



The Role of a Food Aggregator

The food system supply chain includes farmers, processors, aggregators, distributors, and consumers. The “middlemen” are partners – including aggregators, processors, and distributors – that collect, process, package, market, and deliver food in bulk, connecting the producers (farms, food businesses) to the sellers (retailers, wholesalers, restaurants) to reach consumers.

An aggregator works with multiple farmers to combine products into volumes large enough to meet the needs of institutional and wholesale buyers such as grocery stores, school systems, and restaurants.

Many individual farms do not produce enough volume, or have the time, staffing, storage, or general capacity to sell directly to large institutional buyers. On the other side, institutional buyers typically do not have the time or capacity to coordinate purchases from dozens or hundreds of individual farms. The role of an aggregator is to bridge those gaps.

How a Food Aggregator Supports Economic Opportunity

- **Small farmer access to larger buyers:** Many institutional buyers cannot and do not purchase from individual small farms due to volume, administrative, and logistical constraints, and aggregation helps mitigate those barriers and facilitate new sales opportunities that might be unattainable for a small farm on their own.
- **Regional Market Growth:** In 2021, the Maryland Department of Agriculture created the Maryland Certified Local Farm and Fish Program (CLFF) to encourage state agencies to purchase a significant portion of their food from local farms, yet many agencies have struggled to meet these targets due to challenges connecting with producers. At the same time, Montgomery County alone is home to more than 100 food farmers and food entrepreneurs who face barriers accessing institutional markets because of their small scale. A significant number of state and regional initiatives are underway to dramatically increase purchases of local products, including the Maryland Certified Local Farm and Fish Program, The Local Food Purchasing Program, (<https://bit.ly/SB177>), and MSDE Farm to School expansion. Institutional purchases of local products in Maryland, DC, and

the broader DMV region are expected to exceed \$1B in the coming years; aggregation infrastructure will help farmers collaborate to meet growing demand.

- **Competitive Pricing:** Aggregators working with small, local farms typically seek to meet retail/wholesale prices to ensure a fair, competitive, and equitable sales partnership that offers benefits for the farmers as well as the aggregator and buyers.

Food Aggregation Program in Montgomery County, MD

The FY 2026 Food Aggregation Grant Program created and launched in February 2026 by the Office of Food Systems Resilience is supported with funding through the MARBIDCO Resilient Food System Infrastructure (RFSI) Grant, which has very specific allowed uses and goals. The RFSI grant funds support public projects that plan to be primarily aggregation centers for wholesale and institutional distribution. The County applied for and successfully secured this funding.

This initiative is designed to expand opportunity for local food producers to sell to institutions and thereby increase resident access to local foods, not to replace or compete with existing programs which are supported through separate funding streams. Farmer feedback gathered over the past 5+ years through forums, surveys, and direct engagement has informed this program.

Will the Aggregator only work with Montgomery County farmers?

No. While the grant program will be administered here and the aggregation facility must be located in Montgomery County, this project is designed to support regional food value-chains and connect producers to institutional buyers across the Mid-Atlantic region.

Are Montgomery County farmers required to work with the Aggregator?

No. Farms are not required to sell through this aggregator, and participation is completely voluntary. Existing sales relationships, including direct to consumer via farmers market and CSA programs, Farm to Food Bank, and/or Community FarmShare, will not be displaced.

Timeline of the FY26 Food Aggregation Grant Program

- \$550,000 in funding is available to fund one award from OFSR to support startup, construction and retrofitting of necessary facilities, ongoing operations, and to purchase food over the initial one-year program period
- The performance period of this award is anticipated to cover a four-year period from June 30, 2026 through June 30, 2030
- Multi-year funding across the four fiscal years will range from \$250,000 to \$550,000 in grant funds and/or food purchasing commitments, pending funding availability and grantee performance, with a maximum of \$550,000 total available in a single fiscal year.

Partnership with the agricultural community is essential to building a strong regional food system, and your feedback is important. The OFSR welcomes questions, concerns, and

suggestions as this process moves forward, and will offer ongoing opportunities for farm partners to engage with the selected aggregation facility operator. If you'd like to be engaged in these discussions, please contact Catherine Nardi, Program Manager II, OFSR at catherine.nardi@montgomerycountymd.gov.