting quantitative data, consideration in the research design phase is critical to producing an analyzable data set (Robson, 2011). This section will describe the decisions made during design that have facilitated the data collection. The first being the choice and support for the survey method as a random sample, self-completing and internet based survey.

In discussing sampling frames and random sampling, Robson submits:

“If a reasonably adequate list of those in the population can be obtained, this puts you in the position of being able to draw a (reasonably adequate) random sample; i.e. a sample where all members of the population have an equal chance of being selected for the sample” (2011 p251)

The sampling frame used was exported on February 6th, 2016 from the USDA National Food Hub Directory. There were 161 respondents in this directory which is the most comprehensive directory known to be publicly available. Other studies gathering census data on Food Hubs were queried and the largest total number found for respondent population was 222 (Fischer et al., 2014). Requests to use this respondent list for this study went unanswered. However, at 73% of the largest reported population, the provision of an adequate population list with an equal opportunity to submit a response, is considered to be satisfied.
The choice to make the survey self-completing and internet based was resource driven. Internet surveys result in shorter data collection periods and when self-completing, also enable distribution among a large sample (Robson, 2011; Blair & Czaja, 2013). The large population list as well as the geographic location of respondents lent itself to this distribution method. As an internet survey, the criticism of respondent’s access to internet (Robson, 2011) was eliminated by the directory which provides email addresses for the sample frame.

Another criticism of internet based surveys are the low response rates (ibid). This was addressed in three ways. First, the body of the email served as a cover letter to specify the purpose of the survey which is recommended to increase response rates (ibid). Secondly, periodic redistribution of the survey was facilitated by what Robson has identified as the low cost advantage of internet surveys (ibid). Adjustments to the messaging in redistribution was made to distinguish between those who had submitted partial responses versus those that had not yet responded. In total, partial respondents were offered two additional opportunities to complete their response and non-respondents were offered a total of four opportunities to complete the survey with the final two requests delineating a deadline for response in order to create additional urgency. Third, two hard copy versions were sent on request as well as to the entire sample frame in the third and fourth invitation to respond. The hope was that those who were more comfortable printing and filling out a paper copy could complete it that way and scan and email it back. However, no hard copies were returned including those that specifically requested it. These actions combined resulted in a 31% response rate.

The survey questions were arranged, beginning with simple demographic identifiers known as warm up questions which increase response rates by allowing the respondent to acclimate to the survey. They also allowed for association with secondary data used in the research. In structuring questions, it is important to keep language simple (De Vaus, 2013). In addition, indirect questions can help to reduce any social-desirability response bias (Fisher, 1993). Therefore, questions were structured with respect to the characteristics of salience attributes and consideration taken to avoid theoretical and technical jargon. It is also advisable to ensure that meaning is consistent between all respondents (Robson, 2011). This was addressed through the use of parenthetical examples, when the meaning was thought to have the potential of being misconstrued.

Open ended responses were minimized in order to facilitate the analysis, as suggested by Robson (2011) and coding the relevant questions through a five point Likert scale was used to create data that could be statistically analyzed. Additional questions used rankings to collect numerical data.

### 3.3.3 Secondary data

Secondary data was derived from the Findings of the 2013 National Food Hub Survey (Fischer et al., 2014) and the recently released 2015 National Food Hub Survey (Hardy et al., 2016), as well as the USDA National Food Hub Directory (www, AMS, 2, 2016). These resources include both qualitative and quantitative data that was used in contextualizing the primary data. The markets that Food Hubs participate in vary with relation to each Food Hub’s market strategies. Therefore, the markets were used as independent variables to better assess the stakeholders of Food Hubs.
3.4 Data analysis

Robson champions the use of software packages in presenting and analyzing quantitative data (2011). This survey used Survey Gizmo, an internet based survey software with embedded reporting features that can compute simple descriptive statistics and generate custom graphs and reports. The empirical results (chapter 5) rely on these descriptive statistics such as distribution and dispersion, all features available in the survey software. In a non-experimental fixed design such as this, the survey simply describes the phenomena but through the patterns, can provide supporting evidence for other operations at play (ibid). From these results, analysis was conducted with the support of Microsoft Excel in order to explore relationships between the primary and secondary data.

Overcomplicating quantitative analysis is a pitfall among researchers (ibid) however, the use of simple descriptive statistics has been argued for (Gorard, 2006) and implemented in other high quality research papers (Rosnow & Rosenthal, 1989; Cohen, 1990). Beyond the use of simple descriptive statistics, Yin (2011), recommends cases be analyzed specific to individual organizational context. Therefore, the aim and research questions have been kept in mind so that the methods of analysis are not overcomplicated and only contextualized when appropriate in answering the research question and facilitating the aim.

In the analysis, the USDA National Food Directory was imported, along with the survey data, into Microsoft Excel. The primary data was aligned accordingly with the secondary data and formatting column headers were renamed to facilitate ease of analysis. Some responses were deemed unqualified for their lack of data beyond demographic identification. Other responses were identified as duplicates and were adjusted so as to not give any one Food Hub undue weight in the results. For instance, there were four duplicate responses from the same respondent in which the most complete response was recorded and the others were removed. In one case, there were two different respondents of the same Food Hub for which the responses were merged as an average score. Other changes to the data set included the additions of new columns to facilitate binary coding which was used in cross tabulation. This is because cross tabulation is tedious when there exist many values from which to compare (Robson, 2011) and simply coding them as ‘0’ or ‘1’ allows comparison of variables with the existence or non-existence of another variable. The analysis, along with the empirical results, makes use of descriptive statistics and in addition cross tabulation as a statistical analysis tool. In summary, descriptive statistics with cross comparisons between them as well as cross tabulations were the measures used in exploring the data sets which serve to answer the research questions of ‘who are the Food Hub stakeholders?’ and ‘which stakeholders do Food hubs regard as salient?’. From the answers to these questions, the conceptual model was used to interpret and answer the research question ‘How should stakeholders and their salience be managed with regard to the LFM?’.

3.4 Quality assurance

Quality assurance has been generally addressed through the abductive approach as well as those multi-strategy design benefits outlined in section 3.1. Specific to the project, strategies for
integrating qualitative and quantitative data include: Data reduction of quantitative and qualitative data through the use of descriptive statistics and thematic analysis (Onwuegbuzie and Teddlie, 2003); displaying the quantitative data through the use of tables and graphs with the use of networks to illustrate qualitative data (ibid); synthesizing a variety of data sources in interpretation (Bazeley, 2009); analyzing patterns through the use of matrices (ibid); coding of qualitative data to allow for descriptive statistical analysis (ibid); correlating relationships between quantitative data and qualitative data (Onwuegbuzie and Teddlie, 2003); the integration of data into a coherent whole (ibid).

3.6 Ethical considerations
Deception about the purpose of the research is one of the questionable practices in social research (Robson, 2011). To ensure ethical considerations in this research project, a cover letter was included to clearly describe the purpose of the research. This helped to establish informed consent as well as offering a clear description of the research purpose. A second measure to instill trust and ensure the genuine intent of the research was made in an offer to meet at an upcoming conference and consult over preliminary results.

The subject matter is not considered a sensitive issue but as social-desirability response bias has been identified as overlooked in survey research (King & Bruner, 2000), the anonymity of the respondent was assured to be protected in the written report both as a matter of research ethics and quality. The survey instrument only required that the respondent provide the name of their Food Hub for identification purposes. This was meant to give the respondent the option of relative anonymity in answering the questions.

3.7 Delimitations
In addressing the aim of this study, there are choices that have been made in order to narrow the scope and because of those choices, consequences result (Robson, 2011). Among them are theoretical, methodological and empirical delimitations and limitations. Many choices have been detailed in their respective sections and denoting every conceivable design choice is not functional and therefore the focus of this section will be on the more salient choices that have not been mentioned. Due to the interconnectivity between theory, method and empirical choices, they will not be broken into sections but rather described in context for the relationships between them.

The first limitation to denote is that of making generalizations from the data. Although probability sampling is satisfied and the response rate is consistent with other national surveys, Robson cautions against what data may lie in the non-response (ibid). Considering whether there may be some unifying demographic between those that do or do not respond, may be cause for errors in generalizing (ibid). Secondly, stakeholder salience is dynamic in that the attributes associated can change over time and subject to the respondent’s personal situation (Westrenius & Barnes, 2015). With these factors and assessing the value of generalization to fulfilling the aim of the study, the choice not to generalize the findings to the total population was made.
The methodological choice to take a broad view of what it means to be a stakeholder was made as opposed to taking a narrow view. This broad view also allowed for the inclusion of non-traditional stakeholders like the local community (Freeman, 2010). However, the choice to exclude the natural environment as a stakeholder was made for a few reasons. The local community is a stakeholder of Food Hubs that can be seen in the literature (Fischer et al., 2013; Hardy et al., 2016) whereas the environment is more abstract and can only be seen in production practices of the producer or farmer stakeholder. Since this internet survey method did not allow face to face contact, the complexity of the questions needs to be simple to moderate as there is little room for explanation (Robson, 2011). Therefore, the potential for the environment to elicit a confused or biased response led to its removal. However, the conceptual framework incorporates the environment in its interpretation. Environmentally responsible growing practices are embedded in the values of both the Community and Consumer approaches to the LFM. Specifically, through regulatory aspects of the Local Community and Direct Consumer stakeholders.

