



EATING FRESH PUBLICATIONS PRESENTS
The Living Local Roundtable Discussion Series

“Creating Effective Relationships with Local Growers”

Hosted by Tre Piani

“Today a chef is more than someone who runs a restaurant and puts food in front of customers. Chefs have become role models. The majority of people don’t spend a great deal of time cooking or gardening anymore. They’ve become distanced from their land and food supply. People rely on chefs to restore that connection and to convey the concept that food isn’t grown in a supermarket; it’s grown by a farmer”

—Nora Pouillon from *Cooking Fresh from the Mid-Atlantic*

Wherever you turn these days, it seems you’re being asked to *buy local*. The explosive rise in the number of farmers markets nationwide, the parade of cover stories on local farms appearing in national magazines, and countless high-profile chefs praising locally grown and raised food have helped propel the buy-local movement from fringe to fad. Celebrity chefs are now filling their menus with local farm products, dot-com millionaires are becoming farmers, and high-end grocers are decorating their produce departments with photos of their favorite growers. Images of farmers toiling in lush fields and feelings of goodwill toward those who work the land fill the airwaves and fuel the ad campaigns. Yet to be answered, though, are some fundamental questions about the role of small-scale farming in our society. How do we create an infrastructure that will enable this fad to become a more fixed and integral part of the food market? How do we use the growth of this market to create maximum economic and environmental benefits for local communities? How do we ensure that farmers get their fair share of the food dollar?

In the highly competitive restaurant and retail markets, chefs and produce buyers have discovered that putting locally grown foods on the menu or in the produce case provides a market edge. Progressive chefs and retailers are leveraging the benefits of *local* by contracting directly with small-scale growers to ensure that they have continued access to local products and the opportunity to purchase unusual varieties of vegetables, fruits, and herbs not easily found in the wholesale market. Enlightened produce buyers also use those relationships to put more money directly into the hands of farmers. With this in mind, one can see that the economic potential for a regionally based direct-buy program is enormous. And the implications extend far beyond the dinner table. The challenge we face now is realizing that potential.

Image and Reality

Support for small-scale local farming has moved beyond small pockets of enlightened shoppers and into corporate executive suites. Organic Valley—a farmer-owned cooperative that has created a national brand based on small-scale regional production and region-specific packaging that extols the benefits of family farms—is now selling its dairy products in WalMart, the nation's largest food retailer. Chipotle Mexican Grill—a fast-food chain owned in part by McDonald's—is running a national ad campaign that features photographs of some of the small-scale pork producers who supply the chain. The ad copy informs us that when we eat at Chipotle we are supporting small-scale family farms. And Whole Foods Market, the nation's largest natural foods retailer, is cosponsoring a PBS series that celebrates the local farmer–chef connection.

These programs have the potential to open up huge markets for small farms, but they also carry some significant risks. Will Organic Valley need to expand rapidly to meet WalMart's needs? If so, what risk does expansion place on the dairy farmers as they deal with a company that is notorious for demanding price concessions from their vendors? Will Organic Valley find itself in a position where it will be forced to choose between cutting the price to farmers or losing a major buyer? McDonald's is considering selling off its Partner Brands division, of which Chipotle is a part. Will the new owner view the use of humanely raised pork as too costly? What will that sale mean for the small-scale hog farmers in North Carolina, Iowa, Virginia, and Pennsylvania, who have been brought online to supply the fast-food chain? If WalMart begins to make a significant dent in Whole Foods' market, will Whole Foods demand deeper discounts from local growers or abandon local buying in order to better compete?

Those who think beyond the bottom line recognize that engaging in direct transactions with growers carries responsibilities as well as rewards. The marketing campaigns of large companies will help create consumer awareness of the multiple benefits of small-scale farms. The challenge is to create long-term, mutually beneficial, farm-to-business relationships with local farms that minimize some of the risks and ensure the viability of small farms in central New Jersey.

A Different Kind of Transaction

Increasing scale inevitably leads to standardization, specialization, and centralization. In the world of large-scale food production, the *who* and *where* become secondary to the *what*. For example, standardized, processed feed and controlled living environments ensure that across the country each egg is the same as every other egg. Sadly, as every good chef, home cook, gardener, and discerning diner knows, this consistency comes at the expense of flavor.

