

# Facilitating Collaborative Farm-to-Restaurant Sales in Chittenden County, Vermont

## Final Report for CNE10-070

Project Type: Sustainable Community Innovation

Funds awarded in 2010: \$9,783.00

Projected End Date: 12/31/2010

Region: Northeast

State: Vermont

Project Leader:

[Travis Marcotte](#)

Intervale Center

## Project Information

### Summary:

The Intervale Center works with Vermont farmers to develop collaborative marketing, distribution and storage solutions to increase farm profitability and consumer access to local food. Our goals are to aggregate local product and provide marketing and distribution services to our community in a way that values convenience, profitability and fairness.

The Intervale Center was awarded a \$9,783 USDA Northeast SARE Sustainable Community grant in 2010 to support the development of a collaborative, local food-focused farm-to-restaurant brokerage service in Chittenden County, Vermont. In this project, we worked with farmers to develop and launch collective sales to restaurants in our region. Working with a dozen farms, the Center sold \$45,000 worth of produce to 12 local wholesale accounts in 2010. Despite falling \$5,000 short of our goal, the pilot has been successful and the customer and farmer feedback and been positive. The IC has plans and recommendations for how to continue to grow this aspect of our business and share our model with others in Vermont and beyond.

### Project Objectives:

The original project milestones, timeline and performance targets follow

Outreach to restaurants completed

March 2010

In the spring of 2010, we contacted 80 restaurants, caterers and small grocers in Chittenden County to gauge interest and identify customers. Through this outreach, we determined their needs with regards to product quality, quantity and packaging, distribution and logistical requirements, including invoicing and billing, credit applications, etc. We did this through a combination of email announcements, phone calls and in-person meetings. Farmers participated by helping compile the list of restaurants and spreading the word to their current local wholesale markets.

Farmers attend 3 focus groups to develop model

January - April 2010

3 farmer planning focus group meetings were held between January and April 2010. 16 Food Hub suppliers signed on to participate in wholesaling. At these meetings, we developed price lists, packaging and operational details. We also determined our marketing and outreach efforts including packaging and consistency in product quality and brand image. We discussed whether we should be all certified organic or just local and decided that we would move towards certification requirements within the next 3 years. We also developed the operational details including when farmers would send Food Hub staff their availability, when Food Hub staff would place orders with chefs and when the orders would be placed with farmers. Finally, we addressed the distribution schedule.

Purchasing system developed

March 2010

In March, we worked with database consultant Jo-Anne Ring to develop a logistical framework for purchasing.

Branding materials developed

April 2010

We engaged Jessica Avison, a student intern from UVM, to develop our producer catalog along with other point-of-sale materials for our wholesale customers. Elisa Clancy from 3W promotions updated our website (<http://www.intervalefoodhub.com>) with interactive features for suppliers and customers.

Logistics plan completed

April 2010

The ordering and delivery system was finalized with a detailed communication and distribution schedule.

Operation launched

June 2010

We launched on May 17th and had deliveries both on Tuesday, May 18th and Friday, May 21st. We had \$400 sold in our first week and \$700 by our second week. Weekly wholesale lists go to 50 chefs in Chittenden County with 12 consistent wholesale accounts ordering on a regular basis.

Mid-project evaluations completed

June 2010

We did not complete formal mid-project evaluations, as we found that our close collaboration with farmers and buyers provided ongoing and adequate project feedback. We continued to make small project adjustments throughout the season to effectively respond to the ongoing feedback.

Lessons learned documented November 2010

We produced a case study, "Facilitating Collaborative Farm-to-Restaurant Sales," which documented the project's successes and challenges, including lessons learned.

Final evaluations completed December 2010

We did not complete formal final evaluations, as we found that our close collaboration with farmers and buyers provided ongoing and adequate project feedback. We did hold a farmer meeting on December 1st to evaluate the pilot season and determine the best course for the future. Our recommendations and plans are documented in our case study.

Through this project, over a dozen farmers collaboratively sold product to 12 consistent wholesale accounts, grossing \$45,000, 85% of which was returned to farmers.

## Introduction:

The increasing demand for and short supply of locally-grown food in the United States is well-documented. Bestselling books attest to the importance of eating locally; there are 70% more farmers' markets in the U.S. than a decade ago; and Packaged Facts, a market research firm, predicts that local food sales will rise from \$4 billion in 2002 to \$7 billion in 2011. University of Maryland agricultural economist Jim Hanson asserts that demand is indeed outpacing supply, which he believes is inspiring many producers to explore new marketing channels for accessing these burgeoning markets (Brown 2009).

The Intervale Center is responding to this growing demand by working with farmers to develop creative, collaborative marketing solutions that are convenient, profitable and fair. The Intervale Food Hub began as a 2007 Northeast SARE project to address the barriers that prevent farms from expanding production and marketing product locally. The Intervale Center launched the Intervale Food Hub's multi-farm CSA in 2008, which has grown into a year-round enterprise with 24 farm collaborators. To address producer interest in marketing product more broadly, in 2010 the Intervale Center successfully piloted consolidated sales to restaurants, caterers, small grocers and institutions. Support from a Northeast SARE Sustainable Community grant was used to help the Center and farmers organize and implement financial and marketing plans that have allowed us to meet both sales and community-focused goals.

In this project, we aimed to engage 10 farms and 5 or more restaurants and catering businesses in Chittenden County in order to increase sales, streamline supplies and develop a model for marketing farm products that can be replicated by other groups. We conducted outreach to restaurants, held farmer focus groups to develop pricing and marketing systems, developed branding materials and launched the Food Hub's wholesale component. Through this work, we have helped farmers access the market in ways that are convenient, profitable and fair, thereby also increasing consumer access to local foods in restaurants and keeping more of every food dollar in our community.