Within organizational management, there are many strategic planning tools with which to assist in addressing the gap in Food Hub manager experience. Stakeholder salience was chosen for its ability to address this research gap within the food hub industry and also for the food hubs ability to address a theoretical gap in stakeholder theory. In terms of a theoretical gap, identifying stakeholder salience among Food Hubs also helps to fill a gap in understanding stakeholder relationships within small businesses (Westrenius & Barnes, 2015). Small businesses like food hubs were identified as particularly appropriate for assessing stakeholder relations due to the less fragmented management structure which can result in an organizational clarity around who the stakeholders are (ibid). Additionally, the empirical delimitation of Food Hubs also has implications for stakeholder salience. Due to their intermediary position in the food value chain and the often conflicting values on each end, the potential to generate dynamic perceptions of salience is increased (Ross & Dentoni, 2013). This made stakeholder salience an appropriate choice for the research aim and questions. Although outside the scope of this research, an area of interest might be to analyze the salience of the Food Hub, from the perspective of another stakeholder. This might offer strategies for the Food Hub itself to gain more influence in reforming the food system through understanding what attributes are needed to become a definitive stakeholder. With that research interest in mind, a limitation to this research design may be in the choice of taking the Food Hub perspective as a more defensive and risk mitigation approach to the LFM. Other research designs, as suggested, could consider what an offensive approach would look like and identify opportunities therein.
4 Empirical background and literature review

The chapter begins with the contested conceptualization of local food which is examined in order to position the perspective that the research will adopt. Following is a deeper description of Food Hubs, including operational characteristics and their role in the food system in order to form a clear understanding of the stakeholder at the center of this study. Other key terms that figure prominently in the study will be clarified throughout.

4.1 Local food

A clear position from which to address local food is necessary to the interpretation of this research. Through a review of the literature, the most consistent admission and at times criticism, is that “local” lacks a clear definition (Fischer et al., 2013; Joosse, 2014; Rushing, 2014). Definitions include aspects of geography\(^1\) as well as associated values and impacts\(^2\) but rarely combine incorporate both. Commonalities between these viewpoints are found in the idea that local food should have a flexible definition (Matson et al., 2013). In adopting this perspective, variations can be accounted for such as climate and population density that would impact food supply chain distances (Martinez et al., 2010, Matson et al., 2013). Furthermore, the array of instrumental values that include responsible growing practices, nutritional variety, quality and local economic impact can be incorporated. Finally, there are cultural differences that move food beyond positive instrumental functions (Hinrichs, 2003) which are so community specific, they are too extensive to list here.

The discrepancies in defining local food is highlighted by what Born and Purcell have dubbed ‘The Local Trap’ which they argue that the size and production methods should not be equated to the outcome and submit that what is local in some definition, should not be assumed to incorporate the values of your own definition (2006). Others have found that when the diverging values of local food are contested and constructed to incorporate the regenerative environmental, social and economic outcomes that the democratizing capacity of local food results in the social construction of its meaning (DeLind, 2002; Feenstra, 2002; Lyson & Guptill, 2004). Or as Hinrichs deduces for the impact of local food on growing practices, “it is the social relation, not the spatial location, per se, that accounts for this outcome” (2003, p 36). This presents an opportunity to view the varying perspectives of local food, not as a weakness, but a platform from which to construct meaning. In doing so, the capacity of local food to be transformative is strengthened (Dahlberg, 1994; Delind, 2006; Joosse & Hracs, 2015; Werkheiser and Noll, 2014). Therefore, this study follows this flexible definition of local food, and is premised on the idea that social construction of meaning should involve democratic participation and integration of

\(^1\) Geographic efforts to define local food include: A radius of 100 miles from a person’s home (Matson et al., 2013); Supplier located within 400 miles (Fischer et al., 2014; Hardy et al., 2016). Transported less than 400 miles from production through distribution (Food, Conservation and Energy Act of 2008 sec 6015, 2008), and with 275 miles or the same state (FDA Food Safety Modernization Act sec 419, 2011)

\(^2\) Numerous studies show variances between the values associated with local food that are time and geography sensitive (see Kezis et al., 1984; Govindasamy et al., 1998; Eastwood et al., 1999; Zepeda and Leviten-Reid, 2004; Wolf et al., 2005; Best and Wolfe, 2009; Food Marketing Institute, 2009; Rushing, 2014)
the three approaches outlined in the conceptual framework (section 2.5). Since democracy is a necessary component of the social construction of meaning for local food, it is helpful then to explore some traditional markets of local food where this democratic space is available.

4.3.1 Democratizing markets for local food

There are five direct-to-consumer markets that can be said to create the democratic space that allows for the social construction of local food’s meaning (Feenstra, 2002). However, it should be noted that they are not the only ways to create this space and due their status as markets, there is no guarantee that this social construction occurs, just that the space for doing so is available. These markets are; storefronts, farm stands, mobile markets, community supported agriculture (CSA) and farmers’ markets. Through these direct markets producers and consumers are able to communicate about product variety, cooking methods, seasonality, and growing practices. Through these interactions as well as market feedback mechanisms, producers get direct market feedback as to what communities are willing to buy and for how much. This delivery method does require extra time and resources from producers but through eliminating wholesalers and retail, profit margins are shown to be greater (Fischer et al., 2013).

Markets not included, that are utilized by Food Hubs, are online markets and buying clubs. While forms of communication exist in these markets, the communication lacks the physical interaction that provides the more contextual communication needed as well as the shared space or risk that is present in the other markets (Thistlethwaite, 2013).

Storefront Markets and Farm Stands

Storefront markets are simply a Food Hub opening their doors to the public so that they can access the produce that comes through during business hours. Among the food hubs in the data base, approximately 25% utilize this market. Farm stands are similar except that this market takes place at one of the supplier farms. These markets are utilized by less than 20% of food hubs in the database. In both of these markets, the community is invited to engage with the food system which encourages transparency and opportunities for social construction.

Mobile Markets

Mobile markets are a specific market strategy among Food Hubs to address equity in the food system (Zepeda & Reznickova, 2013). Mobile markets can receive funding through the USDA through a grant program with the objective to “increase domestic consumption of, and access to, “locally and regionally produced agricultural products” (www, AMS, 1, 2016). They consist of pop-up markets in areas known as ‘food deserts’. Food deserts are low socio-economic areas without regular access to fresh produce and healthy food options that frequently have high incidences of nutrition related conditions like obesity, heart disease and type II diabetes (Zepeda & Reznickova, 2013). By remaining mobile, these markets reduce the overhead costs of fixed retail stores and are able to improve access to healthy food options in multiple underserved areas (ibid).

Farmers Markets

Farmers markets are not really a new phenomenon. Historically, farmer’s markets were the common source of fresh vegetables in urban areas but the growth of cities and the proliferation of the automobile reduced its prominence (Futamura, 2007). Now that the demand for local food is
increasing, so too is the prevalence of farmer’s markets. In 1994 there were just 1,755 farmer’s markets in the US and over the course of the next 15 years, they tripled in size to 5,274 at a consistent growth rate of 25% year over year (Martinez et al., 2010). In 2015, there were over 8,000 farmers’ markets listed in the USDA National Farmers Market Directory (Low et al., 2015). Farmers markets operate on a permanent or temporary basis and typically mirror the growing season but can extend themselves through value added products (Martinez, et al., 2010). Market organizers act as curators of products by requiring vendor standards for production methods, size and distance from the community among other things (ibid). The farmers that participate in these markets tend to be smaller volume producers. In this way, farmer’s markets serve as business incubators for new and small scale farmers as the barriers to enter this market are low and management strategies are developed through vendor networking and consumer feedback (Martinez et al., 2010).

Community Supported Agriculture (CSA)

CSAs vary in structure but can commonly be related as a system where “a group of people buy shares for a portion of the expected harvest” (Martinez et al., 2010 p. 7). Participants are referred to as members and their fees represent up front capital to finance the operation through the season. In this way, the farmer is not as heavily leveraged as they would be otherwise risks are shared within the member community should the harvest be spoiled by weather, pests or disease. Although often interchanged, CSAs differ from buying clubs, in that the clubs function in a more transactional way after harvest and do not share in the production risks. Traditional CSA structures would also require or provide opportunities for members to gain ‘sweat equity’ through work on the farm. This is a direct education for consumers into what it costs to incorporate the values they associate with their food, while serving to reduce those production and membership costs through the labor they provide. Like farmer’s markets, CSAs also facilitate democracy but include the added consumer experience of financial and physical investment. Through a membership structure, the opportunity to deepen connections to the food system exceed that of individual consumers at farmer’s markets.

4.3.2 Limits to local food

Together, these direct-to-consumer markets are creating some, if not all of the social, political, intellectual and economic space needed to democratically construct local food systems (Feenstra, 2002). What also makes these markets unique are that they operate outside of conventional grocery retail. That is not to say that the retail industry has not taken note of consumer interest in local food as local has supplanted organic as the most influential claim a product can make (Rushing, 2014) and as direct-to-consumer sales of local food increased to 6.1 billion dollars in 2007 (Low et al., 2015). The incorporation of local food choices in conventional grocery retail is thought to have resulted in the zero growth of sales through direct-to-consumer markets from 2007 to 2012, despite the 5.5% growth in farmers accessing these markets (ibid). Another potential explanation lies in the DeLind’s characterization of direct-to-consumer markets’ as niche or lacking the capacity to be transformative (2008). This stems from her critique of CSAs and farmer’s markets as a minority of food choice for those who already have access to the best available food (ibid). Finally, the recognition that transaction costs may deter consumer growth (Martinez et al., 2010). Transaction costs include, price, inconvenient locations or pickup schedules, reduced variety due to seasonality and region and in the case of CSAs, a feeling that the amount of produce is not equal to the share
fee (*ibid*). To prevent this trade-off between social construction and social convenience, local food needs an intermediary that is invested in facilitating both democracy and distribution.

4.2 Food Hubs

Food Hubs vary in business structure, market strategies and several other distinguishing ways but they share a few common attributes. By definition

“A regional food hub is a business or organization that actively manages the aggregation, distribution, and marketing of source-identified food products primarily from local and regional producers to strengthen their ability to satisfy wholesale, retail, and institutional demand.” (Cantrell & Heuer, 2014 p 5)

This specific attention to supporting local and regional food producers makes them distinctive from other wholesalers and distributors who may choose to work with local producers but who may not be not focused on brokering the best possible return to the farmer (Cantrell & Heuer, 2014). Food hubs are the embodiment of what has been identified as the need for new partnerships between the production end of the LFM and the distribution end of the conventional food system (Bloom and Hinrichs, 2011; Dunning *et al*., 2015). Through aggregation, marketing and other support services, Food Hubs help these small and mid-sized producers achieve the scale necessary to be more competitive in various distribution channels (Cantrell & Heuer, 2014).