In contrast, well-managed, small-scale farms provide the culinary world with endless variety within each produce category, as well as regional and seasonal variability in flavor that is impossible to

achieve on industrial-scale farms. Direct relationships with local farms give businesses the potential to exploit this variability and variety by marketing the *who* (farmer) and the *where* (terroir) as enhanced attributes of the *what* (farm products); in other words, the *who* and the *where* create the value-add, if not the actual value. Such a system introduces unique flavors and increased nutritional value into the marketplace and the personal connection to the farm experience can enhance a marketing campaign and a shopping or dining experience.

However, ensuring long-term access to locally grown food requires more than just filling out an order form and paying a monthly invoice. Creating a viable farm-to-restaurant or farm-to-retailer network requires a new business model. Attributes that seem to have no place in modern business—such as loyalty, fairness, reciprocity, and longevity—are essential to this new model. So, too, is a mutual commitment to understanding each others needs and a mutual investment in helping each other succeed. Flexibility is key, as is the desire on both sides to communicate honestly in an atmosphere of respect and trust.

This new model isn't right for everyone. It takes more work than placing a standard wholesale order and requires a passion for agriculture and food. Building a successful Central New Jersey business-to-business buy-local food network will require participation from consumers, state agencies, state universities, and regional nonprofits, such as NOFA-NJ and farmland conservation groups. And all sides will have to come to the table with an open mind and a willingness to see business in new and innovative ways.

Some Ideas for Making Connections

Buy-local business pioneers have gone to great lengths to do business directly with local growers. As the industry grows, however, increased participation will require easing the transactions so that the chefs, retailers, and farmers who want to work together aren't discouraged from doing so. Individuals and organizations all over the country are struggling with the same challenges we face here in the Garden State.

Here are some of the challenges and possible solutions that Eating Fresh has found:

- ***Farmers must be encouraged—and, when necessary, taught—to deliver what the market wants.*** The Virginia Department of Agriculture is running seminars where retailers and chefs explain to small-scale growers what they look for in product quality and proper post-harvest handling. Can such a program be implemented here?
- ***Knowledge of what is missing in the market allows growers to develop a market niche.*** Chefs and retailers can help identify products that are missing in the marketplace by sharing with growers a list of products that can be grown in this climate but are currently shipped in from other parts of the country. Cooperative models, such as the Tuscarora Organic Growers Cooperative and America

Fresh, offer insight into how groups of growers coordinate their plantings to avoid both gluts and holes in the local market.

- ***Ongoing research and development of heirloom vegetable varieties.*** From their Ohio farm, the Chef's Garden is dedicated to shipping vegetables to the nation's finest chefs. They also encourage their chefs to make regular visits to the farm. Their Culinary Vegetable Institute—a retreat and educational facility surrounded by 100 acres of heirloom vegetables and outfitted with state-of-the-art cooking facilities—provides a venue where chefs can come to experiment with new vegetable varieties and “advance, strengthen, and refine the earth to table concept.” Perhaps a smaller local version of this farm with similar goals would help connect chefs to farms, identify new crops for the market, and provide a meeting place for local food and farm advocates. Perhaps such a facility could also serve as a training ground for new and immigrant farmers.
- ***Develop farm marketing programs.*** Denesse Willey of T&D Willey Farms in California reminds us that “marketing is half of farming.” But marketing involves skills that are quite different from growing. Training programs for growers and information products that catalog locally produced products are needed. And marketing courses can help growers learn to build brand identities for their products. Provided that the product quality is superior, branding can lead to higher prices for both grower and seller, and stimulate product loyalty among consumers.
- ***Develop and promote ordering systems that meet the needs of chefs and retailers who are interested in buying local.*** Chefs and retailers often cite the problem of managing multiple invoices as a deterrent to buying from local farms. America Fresh is developing a regional Web-based ordering system aimed at easing ordering and invoicing, making it easier for chefs and retailers to buy from local growers.
- ***A vibrant, cooperative business-to-business buy-local food network will create cross-marketing opportunities where chefs, retailers, and growers can work together to coordinate and promote each others local buying programs.*** This helps grow the market and maximize marketing dollars. Mendocino Renegade is one such example. In Mendocino, California, chefs, farmers, and retailers have come together to create a peer-reviewed eco-label for Mendocino and Lake counties. Label guidelines were developed “to create an inexpensive, credible program of labeling local organic products for the benefit of producers (farmers, ranchers), processors (retailers, wholesalers, restaurants), and consumers” while “minimizing the role of government and politics in organic agriculture.” Their tagline is “Buy Local–Beyond Organic” and minimizing distance to market is one of their goals.
- ***Find models for farm-to-chef and farm-to-retailer programs.*** Chicago's Local Organic Initiative and Philadelphia's Fair Food Project are two examples of nonprofits that have formed to facilitate farm-to-chef and farm-to-retailer transactions within their regions. Both are developing products and programs that can be adapted for use in central New Jersey. And FoodRoutes

(www.foodroutes.org) has created a national Buy-Local label that can be customized for each region. Perhaps joining in a network of local-food initiatives would help spur information sharing and maximize research and development dollars.