## Cooperators

- [Sona Desai](#)

[sona@intervale.org](mailto:sona@intervale.org)

Food Hub Manager

Intervale Center

180 Intervale Road

Burlington, VT 05401

(802) 660-0440 (office)

## Research

Materials and methods:

As a participant-driven project, Intervale Center staff worked closely with farmers to determine product availability, wholesale pricing and the marketing and branding strategy; identify markets; establish a system for weekly communications and develop and execute a collaborative marketing plan.

We held 3 focus group meetings with farmers, attended by 20 farmers between January and April. From these meetings, we developed the logistics plan, invested in marketing materials and began moving product in June 2010. We also held a fourth farmer meeting in December to evaluate the first year.

We carefully documented our work to create a case study that will be useful to others who are interested in marketing collaboratively in Vermont and beyond.

#### Research results and discussion:

USDA Northeast SARE Sustainable Communities funding helped us work toward the following project outcomes:

- Strengthened relationships with and “buy in” from farm suppliers
- Identification of over 50 buyers resulting in 12 consistent wholesale accounts
- Development of brand and marketing materials
- Successful launch of farm-to-restaurant sales in May 2010
- Gross sales from restaurants totaling \$45,000 from over 12 restaurants/caterers
- Documentation of model to share with other communities

Staff has measured success of the program by whether we have met our projected outcomes. By these measures, we have successfully accomplished our outcomes with the exception of the \$5,000 shortage in sales. Despite this deficit, the pilot continued to generate significant farmer sales, positive feedback from buyers and demonstrate growth potential.

We have successfully documented our lessons so that we can share this model with communities throughout Vermont and beyond.

### **Participation Summary**

## Education & Outreach Activities and Participation Summary

### **PARTICIPATION SUMMARY:**

#### Education/outreach description:

We developed a producer catalog and point-of-sale marketing collateral for wholesale customers. We also updated our website to include interactive features for wholesale suppliers and buyers ([www.intervalefoodhub.com](http://www.intervalefoodhub.com)).

Educational efforts included the collaborative sales and marketing workshops delivered in partnership with RAFFL.

## Project Outcomes

#### Project outcomes:

Through this project, 16 farm businesses collaboratively sold products to 12

consistent wholesale accounts, grossing \$45,000, 85% of which (\$38,250) was returned to farmers. We increased the accessibility of local food for our community while improving farm profits and keeping more food dollars local. New markets were opened for farms and our farmer collaborative was strengthened. Overall, participating farmers have found collaborative farm-to-restaurant sales to be an additional revenue stream that overcomes barriers and requires minimal effort.

Feedback from participating chefs and buyers has also been overwhelmingly positive despite our \$5,000 shortage in sales. Chefs were impressed by the diversity of product available, the ease of ordering and the convenience of a single delivery. However, based on our initial outreach to restaurants, we had hoped for greater participation. Several chefs who expressed strong interest during the planning stages did not purchase once the Food Hub had launched. When contacted during the summer growing season, many chefs mentioned that it was a challenge to change their current ordering systems due to staff and resource limitations. Other chefs reasoned that if they had the time to market the use of local produce and train their customers to demand more local, then they could justify the higher price premiums associated with local purchasing. We will continue to communicate and work with these chefs over the 2010 winter season to help break down these potential barriers.

Our complete successes, challenges and recommendations are documented in our case study to be shared with other groups in Vermont and beyond who are interested in marketing collaboratively.

Overall, the farm-to-restaurant project was a success, engaging over 50 buyers, returning 85% of sales to farmers and resulting in improved local food accessibility and farm viability. The Intervale Center and farmers remain committed to continuing the wholesale enterprise and working towards expansion for 2011. Our regular wholesale customers have expressed satisfaction with the availability, diversity of product and efficiencies associated with the business and have urged us to continue offering future services.

Assessment of Project Approach and Areas of Further Study:

## Potential Contributions

In 2010, we shared the Food Hub model with groups from Virginia to Iowa to Ontario. This fall, we partnered with the Rutland Area Farm and Food Link (RAFFL) to deliver a series of workshops for Addison and Rutland County farmers who are interested in selling product collectively; this work has been funded through a mini-grant received as part of the Women's Agriculture Network's SARE project, Focus on Beginning Farmers. Our work is also slated to be profiled in a national food hub survey being conducted by the USDA's Agricultural Marketing Service as a model values-based short-chain distribution start-up.

## Future Recommendations

This project has been vital to helping us identify the future development of the Intervale Food Hub. We have learned that:

- It is important to establish a system for working with farm suppliers and apply that system equitably.
- Farmer buy-in is critical to the success of a nonprofit brokerage service. Some of the most important accounts we established resulted from farmers "giving up" individual relationships with clients to sell collaboratively, as these producers recognized the value of the Food Hub as a brokerage service. Similarly, it is

important that the business adds value for producers.

-Building a reputation as a supplier takes time and requires establishing solid relationships with buyers, who are interested in long-term, predictable relationships.

-One must assess market demand and take a realistic look at the opportunities for wholesale brokerage in one's own community.

-Making food accessible does not necessarily translate to increased participation.

There is a great deal of education, marketing, and persistence required to change purchasing habits.

- [Point of Sale Material: Postcard](#)
- [Point of Sale Material: Individual Farm Marketing: Adam's Berry Farm](#)
- [Case Study: Facilitating Collaborative Farm-to-Restaurant Sales in Chittenden County, Vermont](#)
- [Food Hub Point of Sale Material: Banner](#)
- [Food Hub Wholesale Marketing Brochure](#)
- [Point of Sale Material: Individual Farm Marketing: Maplewood Organics](#)

## Information Products

- [Food Hub Case Study](#) (Fact Sheet)
- [Food Hub Catalog](#) (Fact Sheet)

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