4.2.1 Food Hub operational characteristics

Recent census data identifies 222 Food Hubs in operation nationally with and 66 of the 107 that responded to surveying were started within the last five years (Fischer *et al*., 2013). They operate as small businesses with less than 20 employees and a median of 6 (Fischer *et al*., 2013; Hardy *et al*., 2016). Food Hubs primarily operate year round which has been stated as optimal to business operations unless the infrastructure and assets can generate revenue in other ways outside of the growing season (Barham *et al*., 2012). Year round operations necessitate flexibility in being able to source local products when available or even non-local products at times (www, AMS, 2, 2016). The legal structures under which they operate vary between eleven distinct classifications. Broadly, these classifications can be grouped as for profit (38%), nonprofit (36%) and cooperatives (19%) (Hardy *et al*., 2015).

4.2.2 Markets

Food Hubs can be seen as moving product through two types of markets; Business to Business (*B2B*) sales and Direct to Consumer (*D2C*) sales. Roughly 28% sell exclusively *B2B*, 20% sell exclusively *D2C* and 52% are considered as hybrid Food Hubs that sell in both *D2C* and *B2B* markets (Hardy *et al*., 2016). The markets that Food Hubs participate in can be seen in figure 8 below for the percentage of Food Hubs participating in each market and by revenue share.
Some of the D2C markets are helping Food Hubs generate revenue which typically results in higher returns to farmers however, they are characterized as having higher operating costs for the Food Hub itself so it is not clear from this data how effective these markets are in keeping the Food Hub running. Another interesting category are the universities and hospitals which have been called ‘anchor institutions’ for their reliable position in the community (Blanding et al., 2016). Their strategic status as anchor institutions may prompt Food Hubs to accept a small percentage of sales in order to increase volume later, giving them a customer that they can ‘anchor’ their business on.

### 4.2.3 Products

The products that Food Hubs source are diverse which is one of the competitive advantages of sourcing from small to mid-size farms which, relative to commodity agriculture, can respond to market demand for differentiated products more swiftly (Lyson et al., 2008). This variety is
difficult to capture in the broad categories below but the proliferation of the categories is of interest.

![Graph showing product categories and sales]

*Fig. 9. Product categories, prevalence and percent of sales (Fischer et al., 2014 p 18)*

The figure shows a propensity for Food Hubs to handle vegetables with meat and other animal products following. Food items that have been altered from their raw state are commonly referred to as value-added items as value of the product increases relative to the processing costs. The value-added products fill out the list with 52% or less of Food Hubs handling them. Other products of interest, not explicitly listed here are honey, pet food and non-food items such as soap, skincare products and cut flowers (www, AMS, 2, 2016). With the provisioning of value-added items as well as needed refrigeration of other perishable items, some of the operational services that Food Hubs offer can be derived.

### 4.2.4 Services

Within the definition of a Food Hub, services such as aggregation, distribution, marketing and source identification are explicitly mentioned (Cantrell & Heuer, 2014 p 5) but the list is much more expansive. They have been categorized as *operational services, producer services, and*
community services (Fischer et al., 2013; www, AMS, 2, 2016). For consistency, they will be delineated as such here as well.

Operational Services

The figure below (Figure 10) reflects the definitive aspects of Food Hubs as being involved in distribution and aggregation. Including those, many of these operational services deal with the logistics needed for Food Hubs to access markets with some other benefits that can be derived.

![Bar chart showing operational services offered by Food Hubs](image)

Fig. 10. Operational Services Offered by Food Hubs (Fischer et al., 2014 p 37)

The distinction between selling retail or wholesale to consumers lies in whether the Food Hub handled the transaction with the consumer or simply brokered the deal between the producer and consumer. Brokering services, which is a slightly less offered service than wholesale to consumers, are those transactions brokered between producer and business entities, the latter of which will be described further in the subsequent chapter 4.2.4. Canning, cutting, production and to some degree, packaging are services which add value to the sale of the product. Freezing could be part of a value-add strategy as well as a branding strategy or potential requirement from the customer. Freezing can also be a value-add but just as well, a strategy to extend operations.
Finally, the shared use kitchen is an alternative revenue stream but also a small business incubator for local economic development.

*Producer Services*

Here again, Food hubs can be seen in their definition as actively managing and marketing their producer network. While the operational services dealt with Food Hub’s ability to access markets, the producer services in the figure below (Figure 11) facilitate the producer’s own ability to access particular markets with some services aimed at helping producers scale up.

![Producer Services offered by Food Hubs](image)

*Fig. 11. Producer Services offered by Food Hubs (Fischer et al., 2014 p 37)*

Source-identification as a definitive aspect occur in many ways but the branding and labeling service can be seen as part of that process. This is also part of creating transparency in the food system.

The encouragement of Good Agricultural Practices (GAP) can also be seen in these producer services. This is because many institutional buyers will contractually require product to be GAP certified. Other responsible growing methods are largely not required, but preferred and through discussions with farmers about the cost benefit of obtaining these certifications, 61% of Food Hubs report that some to all of their producers have adopted more sustainable producer practices (Fischer et al., 2013)
*Community Services*

The community services do not map neatly with the Community approach but can be linked to the democratizing markets described in section 4.1.1. This is because they are market instruments, created through the System approach to increase access to healthy food options through D2C sales. Therefore, Food Hubs that do not sell D2C are not included in the figure below (Figure 12).

![Figure 12. Community Services Offered by Food Hubs with Direct to Consumer Markets (Fischer et al., 2014 p 39)](image)

The Supplemental Nutrition Assistance Program (SNAP) is the most popular among Food Hubs, possibly due to it being the largest federal assistance program with roughly 45 million low-income participants (www, FNS, 2016). The money needed to offer SNAP matching programs is often provided by outside sources of funding such as donations and grants (Fischer et al., 2014). The mobile market is, more than not, USDA grant supported and is both a market and community service. Although just 14% of Food Hubs offer subsidized CSA farm shares, this is an interesting community service as the subsidies can be structured through other CSA members paying more than their share is worth.

These community services offer a limited snapshot into how Food Hubs work within their community. Donations to food banks, nutrition and cooking classes and educating consumers about food system issues are a few non-revenue generating programs offered by Food Hubs (Hardy et al., 2016). In addition, community impact can be seen in this comparison of Food Hub value themes by business classification (Figure 13).
Values related to equity are most prevalent among the non-profits. Cooperatives have a stronger tilt toward supporting farmers which is unsurprising given that most of the cooperatives in the National Food Hub Directory are structured as farmer-cooperatives as opposed to multi-stakeholder cooperatives (www, AMS, 2, 2016).

### 4.2.5 Viability

Food Hub businesses have grown 7% (Hardy et al., 2016) since last surveyed (Fischer et al., 2014) and are reporting that they expect business to continue growing, with 75% breaking even or better (Hardy et al., 2016). While this seems positive and a mantra heard often at the recent conference was ‘no margin, no mission’ (Curtin et al., 2016), there are some concerning pieces of data regarding viability and values. When it comes to Food Hubs that value equity in the food system,
reshaping the food system or increasing consumer awareness, outside funding is more heavily depended upon which makes the viability of these programs questionable (Fischer et al., 2014). In addition, strategic planning remains in short supply among Food Hubs (Hardy et al., 2014). As another challenge that seems to reflect the acute awareness of the Food Hub position in the LFM is the recognition of their growth challenge, not as one of supply and demand but the question of how much growth is possible while still maintaining values (ibid).
5 Empirical results

This chapter presents the empirical results of the study which have been obtained through the survey instrument. The data is presented in the order it was obtained in the survey beginning with the respondent’s demographics which was obtained both through the survey and through the USDA food hub database that serves as a secondary data source. In this section, the data needed to answers to the first two research question of ‘Who are the Food Hub stakeholders’ and ‘Which stakeholders do Food Hubs regard as salient’ will be revealed along with additional data that will assist in the discussion found in chapter 6.

5.1 Demographic background

The survey was electronically sent to the 161 Food Hubs listed on the National Food Hub Directory as of the 6th of February, 2016 which was available through the Agricultural Marketing Service of the USDA (www, AMS, 2, 2016). Of those, there were 157 potential respondents, determined by the unsuccessful delivery of 4 emails that could not be ascertained through the other provided contact details. There were 49 responses (31% response rate), of which 42 are complete responses and 7 are partial (86% completion rate).

Among the responding food hubs, they can be broadly classified by legal business status of which 21 are non-profits (43%), 19 are for profits (39%), and 9 as Cooperatives. The years in which the responding Food Hubs were established range from 1986 to 2015 with a mean of 2008, a median of 2010 and a mode of 2011 which is the case for 11 of the responding Food Hubs (22%).

5.1.1 Introductory responses

Having covered the pertinent demographic information not expressly asked for on the survey, the empirical results will now reflect the responses in the relative order that they occur on the survey instrument beginning with the introductory questions. The introductory questions were asked to ease the respondent in to the survey instrument while providing the valuable contact and corroborating information needed for follow up and appropriate association. As no request has been made for the sharing of respondent information, great care has been taken to present these responses without direct identifiable data.

To start, respondents were asked to validate their Food Hub name which served the purposes of connecting the Food Hub to specific secondary data. After the respondent’s name and email were solicited, they were asked for their respective titles. This question helped to gain an understanding of whether the respondent was in a strategic management position from which to identify and evaluate stakeholders. It was found that all respondents were in a strategic position with the most common response being General Manager for 6 respondents identifying as such, followed by 4 founders and 3 of each among Presidents, CEOs, and Owners. There were various directorial and management roles, many having to do with the markets or marketing. The purpose of highlighting these titles is simply to support the mutuality principle in stakeholder salience for this study which was identified by Westrenius and Barnes as a condition where key decision makers in small
businesses will have closely aligned interests due to their less stratified management structure (2015). The final question in the introductory section of the survey was whether respondents would like to be sent the finished research when available. This question was included both in an effort to address the identified gap in strategic management experience as well as to reiterate the emailed survey cover letter in which receiving a report was outlined as an incentive for participation. Of the 49 respondents to the survey, one respondent declined to answer the question at all however, as the offer was made in other communication, 47 respondents will receive the report, less the two that expressly denied the request.

