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VALUE CHAIN COORDINATION COLUMN

Bridging margin and mission

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My local grocery cooperative has an informal motto of "No Margin, No Mission." This pithy expression, likely familiar to many JAFSCD readers and community development practitioners, is a catchy shorthand for the financial reality that business viability is a necessary prerequisite for fulfilling an organization's social and/or environmental mission (Diamond & Barham, 2011). Working in local and regional food systems, I find this simple mantra helpfully summarizes the dual-bottom-line challenge of supporting thriving, resilient regional food economies that can simultaneously support farmers, their environment, and the communities they feed.

Value chains are food supply chains that link agricultural producers with markets, adding economic value throughout. As I have written in this column previously (Hall et al., 2026), value chains may also prioritize the core mission of farm viability, ecological sustainability, and access to healthy foods or other community benefits. Value chains are facilitated by relational infrastructure, provided by networks of coordinators that hold strategic partnerships and actively foster win-win relationships across participants within the supply chain. Value chains struggle to perform, however, unless the businesses along the chain are fiscally functional and the relational infrastructure connecting them is adequately resourced. The relationship runs both ways: coordination helps enable fair returns, and those returns in turn sustain the businesses and relationships that create further value.

Value chain coordination (VCC), the interstitial capacity supporting functional chains, is at the center of two distinct financing questions critical to the success of local and regional food systems. The first concerns how the coordinator, whether an entity, network, or an individual, is compensated for their relational labor of organizing and maintaining value chains that meet community priorities. I addressed this question briefly in the previous column in which I argued that evaluation of coordination activities and outcomes should be built into program design, in part to demonstrate

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to funders the value of the "soft infrastructure" in system performance.

This column takes up the second question, which concerns how value chains achieve financial viability in practice. This asks both how particular initiatives—like a local farm-to-hospital program—are coordinated and funded and, more fundamentally, how value chains broadly become and remain financially solvent. In my experience, this varies substantially and is a frequent pain point for coordinators trying to activate new markets and maintain durable supply chain relationships. Each market segment carries its own conditions and procedures for ensuring sustainable revenue (e.g., Medicaid 1115 waivers, which let some states pilot reimbursing food costs as medicine)—a complexity we hope to unpack further through the JAFSCD VCC Brief Series.[1] Whatever the mechanism, the math is the same: no margin, no mission. And closing that gap is where coordinators spend much of their labor.

Value chain coordinators are often essential architects scaffolding regional economic infrastructure.

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Value chain coordinators are often essential architects scaffolding regional economic infrastructure. As systems matchmakers, they resolve the tension between the margin constraint of financial viability and the mission horizon of community development by addressing supply chain disconnects and innovating place-based opportunities (Rocker, 2019).

Coordinators help manage strategic price discovery to facilitate transparent pricing in transactional markets and secure fair cost-of-production pricing for mid-tier food enterprises. By bringing institutional or wholesale buyers to the table with regional producers, coordinators can broker fair prices, higher volumes, or forward contracts (often growing out of stand-alone deals) that provide stability for buyers and predictable income for producers, aligning volume commitments to support farm margins while securing bulk discounts. For farm households, this stability can mean the difference between operational success and failure.

Even when local supply and demand are present and evenly matched, regional food markets face challenges in the aggregation and logistics of transporting small batches independently. Coordinators draw on supply-shed knowledge and map regional distribution networks to align empty truck space, optimize backhaul routes, and establish decentralized drop-sites, both reducing cost and allowing small, dispersed farms to enter markets that they could not reach alone.

Coordinators connect producers with technical assistance to develop farm-specific action plans and lower the administrative hurdle of audits and recordkeeping.

Coordinators also broker market access itself, translating compliance and food safety requirements into terms small and mid-sized producers can act on, supporting their fiscal viability. For example, anchor institutions like school districts and universities increasingly require Good Agricultural Practices (GAP) produce safety certification. Coordinators connect producers with technical assistance to develop farm-specific action plans and lower the administrative hurdle of audits and recordkeeping, allowing regional farms to participate in and benefit from the large-buying power of institutional markets.

[1] JAFSCD has launched a series of peer-reviewed, two-page briefs that distill well-established policies, programs, and practices in local and regional food systems into concise, high-impact publications designed to inform and inspire practitioners, policymakers, researchers, and advocates working across the food system. Learn more at https://www.foodsystemsjournal.org/index.php/fsj/VCCEC and see the series at https://www.foodsystemsjournal.org/index.php/fsj/jafscdbriefs

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Value chain coordinators also regularly serve as "resource prospectors," connecting food system stakeholders to grants, loans, and technical services (Rocker, 2019). As regional food systems mature, this role is specializing, in some cases, into something more explicitly finance-oriented: capital coordination. Value chains are routinely bottlenecked by lack of access to appropriately structured capital, particularly for enterprises in the "missing middle," the supply chain intermediaries between farms and buyers, which are often too large for microloans or direct-market revenue and too small or thinly margined for conventional commercial financing.

Whereas traditional lending weighs risk and return alone, impact-oriented investing accounts for a third dimension of social or environmental outcome (i.e., the community priorities that drive value chains) (Federal Reserve Bank of St. Louis & Board of Governors of the Federal Reserve System, 2017). Capital coordinators help pull together public, private, and philanthropic capital around a shared vision for value chain development that holds this third dimension of impact alongside return. They draw on coordination skills in education and relationship-building to match systems-minded impact investors with small and mid-sized agri-food entrepreneurs across regional supply chains, translating between different frameworks and building confidence and trust. As place-based systems thinkers, knowledgeable about local supply and demand needs and opportunities, value chain capital coordinators link regional enterprises with financial markets otherwise closed to them, assembling the patient, blended capital stacks that missing-middle food businesses need to grow.

Value chain capital coordinators link regional enterprises with financial markets otherwise closed to them.

Networks of capital coordinators, composed of investors and funders in collaboration with food system stakeholders and squarely focused on transforming regional food and agricultural systems, are emerging across the country. In the American Midwest, the TransCap initiative has identified "capital orchestrators" as a critical gap in the soft infrastructure needed to accelerate transitions to regenerative agriculture. TransCap is now actively convening a collaborative design effort to strategically deploy capital across the region (Gazibara, 2025).

In the Mid-Atlantic, a community development financial institution (CDFI) has partnered with a local food hub and environmental non-profits to launch a "Coordinated Capital Coalition" to pilot a regional strategy for systemic investing (Locus, 2026). Intentionally collaborating across food and financial markets, their approach aims to orchestrate integrated interventions that unlock investment opportunities and market-driven solutions for farms and food businesses. In both cases, coordination makes capital work for both margin and mission alike. The U.S. Department of Agriculture's Agricultural Marketing Service (USDA AMS) is supporting this work to learn more about how such capital coordination can unlock investment and strengthen regional food value chains.

The entrepreneurial farms and food businesses I have worked with know that the mission is not superfluous. It provides the competitive advantage that distinguishes a value chain in a crowded food marketplace. But a mission without a viable value chain to carry it will not survive. As the JAFSCD VCC Briefs Series continues, we're eager to hear how your initiatives are financed: what mix of grants, patient capital, and market revenue keeps your value chain solvent, and where are the remaining gaps?

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