Why Proceed Down this Buy Local Path?

Buying direct from a farm allows for face-to-face producer–user interactions that are rare in today’s food world. Chefs, retailers, and their staffs can visit the farm, walk the land, meet the grower, and learn about the products they are buying. The human connection is an invaluable tool for crafting the messages that explain to the public why farm-fresh, locally grown foods are different from their long-distance counterparts. The farmer is able to educate chefs and retailers about product qualities and handling. Chefs and retailers, in turn, can help growers better understand market pricing and expectations. Farmers, chefs, and retailers can use their shared knowledge and passion to educate the public and public officials about the multiple benefits of small-scale, ecological agriculture.

On the face of it, any attempt to create a regional, small-farm based, decentralized, product-diverse food system seems to fly in the face of conventional business wisdom. Distribution systems, farm equipment, marketing costs, and access to shelf-space in supermarkets all favor large-scale, specialized production. Why fight so hard to get upstream? Why not let the current pull us effortlessly along?

One answer might be a love of good food, the desire to save open space and habitat for wildlife, environmental concerns, interest in keeping a broad economic base, a love of farming, a desire to participate in community life that values relationships, a show of gratitude for the people who grow our food. Those desires unite us in a common goal to save local agriculture and preserve the family farm. More practically, however, evidence abounds that small-scale farms that serve regional markets are more economically viable than their large-scale global counterpart abounds. Community economists like Michael Shuman—and research by countless others—reveals that integrated small-scale farm businesses that are mutually supportive create a healthier economy all around. Creating an effective business-to-business buy-local food network in Central New Jersey will bring us closer to realizing that goal.

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A Pre-season Checklist of Local Produce Buyers

adapted from *"It's Winter, So Think Summer!"* by Mark Mulcahy

- Sit down with your crew and ask what worked last year and what didn't. For example, one might say, "T&D Willey farms grows the nicest eggplant I've ever seen. We could sell twice as much as last season if we could get it." Or, "Firefly Farms basil is incredible but our customers don't buy large bunches. Perhaps if they made smaller bunches we could sell more."
- Contact the growers you've been working with and those who approached you last summer but you couldn't work with due to prior commitments. Set up appointments to discuss the next season.
- Discuss issues such as price, quality, labeling, containers, receiving hours, invoices, and payment schedule.
- Ask yourself "what can I sell this item for" and once you know your retail price ask the grower what they need to get for it. Consider all of your options and give your farmers all of the information, with a dialogue such as, "At the price you need I have to sell it for \$1.99/lb. And could move about three boxes a week. But if I could sell it at \$1.59/lb. I could probably sell nine to 10 boxes a week. Is it worth it for you to come down on the price a bit to sell more volume?" Be creative. I once gave a grower \$1.00/lb. all season long for his early girl tomatoes, which was low in the spring and fall but high in the summer. But with creative pricing it worked out for both of us.
- Have consistent quality standards that both your whole staff and the farmer understand.
- Many produce buyers have trouble telling a grower that their produce is not up to snuff. Consider that when you are honest you are doing the grower a favor by helping them sell more with you as well as with other suppliers.
- Labels should be clear and consistent, with farm name, item name, weight or quantity, and proper organic requirements attached so that they stay on the package.
- Containers or boxes should work for the store or restaurant. Having to repack the product or receiving white five-gallon buckets that you have to work around is unacceptable. It can cause more work for you and degrade product quality.
- Show the grower how you store their products and how they are packed when received from a distributor. This way they can gain a better understanding of how their produce fits into your world.
- Invoices should be made out in advance with exact items and amounts received with the agreed upon price. It is a waste of time to be discussing prices when you are busy trying to receive.
- Receiving hours should be scheduled when you have the staff on duty to receive properly. And the exceptions should not be the rule.
- The same goes for ordering. Set up at time that works for both of you.
- Set up a payment schedule that is fair for both your needs.