5.2 Food Hub stakeholders
In an effort to ascertain who stakeholders are from the perspective of the food hub, respondents were offered a list of stakeholders and asked to indicate their level of agreement based on Freeman’s definition of a stakeholder, which is “any group or individual who can effect or is effected by the achievement of the organization’s objectives” (2010, p.46). The responses are recorded by category with number of selection made (Table 2). The average Likert score is calculated in the right hand column and color coded to correspond with the where the score places them on the 5 point Likert scale.

<table>
<thead>
<tr>
<th>Category</th>
<th>Strongly Agree (5)</th>
<th>Agree (4)</th>
<th>Neutral (3)</th>
<th>Disagree (2)</th>
<th>Strongly Disagree (1)</th>
<th>Avg Likert Score</th>
</tr>
</thead>
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<td>13</td>
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<td>4</td>
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</tr>
<tr>
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<td>6</td>
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<td>2</td>
<td>3.9</td>
</tr>
<tr>
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<td>3.6</td>
</tr>
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<td>1</td>
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<td>3</td>
<td>4</td>
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<td>5</td>
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<td>3.8</td>
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<td>8</td>
<td>3</td>
<td>3.6</td>
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<td>TRADE ASSOCIATIONS</td>
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<td>13</td>
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<td>3.5</td>
</tr>
<tr>
<td>COMPETITORS</td>
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<td>13</td>
<td>5</td>
<td>2</td>
<td>3.5</td>
</tr>
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<td>3.3</td>
</tr>
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<td>20</td>
<td>11</td>
<td>3</td>
<td>2</td>
<td>3.7</td>
</tr>
</tbody>
</table>

Table 2. Responses to the question of 'Who is a stakeholder?'

The data shows that, for this question and with the exception of a neutral perception of NGOs and special interest groups, all are considered stakeholders. The producers, employees and owners are
considered most strongly as stakeholders as well as the local community. Trade associations, competitors and large retailers are the lowest scored of the qualifying stakeholders.

Respondents also had the opportunity to write in stakeholders that were not present in the choices above. There were six additional stakeholders written in of which four were incorporated into the scores of categories for which they aligned. Two were incorporated into the respondent’s Food Service Buyers category. Those responses included *local restaurants and hotels* and *university*. Incorporated into the Local Community category was *Low-income population*. *Supporting Farm Organizations* was incorporated into the NGOs and Special Interest Groups category and *food businesses* was removed from scoring due to the difficulty in placing them as either Wholesalers or Food Service Buyers.

### 5.3 Ranking their stakeholders

As an additional measure of identifying stakeholders, respondents were asked to rank their stakeholders in order of importance to the organization. This ranking (Figure 14) will be analyzed against the first question and the additional measures of salience to identify a general stakeholder list for Food Hubs in section 6.1.
Here again, internal stakeholders top the list, followed closely by Local Community and Direct Customers. There tends to be clustering of the internal, customers and regulatory stakeholders in that descending order. The exception is the Board of Directors which could be considered a hybrid between regulatory and internal.

5.4 Advisory Roles
Respondents were asked to indicate whether any of the stakeholders listed held an advisory position on a board of council. A shorter list from the potential stakeholder list was generated and the results are seen in table 3 below.
Producers/Farmers are a clear majority in the results with 84% (37/44) of respondents to this question indicating that they have an advisory role. Owner/Manager is the second most represented selection with 64% (28/44) responding. The most represented customer stakeholder is the third most popular choice with Direct Customers accounting for 34% (15/44) of responses. Of the 44 respondents, advisory boards ranged from one to six member categories. Eight respondents had one-member category boards with five as Producers/Farmers and the other three as Owners. The Producer/Farmers as a legal business status, accounts for three of the six with the other 2 coming from both for profit and non-profit which can be attributed to the difference between legal business status and governance structures. The one-member Owner/Manager advisories come solely from those with a for profit business status. There are another ten Two-member advisories, four of which are made up of Producers/Farmers and Owner/Manager. Another three are Producers/Farmers and Direct Customers followed by two that are Employee and Owner/Manager and one that is Employee and Direct Customer. It is not clear whether these two-member advisories are a reflection of the mutuality that Westrenius and Barnes identified among small businesses (2015) or if it is a conscious governance decision on the part of the food hub.

Table 3. Stakeholders in advisory roles
5.5 Legitimacy

Stakeholder legitimacy was gauged through two separate questions. The initial question regarding stakeholder identification based on Freeman’s definition, while addressing legitimacy, also is embedded with the power attribute (Mitchell et al., 1997) and therefore has been excluded so as not to assume which attributes the respondent was considering, which could obscure the results. The questions pertaining to legitimacy are derived from Mitchell, Agle and Wood’s description of the legitimacy attribute and ask the respondent to rate their ‘willingness to spend time or resources’ on each particular stakeholder and the level of investment from a ‘financial or human capital perspective’. Human capital is explained for the respondent as an investment of time, expertise, or skills (ibid). The table below (Table 4) illustrates the results for each measure as well as an average score for legitimacy.

<table>
<thead>
<tr>
<th></th>
<th>Willingness to spend time</th>
<th>Human and capital investment</th>
<th>LEGITIMACY</th>
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</thead>
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<td>4.7</td>
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<td>4.5</td>
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<td>4.7</td>
<td>4.5</td>
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<td>2.3</td>
<td>3.0</td>
</tr>
</tbody>
</table>

Table 4. Stakeholder Legitimacy in Food Hubs

Here the internal stakeholders of Producers (4.7), Employees (4.5) and the Owner (4.5) retain the highest legitimacy, followed by Direct Customers (4.1), Board of Directors (4.0) and Local Community (3.7) respectively. All other stakeholders receive what can be understood as neutral or uncertain legitimacy.
5.5 Power
Measuring the stakeholders Power is the average of three questions. Once again, deriving questions from Mitchell, Agle and Wood’s description of the power attribute (1997), respondents were asked to rate stakeholders accordingly. The first question addressed the level of consideration stakeholders are given in decision making and the second asked to rate the potential influence stakeholders could have on decisions. Lastly, respondents were asked to indicated their level of agreement with each stakeholder being considered in the statement ‘Without (insert stakeholder below), our food hub would cease to exist’. As with the prior and subsequent rating questions, respondents were given the opportunity to remove the potential stakeholder from being scored. The results can be seen in table 5 below.

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Consider in decisions</th>
<th>Potential influence on decisions</th>
<th>Existence dependent</th>
<th>Power</th>
</tr>
</thead>
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<td>2.6</td>
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</tr>
</tbody>
</table>

Table 5. Stakeholder Power in Food Hubs

Producers again receive the highest score for this attribute with Producers (4.9), with Employees and Direct Customers receiving equal degrees of Power (4.4), followed by Owners (4.3), Board of Directors (4.1) and the Local Community (4.0). Other moderately powerful stakeholders include customers like Small Retail and Food Service (3.6). There are no stakeholders with a negatively correlated Power attribute but neutral power scores are among the lowest. They are, in ascending order, NGOs (2.6), Trade Associations (2.7), Competitors (2.8), Media (2.9), Large Retail (3.2),
Government (3.3) and Wholesalers and Regulatory Agencies cluster together, a fraction of a point from being considered moderately powerful stakeholders (3.4).

5.6 Urgency

Stakeholder Urgency was measured through two rating questions. As other salience attributes contend, they operate in both directions. Therefore, in measuring Urgency respondents were asked about the time sensitivity of potential stakeholder’s requests as well as their own urgency in responding to particular stakeholder requests. The results can be seen in table 6 below.

<table>
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<th></th>
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<td>4.0</td>
</tr>
<tr>
<td>OWNER</td>
<td>4.0</td>
<td>4.1</td>
<td>4.1</td>
</tr>
<tr>
<td>SMALL RETAIL</td>
<td>3.6</td>
<td>3.8</td>
<td>3.7</td>
</tr>
<tr>
<td>LARGE RETAIL</td>
<td>2.9</td>
<td>3.2</td>
<td>3.0</td>
</tr>
<tr>
<td>FOOD SERVICE</td>
<td>3.4</td>
<td>3.9</td>
<td>3.6</td>
</tr>
<tr>
<td>WHOLESALE</td>
<td>3.3</td>
<td>3.5</td>
<td>3.4</td>
</tr>
<tr>
<td>DIRECT CUSTOMERS</td>
<td>4.4</td>
<td>4.4</td>
<td>4.4</td>
</tr>
<tr>
<td>BOARD of DIRECTORS</td>
<td>3.7</td>
<td>4.0</td>
<td>3.9</td>
</tr>
<tr>
<td>GOVERNMENT</td>
<td>3.2</td>
<td>3.6</td>
<td>3.4</td>
</tr>
<tr>
<td>REGULATORY AGENCIES</td>
<td>3.5</td>
<td>4.0</td>
<td>3.7</td>
</tr>
<tr>
<td>LOCAL COMMUNITY</td>
<td>3.5</td>
<td>3.8</td>
<td>3.7</td>
</tr>
<tr>
<td>TRADE ASSOCIATIONS</td>
<td>2.6</td>
<td>2.8</td>
<td>2.7</td>
</tr>
<tr>
<td>COMPETITORS</td>
<td>2.2</td>
<td>2.4</td>
<td>2.3</td>
</tr>
<tr>
<td>NGOs / SPECIAL INTEREST</td>
<td>2.4</td>
<td>2.6</td>
<td>2.5</td>
</tr>
<tr>
<td>MEDIA</td>
<td>3.3</td>
<td>3.7</td>
<td>3.5</td>
</tr>
</tbody>
</table>

Table 6. Stakeholder Urgency among Food Hubs

New developments related to this attribute show Direct Customers as increasing their overall salience with relation to the internal stakeholders for their equally high urgency in request and response. In every other category, the urgency response reflects a consistently higher score than in urgency of requests. This may have more to do with social expectations related to satisfying stakeholders through demonstrating a higher responsiveness than their expected request.
5.7 Salience

Displaying these attributes together an initial picture of salience is formed (Table 7). However, through contextual analysis in section 6.2, these values can change and therefore should not be understood as measures of salience until analysis is complete.

<table>
<thead>
<tr>
<th>Stakeholder Classification</th>
<th>LEGITIMACY</th>
<th>POWER</th>
<th>URGENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRODUCERS</td>
<td>4.7</td>
<td>4.9</td>
<td>4.7</td>
</tr>
<tr>
<td>EMPLOYEES</td>
<td>4.5</td>
<td>4.4</td>
<td>4.0</td>
</tr>
<tr>
<td>OWNER</td>
<td>4.5</td>
<td>4.3</td>
<td>4.1</td>
</tr>
<tr>
<td>SMALL RETAIL</td>
<td>3.2</td>
<td>3.6</td>
<td>3.7</td>
</tr>
<tr>
<td>LARGE RETAIL</td>
<td>2.7</td>
<td>3.2</td>
<td>3.0</td>
</tr>
<tr>
<td>FOOD SERVICE</td>
<td>3.1</td>
<td>3.6</td>
<td>3.6</td>
</tr>
<tr>
<td>WHOLESale</td>
<td>3.0</td>
<td>3.4</td>
<td>3.4</td>
</tr>
<tr>
<td>DIRECT CUSTOMERS</td>
<td>4.1</td>
<td>4.4</td>
<td>4.4</td>
</tr>
<tr>
<td>BOARD of DIRECTORS</td>
<td>4.0</td>
<td>4.1</td>
<td>3.9</td>
</tr>
<tr>
<td>GOVERNMENT</td>
<td>3.0</td>
<td>3.3</td>
<td>3.4</td>
</tr>
<tr>
<td>REGULATORY AGENCIES</td>
<td>2.8</td>
<td>3.4</td>
<td>3.7</td>
</tr>
<tr>
<td>LOCAL COMMUNITY</td>
<td>3.7</td>
<td>4.0</td>
<td>3.7</td>
</tr>
<tr>
<td>TRADE ASSOCIATIONS</td>
<td>2.6</td>
<td>2.7</td>
<td>2.7</td>
</tr>
<tr>
<td>COMPETITORS</td>
<td>2.1</td>
<td>2.8</td>
<td>2.3</td>
</tr>
<tr>
<td>NGOs / SPECIAL INTEREST</td>
<td>2.4</td>
<td>2.6</td>
<td>2.5</td>
</tr>
<tr>
<td>MEDIA</td>
<td>3.0</td>
<td>2.9</td>
<td>3.5</td>
</tr>
</tbody>
</table>

Table 7. Combined attributes from which salience will be derived.

The blue coloring in the model indicates those stakeholders that have a positive score for that attribute. The darker blue that can be seen across the attributes for Producers and for Employees and Owner legitimacy, corresponds to scores higher of 4.5 and higher and thus associated with a 5 on the Likert scale. There are six stakeholders that have positive scores in all three attributes with Producers being the most salient of the stakeholders. As Food Hubs already identified NGOs / Special Interest as a potential stakeholder, the corresponding negative to neutral scores support this. However, there are other stakeholders with negative to neutral scores that will be discussed further in the subsequent analysis and discussion chapter (6).

5.8 Growth strategies

In an effort to gauge prospective salience among a food hub’s customer base, respondents were asked to rank their top 3 strategic markets for existing and new business growth. The results are a
blended average accounting for their average rank as well as frequency of choice (Figure 15 & 16).

**Fig. 15. Existing Market Growth Priorities**

Schools receive the highest priority for their frequency of inclusion however Large Retailers received more number one rankings. Just 26% of those who would like to see growth in schools ranked this as a first priority while 61% of those who included large retailers ranked them as their first priority. Community Supported Agriculture (CSA) and Farmers Markets make the list for Direct to Consumer (D2C) markets with CSA as the highest ranked D2C market and fourth priority overall.

Looking at strategic new markets (Figure 16), the data is as follows
Schools are again a top priority for growth, this time in new markets, and are joined by Hospitals. Both of these markets are considered anchor institutions for their stability within the community. CSA and Farmers Markets are also on this list as D2C markets as well as Farm Stands. However, with only one respondent each for the latter two, and ranked as a third priority, they share the lowest priority with Buying Clubs, another direct sales market akin to CSA yet without the democratizing aspects of shared risk and, although not always, sweat equity.

Fig. 16. New Market Growth Priorities

<table>
<thead>
<tr>
<th>Overall Rank</th>
<th>Item</th>
<th>Rank Distribution</th>
<th>Score</th>
<th>Total Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Schools (Pre-K, K-12, Colleges)</td>
<td></td>
<td>33</td>
<td>16</td>
</tr>
<tr>
<td>2</td>
<td>Hospitals / Senior Care</td>
<td></td>
<td>30</td>
<td>16</td>
</tr>
<tr>
<td>3</td>
<td>Food Processors</td>
<td></td>
<td>27</td>
<td>13</td>
</tr>
<tr>
<td>4</td>
<td>Distributors</td>
<td></td>
<td>24</td>
<td>11</td>
</tr>
<tr>
<td>5</td>
<td>Online</td>
<td></td>
<td>18</td>
<td>7</td>
</tr>
<tr>
<td>6</td>
<td>Large Retail / Supermarkets</td>
<td></td>
<td>14</td>
<td>7</td>
</tr>
<tr>
<td>7</td>
<td>Restaurants</td>
<td></td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>8</td>
<td>Caterers</td>
<td></td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>9</td>
<td>Your Store Front</td>
<td></td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>10</td>
<td>CSA</td>
<td></td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>11</td>
<td>Mobile</td>
<td></td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>12</td>
<td>Government</td>
<td></td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>13</td>
<td>Farm Stands</td>
<td></td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>14</td>
<td>Farmers Markets</td>
<td></td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>15</td>
<td>Buying Club</td>
<td></td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>
6 Discussion

The discussion chapter will answer the research questions of ‘Who are the Food Hub stakeholders’, ‘Which stakeholders do Food Hubs regard as salient’, as well as the question of ‘What are the contextual implications of Food Hub stakeholder salience on the LFM?’. In order to fully satisfy the first question, a cross-case analysis will be done and a new model of Food Hub stakeholder presented. The second will rely on the empirical data to present the model for Food Hub stakeholder salience. Finally, stakeholders and their salience will be interpreted through the conceptual framework both for descriptive and prescriptive implications.

6.1 Who are the Food Hub stakeholders?

As Freeman recognized, his model of the stakeholder (see Figure 1, section 2.1) is oversimplified as the stakeholder categories are broad and should be segmented specific to the organization (2010). He also argues that “managers should gain a more accurate and detailed account of the external environment of which their organizations are a part” (ibid p 91). In order to satisfy the oversimplified stakeholder model, a Food Hub specific model is presented in figure 17.
Fig. 17. Stakeholder model of a Food Hub

The model has been formed and the stakeholders are listed, beginning with the Producers and moving clockwise, according to a prioritization that is accounted for in the subsequent analysis section (6.1.1). Stakeholders excluded from the initial list presented will be discussed in section 6.1.2 for the potential implications to the LFM which is done through with the help of theories, the conceptual model and background empirics. This abductive approach will help to satisfy the need for managers to gain insights into their organization’s external environment. As the conceptual model used is meant to be both descriptive and prescriptive, so too will be the discussion regarding these implications.

6.1.1 Analyzing stakeholder identification

As noted in the results, the Food Hub stakeholder list was largely agreed with to strongly agreed with, which may be due to what has been recognized as “one of the broadest definitions in the literature, for it leaves the notion of stake and the field of possible stakeholders unambiguously open to include virtually anyone” (Mitchell et al., 1997 p 856). Echoing this notion of inclusivity, one respondent used the comment section to say “…it seems virtually everyone on that list either can affect or would be affected by a successful food hub”. However, using an average Likert score, stakeholders can be given an initial rank, from which they can receive an average rank when cross-compared with specific question asking Food Hubs to rank their stakeholders (Figure 20).

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Initial Rank</th>
<th>Rank</th>
<th>Average Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRODUCERS</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>EMPLOYEES</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>OWNER</td>
<td>4</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>LOCAL COMMUNITY</td>
<td>3</td>
<td>4</td>
<td>3.5</td>
</tr>
<tr>
<td>DIRECT CUSTOMERS</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>SMALL RETAIL</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>FOOD SERVICE</td>
<td>8</td>
<td>7</td>
<td>7.5</td>
</tr>
<tr>
<td>BOARD of DIRECTORS</td>
<td>7</td>
<td>8</td>
<td>7.5</td>
</tr>
<tr>
<td>GOVERNMENT</td>
<td>9</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>WHOLESALE</td>
<td>12</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>LARGE RETAIL</td>
<td>13</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>REGULATORY AGENCIES</td>
<td>11</td>
<td>12</td>
<td>11.5</td>
</tr>
<tr>
<td>MEDIA</td>
<td>10</td>
<td>13</td>
<td>11.5</td>
</tr>
<tr>
<td>COMPETITORS</td>
<td>14</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>NGOs / SPECIAL INTEREST</td>
<td>16</td>
<td>15</td>
<td>15.5</td>
</tr>
<tr>
<td>TRADE ASSOCIATIONS</td>
<td>15</td>
<td>16</td>
<td>15.5</td>
</tr>
</tbody>
</table>

Table 8. Identifying stakeholders by ranking
Drawing the attention to the bottom of the list, a clustering around NGOs / Special Interest, Competitors and Trade Associations is seen. These stakeholders will be argued to be excluded from the generic list of stakeholders through additional contextual evidence. When isolating these three and looking at them for their average Likert scores for relative salience attributes, supporting evidence for exclusion is revealed (Table 9).

<table>
<thead>
<tr>
<th></th>
<th>Average Likert Score</th>
<th>Average Likert Score</th>
<th>Average Likert Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRADE ASSOCIATIONS</td>
<td>2.6</td>
<td>2.7</td>
<td>2.7</td>
</tr>
<tr>
<td>COMPETITORS</td>
<td>2.1</td>
<td>2.8</td>
<td>2.3</td>
</tr>
<tr>
<td>NGOs / SPECIAL INTEREST</td>
<td>2.4</td>
<td>2.6</td>
<td>2.5</td>
</tr>
</tbody>
</table>

*Table 9. Salience scores for lowest ranking stakeholders*

As evident, all three have neutral to negative Likert scores across all salience attributes. And while Large Retail and Wholesalers also have neutral to negative scores across their salience attributes, they can still be considered as stakeholders for two reasons. The first being that the average Likert score in identifying them is positive and they are ranked well above the bottom three. Second, Large Retail and Wholesalers are customer stakeholders for particular market strategies that are not utilized by every responding Food Hub. This will be explored further in section 6.2. The Competitors, NGOs / Special Interest, and Trade Associations are considered regulatory stakeholders (Freeman, 2010) which are more ubiquitous than the markets and for this reason can produce more trustworthy responses. This was confirmed through cross tabulation analysis which applied market filters to the salience attributes. When salience attributes are cross-tabulated by participation in particular market strategies, the scores, become positive for the markets but remain negative and relatively unchanged for the regulatory stakeholders in question. However, one regulatory stakeholder that was effected by cross tabulation by particular markets was the Government stakeholder. This too, will be elaborated on in section 6.2.

Cross tabulation was also conducted with relation to non-profit business status. Non-profits represent less than half of respondents (43%) and as the literature suggests, they engage more in democratizing D2C markets which are heavily dependent on the outside funding offered by NGOs / Special Interest stakeholder (Fischer *et al.*, 2014). While the average Likert score for the Freeman’s definition of a stakeholder does move the NGOs / Special Interest stakeholder from neutral (3.3) to positive (3.6), all other stakeholder scores increase as well which results in no significant change in the average ranking. Furthermore, when salience attributes are cross-tabulated by non-profit status the scores remain neutral across each attribute. This is the justification for NGOs / Special Interest being regarded as a potential Food Hub stakeholder.

### 6.1.2 Implications of stakeholders to the local food movement

Interpreting the stakeholder implications to the LFM through the conceptual framework without the complete analysis of stakeholder salience is limiting. Rather than focus on the stakeholders, the focus of this interpretation will be on the descriptive and prescriptive implications of those excluded stakeholders. This includes the risks and benefits to discounting their role in
organizational objectives with relation to the various approaches to the LFM. In order to prevent the reader from having to refer back to the conceptual model presented in section, it will be presented again here (Figure 18).

Exclusion of competitors as a stakeholder in the Food Hub business, can be a successful business strategy depending on the competitor and their own organization objectives. Support for this comes from the corporate planning aspects of stakeholder theory which recommend the withdrawal of support from stakeholders that are not aligned with organization objectives (Freeman, 2010). One strategy for diminishing the importance of particular stakeholders misaligned with strategic direction is through differentiation (Porter & Kramer, 2006). As mentioned, Food Hubs take innovative approaches to local food distribution which differentiates them from traditional food distributors. This differentiation, with a focus on aspects of social, environmental and economic sustainability issues are a strategy to negate competition (Porter & Kramer, 2006). A blanket exclusionary approach to competitors however, is ill advised. Should competitors have similar strategic interests and approaches, but unique operational capacities, there may be potential to form a coalition towards achieving a mutual benefit (Freeman, 2010). However, caution should be taken.

Fig. 18. A Conceptual model (based on Christiansen, 2009 pp 15-21; Freeman, 2010 p 25; Mitchell et al., 1997 p 874; Werkheiser and Noll, 2014, modified by the author)
through non-disclosures and other structural tools to protect the Food Hub’s other strategic objectives from being thwarted or from the organization’s core competencies being coopted themselves.

Excluding Industry and Trade Associations as a stakeholder poses a curious result that may require further qualitative inquiry to fully understand why this is the case. This is because the most recent national survey of Food Hubs that ran parallel to this shows that about half of all Food Hubs rely on informal (52%) and formal (47%) networks as ‘communities of practice’ through which they exchange ideas and strategies (Hardy et al., 2016). The third most important network was listed as annual meetings and conferences (44%) (ibid). The Industry and Trade Association stakeholder is at the center of these formal networks, annual meetings and conferences and therefore makes for a curious exclusion. One possible insight offered by the survey results is that at the regional level, formal communities of practice are rare and therefore the recommendation for the formation of new regional networks is put forth (ibid).

Exclusion of NGOs / Special Interests as a stakeholder bears risks relative to the LFM as well. Foundation grants are a source of outside funding for Food Hubs that newer Food Hubs report an increased reliance on (Cantrell & Heuer, 2014). High dependence on outside funding was also correlated to three value themes in Food Hubs. The value theme of ‘consumer awareness’ resulted in 75% of Food Hubs who held that value, being somewhat to highly dependent on outside funding. Consumer awareness can be seen as the intersection between the consumer approach and the community approach, where conscientious consumers are educated further into becoming conscious consumers. In social movement terms, this is the leveraging of emergence into coalescence. The second value theme held by 71% of Food Hubs reported to be somewhat to highly dependent upon outside funding is that of ‘justice and equity’. As a function of Food Sovereignty, justice and equity fall into the community approach to the LFM.

This exclusion also has bearing with issues related to food security in that even if production mechanisms make food abundantly and calorically available, economic access to that food is still restricted and the nutritional qualities can be limited as well. These systemic inequities are evident in the food desert phenomenon. Federal assistance programs like SNAP, designed to increase access to food, receive their funding from government entities but the SNAP matching programs that extend the benefit can be funded through NGOs /Special Interests. Other programs highly dependent on outside funding that could be supported by NGOs /Special Interests are funding mobile markets and nutrition and cooking classes. Mobile markets could be said to straddle the systems and consumer approach to local food as a strategy to increase healthy food access in food deserts. Bringing Mobile Markets into the Community approach might be possible using this D2C market to educate consumers and support producers. ‘Seconds’ are the aesthetically imperfect but nutritionally equivalent produce that institutional retailers will not accept. If Food Hubs are not already processing seconds into cut, frozen or new value-added product, selling them through Mobile Markets puts the produce to its highest possible use, relative to the conceptual framework. Food desert communities are often comprised of a higher percentage of SNAP beneficiaries as well. Therefore, if the Mobile Market is not financially self-sustaining, it can be made more resilient through diversifying the outside funding between the grants and federal assistance subsidies available from both NGOs / Special Interests and government agencies.
Keeping with food deserts and the issue of outside funding available through the NGOs / Special Interest stakeholder; the funding available should be thought of for how to use it in a way that addresses food system issues through a Community approach. Much of the funding to reshape the food system has been used in relation to consumer awareness and consumer access. If there are more flexible uses for this funding, there may be opportunities to create shared value in the food system. The latest national survey of Food Hubs shows 51% are concerned with securing more supply with a contingent of them that believe they cannot address this local food supply issue within the next year. Furthermore, the study recommends that Food Hubs be “looking beyond current customer categories”. (Hardy et al., 2016 p 5). Through the use of funding to construct community gardens in food deserts, control of the food system is shifted into the communities that have been traditionally neglected by it. Borrowing the notion of food sovereignty which contends not only that people have a right to food but that with those rights comes responsibilities (Desmarais, 2008; Schanbacher, 2010); the community garden could function like a CSA with a contractually agreed upon number of shares going back to the Food Hub. This rethinking of the food supply chain can provide social, environmental and economic benefit into the community while working to satisfy the supplier issue that Food Hubs face as the community gardens mature in their production.

It should also be noted that regardless of market strategies or value themes, it is in the interest of the Food Hub to engage the NGOs / Special Interest stakeholder. Mutual dependence between the Food Hub success and LFM success was argued for in section 4.3 and the NGOs / Special Interest stakeholder can play a role in policy and advocacy that support the LFM and compliment Food Hub operations (Freeman, 2010). This agricultural advocacy has a deep foundation with the interests of conventional production and therefore needs a competing voice to represent the agenda of the LFM. This System approach, depending on the objective being advocated, could create benefits in any of the approaches to the LFM. A broad example might be the restructuring of agricultural subsidies to level the playing field between large scale commodity agriculture and small to medium sized farms or the deconsolidation of agricultural policy toward more localized, democratically inclusive decisions. These actions may result in what Dahlberg advocates as agricultural policy based on health outcomes (1994). Whatever the agenda, it is sure to exceed the examples offered here and therefore should be developed at the local level, based on needs.

6.2 Which stakeholders do Food Hubs regard as salient?

The identification of stakeholders through salience, rests in the presence or absence of power, urgency and legitimacy (Mitchell et al., 1997). Managers with strategic objectives in mind will pay particular attention to stakeholders based on the internalized cocktail of these attributes (ibid). Therefore, unearthing the stakeholders and their attributes is an essential first step to understanding the implications therein. The analysis will follow, which will answer the research question of ‘Which stakeholders to Food hubs regard as salient?’. After which, further interpretation of stakeholder salience will be applied through the conceptual framework to answer the final research question of ‘What are the contextual implications of Food Hub stakeholder salience on the LFM?’. 
6.2.1 Analyzing attributes of salience

Accurately assessing stakeholder salience demanded cross tabulation of average Likert scores with relation to organizational attributes. This is because of variances between the markets that Food Hub’s strategically target. Broadly, Food Hubs can be categorized into types that sell direct to consumer (D2C) only, Business to Business (B2B) only and those that do both, which will be referred to as a ‘hybrids’ (Cantrell & Heuer, 2014; Fischer et al., 2014). More granular information for particular markets was used in the construction of the survey, specifically the customer markets groups of Small Retail, Large Retail, Food Service, Wholesale and Direct Customers. This data was obtained from the same database that produced the sample population and allows for cross tabulation. The assumption is that the total population of Food hubs have supplied skewed results for the customer stakeholders as not all Food Hubs participate in each market and therefore would not value them the same way. To ensure trustworthiness, salience was cross tabulated for specific customer stakeholder markets and a contingency table is presented in figure 22.

As previously mentioned, the NGOs / Special Interest and Government stakeholders have particular significance to D2C markets for their reliance on federal assistance programs aimed at increasing access to food. It was also noted that through cross tabulation, the salience of the NGOs / Special Interest stakeholder remained neutral to negative. However, the Government stakeholder salience did change based on market filters. This may be because the Government stakeholder administers the federal assistance programs like SNAP and WIC, that increase access to food. These programs are only relevant to Food Hubs that sell in D2C markets (Fischer et al., 2014). The D2C market is utilized by 53% of responding Food Hubs and the most recent national survey indicates that 72% of Food Hubs access these markets either as a hybrid market strategy (52%) or exclusively (Hardy et al., 2016). For these reasons, the results of cross tabulating by D2C markets are included, relative to the Direct Customer and the Government stakeholders. This along with the other customer stakeholders are presented in the contingency table (Table 10) below.

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Legitimacy Baseline</th>
<th>Legitimacy W/ Market Change</th>
<th>Power Baseline</th>
<th>Power W/ Market Change</th>
<th>Urgency Baseline</th>
<th>Urgency W/ Market Change</th>
<th>Stakeholder Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMALL RETAIL</td>
<td>3.2</td>
<td>3.5</td>
<td>0.3</td>
<td>3.6</td>
<td>3.7</td>
<td>0.1</td>
<td>Expectant/Dangerous</td>
</tr>
<tr>
<td>LARGE RETAIL</td>
<td>2.7</td>
<td>3.9</td>
<td>1.2</td>
<td>3.2</td>
<td>4.4</td>
<td>1.2</td>
<td>Not a stakeholder</td>
</tr>
<tr>
<td>FOOD SERVICE</td>
<td>3.1</td>
<td>3.2</td>
<td>0.1</td>
<td>3.6</td>
<td>3.6</td>
<td>0.0</td>
<td>Expectant/Dangerous</td>
</tr>
<tr>
<td>WHOLESALE</td>
<td>3.0</td>
<td>3.3</td>
<td>0.3</td>
<td>3.4</td>
<td>4.0</td>
<td>0.6</td>
<td>Not a stakeholder</td>
</tr>
<tr>
<td>DIRECT CUSTOMERS</td>
<td>4.1</td>
<td>4.5</td>
<td>0.4</td>
<td>4.4</td>
<td>4.7</td>
<td>0.3</td>
<td>Expectant/Dangerous</td>
</tr>
<tr>
<td>GOVERNMENT</td>
<td>3.0</td>
<td>3.2</td>
<td>0.2</td>
<td>3.3</td>
<td>3.5</td>
<td>0.2</td>
<td>Definitive</td>
</tr>
</tbody>
</table>

Table 10. Contingency table of customer stakeholder salience by market utilization

These results support the assumption that participation in the market will result in higher salience scores than that of the total population. Some key differences are in the Large Retail stakeholder which went from being questionable as to the validity of being identified as a stakeholder to being
a Definitive stakeholder. The Wholesale and Government stakeholders also changed from the cusp of being questionable as a stakeholder to an Expectant/Dangerous stakeholder. Small retail moved marginally but confirms their position as a Definitive stakeholder and there were no discernable changes among Food Service and Direct Customer stakeholders. In fact, even when looking at Direct Customers through the adverse spectrum of exclusively B2B Food Hubs, they still retain their status as Definitive stakeholders.

When these market specific results are merged with the remaining stakeholders, the answer to the research question, ‘Which stakeholders do Food Hubs regard as salient’ is revealed (Figure 19).

![Fig.19. Salience model of Food Hub stakeholders](image)

Stakeholders have been grouped into three categories with most being considered Definitive in possessing a high degree of salience. The second category are the Dangerous stakeholders, possessing both Urgency and Power with the expectation of acquiring Legitimacy. Interestingly enough, a closer look at the Legitimacy of stakeholders presents a scenario where all B2B stakeholders could be considered Dangerous. As was mentioned, the attributes for salience move in both directions (Mitchell et al., 1997). That is, the questions used to assess the attributes inquire in a reflexive way, taking the Food Hub perspective of itself as well as the stakeholder. In the questions related to Legitimacy, all customer stakeholders scored high for the respondent’s willingness to spend time on their requests but when asked about the customer stakeholders human or financial investment in the Food Hub, the scores clustered around neutral. It was only the significant willingness of the Food Hub respondent to spend time and resources on the customer stakeholder that moved Large Retail and Small Retail from Dangerous to Definitive. The final category consists of the Media and Regulatory Agency stakeholders which hold the Urgency
attribute. Their latency lies in whether they can gain Legitimacy and Power or whether the Food Hub will ascribe it to them. Now that stakeholders have been assessed for their salient attributes and categorized accordingly, interpretation of these attributes and the risks and benefits to the LFM can be elucidated.

6.2.2 Implications of salience to the local food movement

Having already discussed those non-stakeholders, we can begin with the least salient of the stakeholders, the Media and Regulatory Agencies. Mitchell, Agle and Wood advocate that stakeholders who lack the claims of legitimacy and power, do not warrant much, if any attention from management until they are able to obtain another attribute. However, in managing these demanding customers toward the success of the LFM, it can be helpful to think of them for their relative cooperative and competitive capacities as well.

For regulatory agencies, they are a low competitive threat to Food Hubs and in their regulatory capacity, do not have a high cooperative potential. In strategically managing this stakeholder, the advice is to maintain the current relationship and not to develop any programs that may agitate their urgency further (Freeman, 2010). The media stakeholder also poses a low competitive threat but the cooperative potential could be exploited. If the Food Hub can link their own strategic issues or those of the LFM to issues that the media is attuned to, this can garner strategic support for Food Hub objectives. While shared issues may be found in the Community or Consumer approach, due to the media’s position in the System approach, it may be more practical to work toward favorable policy. This could simply involve the issuance of press releases as new initiatives or opportunities arise.

Among the dangerous stakeholders, there is the regulatory and System approach stakeholder of government. Scoring neutral on both assessments of legitimacy, Food Hub managers feel that the government stakeholder is both a questionable use of resources as well as no entirely invested in the Food Hub’s success. Like the regulatory agency stakeholder, government is not competitive and while supportive, may be offering all the support it can at this time and therefore its potential for increased cooperation is low. However, the management strategy differs as the government is an expectant stakeholder with both urgency and power. The implication with dangerous stakeholders is that they are a threat (Mitchell et al, 1997) and while repression of social movements is less typical in liberal societies (Christiansen, 2009), organizational encapsulation could manifest itself here. Should the government take it upon themselves to define and set standards for local food, the broader objectives of the LFM can be forgotten and the excitement around local food, eroded as is typical with encapsulation (ibid). Managing the government as a dangerous stakeholder includes a defensive strategy of reinforcing the values of the Food Hub and linking operational issues to other food system issues that the government may see feel more invested in (Freeman, 2010). From a social movement standpoint, this could mean advocacy toward the localized construction of local food’s meaning. This localization of the agenda is part of the Bureaucratization stage of social movements and has been found to contribute to success as it focuses the efforts through more clearly defined objectives and maintains member enthusiasm (Christiansen, 2009). While the Food Hub managers should participate in this, industry networks and associations may also be able to assist in this management strategy.
Wholesalers and food service stakeholders are B2B customer stakeholders that also share this characterization as dangerous. As customer stakeholders, management strategies should be considered for their impact. Furthermore, they conflict with government in how they scored for the legitimacy attribute. The customers both scored positively for manager’s willingness to spend time and resources on them, which may be sound strategy given that they represent revenue. But when considered reflexively, they scored neutral to negative in their own human or financial investment in the Food Hub which lowered their overall legitimacy score to neutral. Given this information, two strategies could be undertaken. Following the defensive approach to media and government, relating issues to those that the stakeholder also favors will increase cooperation (Freeman, 2010). Alternatively, in order to avoid coercive measures that the stakeholder may take in asserting their legitimacy (Mitchell et al., 1997), it may make strategic sense to invite these customer stakeholders to serve on a Food Hub advisory board. By legitimizing them to the extent that they are invested, the risk of coercion is mitigated through the change in transaction dynamics and their view of Food Hub programs may begin to better align with organizational and LFM objectives (Freeman, 2010). Furthermore, a more diverse advisory board with stakeholders throughout the food value chain would help to satisfy the recommendation for more communities of practice that came out of the most recent National Food Hub Survey (Hardy et al., 2016). If this conversion from dangerous to definitive is effective, revenue increases from a more deeply invested customer lends support to the LFM through the colloquial association of ‘no margin, no mission’ (Curtin et al., 2016).

Looking at the definitive stakeholders, there appear to be stakeholders from each of the approaches to the LFM and can be considered as operationally favorable to the Food Hubs strategic role in the movement. However, stakeholder behavior and social movements are dynamic and as such require management in order to increase satisfaction and further the movement objectives. Furthermore, closer inspection of who these stakeholders are, reveal some risks.

Beginning with the BOD, which floats somewhere between the Systems and Community approach and is the only definitive stakeholder from this regulatory group. As the data showed, internal governance structures like a BOD or advisory board primarily include the farmers and the Food Hub owner/manager. Other notable participants are employees, direct customers and NGOs/special interests. This shows that as regulatory stakeholders, they are also more notably led by internal stakeholders so the regulatory capacity of the BOD is limited to the Food Hub itself. This weakens the BODs scope of influence toward larger advocacy issues and favorable policy change. However, should the BOD work towards multi-stakeholder engagements or restructure themselves to include strategic stakeholder groups, effective strategies toward integrating thee economic and social impact can be developed. (Ross & Dentoni, 2013)

The definitive customer stakeholders include the Direct Customers as well as two B2B customers. Those B2B customers, while legitimate, also scored neutral in their investment in the Food Hub. Furthermore, the large retail stakeholder has been highlighted for its ability to coopt local food (DeLind, 2011). And while secondary data shows a low percentage of Food Hubs that utilize large retail stakeholders as a market (Fischer et al., 2014; Hardy et al., 2016), the results of the survey indicate that of Food hubs with large retail as a stakeholder, they are seen as a strategy for growth. Due to the purchasing power of large retailers, a low percentage of Food Hubs that utilize them would not necessarily prevent them from purchasing much of a Food Hubs local food. And if increasing sales were the only objective, this is positive, however ensuring equitable returns to farmers is a value shared by most food hubs (Fischer et al., 2014; Hardy et al., 2016). Should a
legitimate and powerful customer with high urgency represent too significant a share of the Food Hubs sales, the production and pricing preferences can be pushed back down the value chain and onto the farmers (DeLind, 2011; Werkheiser & Noll, 2013). This is what DeLind calls the ‘Wal-Mart Emphasis’ which she finds irreconcilable as one cannot support a movement aimed at equity while benefitting from the low prices that drive inequity (DeLind, 2011). Furthermore, large retail customers have customers of their own and industry reports show that consumer trust of large retailer’s ability to deliver local food with their associated values, is among the lowest for all markets (Rushing, 2014). Managing this stakeholder with those risks presented makes it critical to stay diversified in customer base in order to avoid ceding too much power to the large retailer. Due to volume requirements for large retailers, this may require finding additional producer/suppliers or reevaluating the strategic direction of targeting this customer at all. If this customer can be managed through diversification, they do present a high competitive threat in that they could source local food from traditional distributors however, their demand for local food may also constitute high cooperative potential. This results in the strategy to change the rules (Freeman, 2010). Rather than simply provide the product, Food Hubs could negotiate to provide marketing services as well. This is what Freeman meant by changing the transaction process (ibid). If the branding is done effectively, it could overcome the trust issues (Rushing, 2014) that consumers have with local food from large retailers. Through a unique customer experience, Food Hubs can communicate local food values and connect those values to the Food Hub brand. In doing so, the large retail customer will have the value-added benefit of attracting and retaining customers, which will reduce their leverage in negotiating the sacrificing of Food Hub values. By connecting local food to the Food Hub and using the large retailer as a storefront conduit, the forum for decisions (ibid) is also changed from the power of the retailer to the power of the consumer. In other words, creating a Food Hub brand experience in large retail stores will reduce the likelihood of cooptation and result in increased emergence and increased revenues.

Small retail scored higher in their salience attributes and reflect a stronger focus in market strategy from the secondary data (Fischer et al, 2014; Hardy et al, 2016). This is encouraging given that their lower volume purchases will result in a more diversified market strategy. However, small retail customers should be offered the same product and service branding strategy simply for their shared position as a high competitive threat (cost to switch to another distributor) and their high potential for cooperation. The potential benefit of increased emergence for the LFM may be greater among small retailers if additional opportunity is available to communicate Food Hub values and issues in the food system. Furthermore, the potential to form partnerships that address infrastructure challenges and distribution costs has been shown to change the rules and expand mutually beneficial opportunities (Cantrell & Heuer, 2014).

Direct Consumer ranking so high in each category is a positive sign as the traditional ways of marketing to them are through the democratizing markets outlined in section 4.3.1. One challenge in working with direct customers is their low barriers to switching from local food to other food options and the difficulty in forging partnerships with them. Taking a defensive approach to managing this stakeholder is then necessary as the stakeholder can influence the failure of objectives but cannot really help them succeed (Freeman, 2010). This agrees with their role in the Consumer approach as ‘locavores’ who are necessary to raising the profile of local food but cannot purchase away the systemic issues that result in an inequitable food system (DeLind, 2011; Werkheiser & Noll, 2014). It further supports the new social movement theories which allow for members to move in and out of the movement without strict adherence to the movement’s
objectives (Buechler, 1995). A strategy to manage these direct customers is to use the transaction to educate them about local and larger food system issues. This gives them the opportunity to move from emergence to coalescence, however Freeman notes that in a defensive strategy, you must allow the stakeholder to drive the transaction (2010). This serves as a reminder that the transaction is the product itself and the opportunity to get involved should not come across as an obligation. A concerning trend then is the growth in online markets as a D2C market as they provide convenience to all parties but doing so reduce the space for social construction that is created in democratizing D2C markets.

Lastly, the definitive community stakeholders (local community, owner, employees and producers) are all given high degrees of salience which is positive toward their operationalizing this approach. The owner stakeholder is at the center of this study and therefore it is assumed that the discussions regarding other internal and external Food Hub stakeholders inform the discussion for the owner stakeholder. The only general recommendation offered specifically to owner stakeholders is to be aware of their own unique stakeholder perceptions of salience and to make use of multi-stakeholder engagements and communities of practice in strategic planning.

That the local community is considered valuable enough to devote resources, influence decision making and be responsive to offers some insights into how well the perspectives of the local community are incorporated into daily operations. However, the need for a more case based, contextual understanding of how the local community is operationalized is needed to better understand implications to the LFM. This is because the definitive status given to the local community could be a social desirability bias that may rear itself through qualitative follow up. The value themes found in mission statements are not concrete enough to make accurate assessments on (Fischer et al, 2014) and there are questions about how well these values are incorporated in daily operations (Hardy et al, 2016). Reliable secondary data that is available for community impact is restricted to federal assistance programs (Fischer et al 2014; Hardy et al, 2016) which map more neatly into the System approach and are shown to be more heavily dependent on outside sources of funding. Therefore, a case based approach would help to identify the unique ways in which Food Hubs work with and incorporate the needs of the local community which will contribute to a better understanding of the implications to the LFM.

Managing the issue of dependence on outside finding could be addressed through the Food Hub’s position as a socially responsible business. An increasing number of companies are seeing the competitive advantage of corporate social responsibility (Porter and Kramer, 2006) and an increasing number of Food Hubs are adopting the b-corporation legal status (Hardy et al, 2016). This presents a unique opportunity for all Food Hubs to forge partnerships with both traditional corporations and b-corporations to enhance their social impacts while creating flexible and reliable funding for community impact project. This will reduce the dependency on grant funding for core business functions and allow grant money to be utilized for incubating pilot projects.

The employee stakeholder does offer some data points to cross compare and discuss for their definitive status. Relying on secondary data, measures of equity can be seen in the values of paying employees fairly (Hardy et al, 2016). In addition, survey results show that they have an advisory role in many Food Hub’s governance structures. As mentioned, the conceptual model allows for stakeholders to identify with multiple approaches but within organizations that have social, environmental and economic objectives, employees are often attracted to the social and environmental values of the organization as much if not more than the paycheck that they offer.
(Porter & Kramer, 2006). This, combined with their definitive and advisory status will allow them to drive the agenda, incorporating the values of the community while reducing the risk of unclear objectives.

The producer stakeholder is another stakeholder that will float between each approach due to their need to stay viable. Their role as local producers makes them members of the community but the pressures to stay viable forces them to seek new and lucrative markets while adapting to regulatory pressures. For this reason, there are two contextual areas of concern. First, as noted for the direct customer stakeholder is the decline in democratizing markets and the increase in online markets. While the online markets may be more lucrative relative to farmers markets and CSAs due to reduced workloads and costs, the ability for producers to incorporate the values of the community are restricted by limited access to these social spaces (Feenstra, 2002). Other secondary data raises concern for the decline in the Food Hubs requirement of responsible growing practices (Hardy et al, 2016). Whether this is a softening of requirements due to their reported challenge of procuring new supply (ibid) or a change in standards to satisfy pricing preferences of customers, the values of the community may not be represented here. These irreconcilable food system issues need to be discussed through multi-stakeholder engagements and within communities of practice in order to develop effective mutually beneficial counter-strategies (Ross & Dentoni, 2013).
7 Conclusion

This chapter further addresses the aim of the study which is to ‘explain the impact of Food Hub stakeholders on the LFM’. In addition, it summarizes the needs for further research.

The inseparable success of Food Hubs as purveyors of local food and the success of LFM has been argued for in this research. This dependency may not be entirely symbiotic with Food hubs seeming more reliant on the success of the LFM than the other way around, given the fluidity of social movement progression. That is, if Food Hubs fail, social movements can regroup, restrategize and surface again (Christiansen, 2009). However, Food Hubs do embody aspects of the bureaucratization stage of social movement progression which puts them one step away from success or failure for the LFM. It is not unrecognized that as small businesses, Food Hubs are hard pressed to take responsibility for the success of the LFM but since their own success is dependent upon it, understanding how to help the LFM succeed is important. Through the multiple approaches to the LFM (Werkheiser & Noll, 2014) and the relationships that these approaches have to the stakeholders which operationalize them, a conceptual model has been produced. In using this model, the assessment of stakeholders and their attributes have contributed to new understandings of the potential impact to the LFM and how they can be managed to facilitate it.

This research has demonstrated that Food Hubs engage multiple stakeholders in their operationalization of local food distribution however, there is a deficiency in the representativeness of stakeholders from the system approach. This reduces their ability to effect change at the systems level through favorable policy for their small and mid-sized producers or advocacy which could empower equity in the food system rather than create the inequity and dependency programs. And while the community approach is well represented, the data is insufficient to account for the variety of ways in which this approach is operationalized. In the absence of data, Food Hubs should rely on the aspects of the community approach to be introspective in their own operations. The need for case-based research will help to facilitate this understanding externally.

In summary, the implications for local food and the LFM are mixed. Food Hubs are certainly having an additionality effect by taking local food further than what has been achieved in alternative markets. In doing so, they are strengthening regional food systems through the incubation of new and small farmers and the diversification of the mid-sized farm. However, local food has not yet reformed the conventional food system which may be due to a lack of engagement in the systems approach. Past social movements have shown that a localized approach is a stepping stone to success (Christiansen, 2009). If Food Hubs can continue their growth and establish themselves as definitive stakeholders from the food system perspective, they may be better positioned to demand the change they need. Until then, they should work through a multi stakeholder approach to construct and further advocate the values of local food.
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