



Intervale
food hub *moving local food forward*

Intervale Food Hub

www.intervalefoodhub.com

Intervale Center
180 Intervale Road
Burlington, Vermont

A CASE STUDY

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INTERVALE FOOD HUB

The Food hub is a 24-member farmer collaborative managed by the Intervale Center (IC) that aggregates, markets and distributes local vegetables, fruits, cheeses, eggs, meats and specialty products. Our goal is to provide the greater Burlington community with convenient access to high quality foods while returning a fair price to farmers.



HISTORY

The Intervale Food Hub began as a research project of the Intervale Center in 2007. The research goal was to identify the existing barriers and opportunities to increasing local food production and consumption and find appropriate solutions for moving local food forward in Chittenden County. We implemented comprehensive surveys to assess both the supply and demand in our region. The supply research indicated that Vermont farmers were seeking to expand production and willing to collaborate to reach new markets. The demand research indicated a growing interest in local foods and a strong desire for increased accessibility.

In 2008, in collaboration with local farmers, the Intervale Center set out to develop a multi-farm collaborative that would aggregate, market and distribute local foods to the surrounding community in a way that ensures fair prices for farmers. In developing the Food Hub, the goal was to address access to local food and access to markets. Today, the Food Hub serves individuals, businesses, grocers, restaurants and institutions through two ways: multi-farm community supported agriculture (CSA) and wholesale marketing and distribution. By providing convenient workplace CSA delivery, the Food Hub makes it easier for community members to access fresh food; by providing wholesale services, the Food Hub makes it easier for chefs and buyers to conveniently purchase local foods with a single order, single delivery and a single payment. By working collaboratively, farmers are able to decrease marketing time, increase production and achieve profitability.



MULTI-FARM CSA

The multi-farm workplace CSA program was launched in 2008, providing convenient office delivery to employees of local businesses. The Food Hub CSA offers subscribers spring, summer and winter shares that include a variety of local products from vegetable, fruit and cheese shares to meat, eggs and syrup shares. The shares can be purchased individually or bundled together and prices range from \$50 to \$600.

The Food Hub CSA is committed to providing a consistent market and fair prices for farmers. The business pays farmers 20% advanced working capital before the start of the season to assist with farm cash flow and pays farmers slightly higher prices than they would receive through traditional wholesale markets in the region. In addition, the program strives to maximize the potential for marketing the participating farms and maintaining the connection between consumers and farmers through the website, events and weekly newsletters.

In its first year, the Food Hub partnered with 7 local employers to offer workplace CSA delivery to 120 employees. Since 2008, the CSA has grown approximately 60% annually. In 2010, the CSA expanded to serve 20 local businesses with a total of 325 employees. In 2011, the business is expanding to offer spring and student shares in addition to the established summer and winter share options. Financially, the workplace CSA currently operates on a 65% gross margin, generating \$300,000 in annual revenue and is striving to reach \$400,000 in sales by 2012.



WHOLESALE

In addition to the workplace CSA, the Food Hub launched wholesale marketing and distribution in 2010. The business aggregates, markets and delivers to local restaurants, caterers, grocers and institutions, providing chefs and food buyers with weekly product availability lists and enabling them to conveniently purchase a wide diversity of local foods with a single order and single delivery. The Food Hub provides fair prices to farmers and 100% traceability, maintaining farm identity, relationships and intimate knowledge of all products sold through the Food Hub.

In its first year, wholesale sales reached \$50,000, served over a dozen accounts and returned 85% to participating farmers. Our goal is to continue to grow by 25% annually, reaching \$100,000 in sales by 2012.

Collectively, the CSA and wholesale markets are projected to generate \$500,000 in sales by 2012.

OPERATIONS

The Food Hub is currently managed by the Intervale Center with significant farmer involvement in planning and leadership of the enterprise. Annual farmer meetings are held throughout the winter months. Farmer ownership is a possibility for the future; the IC, however, will retain ownership until financial viability is realized.

The Food Hub currently supports a full time manager and two $\frac{3}{4}$ FTE positions. The Food Hub manager is supported by a CSA coordinator that oversees member recruitment and management, CSA packing and delivery and workplace partnerships and opportunities. In addition, an operations coordinator is responsible for packing and delivery and oversight of the Food Hub infrastructure.

In addition to the operational team, the Food Hub is supported by other staff at the Intervale Center including the Executive Director, who provides budgetary and larger planning support and the Finance Manager, who provides critical financial and accounting support.

The role of the business manager has been essential for the success of the Food Hub. Critical skills required for this position are solid relationships with farmers, strong organizational abilities, patience, troubleshooting capabilities and business management skills. These skills would be necessary for any organization or group of farmers working towards a collaborative venture.



INFRASTRUCTURE

Our current facility is a renovated English Barn that provides 800 square feet of enclosed space and is located at the Intervale Center. Farmers deliver product here and all CSA and wholesale packing occurs in the barn as well. Additionally, the Food Hub owns a 10x12 walk-in cooler, two chest freezers and a delivery van. To accommodate business growth, the Food Hub will be looking to expand our facility, increase cooler capacity and invest in a refrigerated distribution truck in 2011.

PLANNING

Planning for the CSA is coordinated with the 24 farmers during the winter season and weekly orders are then confirmed throughout the share season. During the winter, a detailed crop plan is established with farmers that includes share contents, quantities, delivery dates and prices for each product and for each farmer. Preference is generally given to farmers based on their niche crops and what they supplied the previous year. Crops may be assigned to a single farm or in many instances; several farms will split the production. Back-up suppliers are identified for each crop. All other products including meat, cheese, eggs and syrup also have identified back up suppliers in the event of any shortfalls. As the business grows and increased and/or diversified supply is necessary, we plan to recruit additional farmers.

The wholesale enterprise operates with a “just in time” philosophy, meaning farmers send weekly product availability lists which are then consolidated and sent to local markets with final orders reported back to farmers. This way, the Food Hub is not saddled with standing inventory and the immediate obligation to sell product; rather, the business buys only what has been pre-ordered. Product is then distributed to restaurants along with invoices on designated delivery days. We primarily work with the Food Hub farmers for wholesale as well. Occasionally, we diversify and supplement the weekly product availability list using products from other farmers in our region. This only occurs if the product is unavailable through the Food Hub farmers.



MARKETING

As a workplace delivery program, the primary market for the CSA is Burlington area businesses and their employees. To recruit businesses, we promote the services available along with the benefits of employer participation. There is rising interest among employers to develop green initiatives and stronger corporate wellness programs for their employees. The Food Hub CSA fulfills these employer sustainability goals and simultaneously provides employees with an alternative workplace benefit and access to healthy, local food. Although the primary market is local employers, CSA shares are also available to the general public at select businesses that allow non-employee access in addition to an alternative pick-up option at the Intervale Center.

To recruit subscribers, the Intervale Center forges a partnership with area employers and determines a contact or local foods champion at each business. The champion assesses workplace interest, promotes the program to employees, assists with logistical coordination and distributes outreach materials to their employees via email, through their newsletters and/or as hard copies in common areas. In addition, the Food Hub has web presence (www.intervalefoodhub.com), allowing subscribers the ability to access share details and order online.

A deadline for subscription is imposed in order to collate the orders and report quantities back to participating farmers. All subscribers are given the option to pay in full at sign up or they can pay in monthly installments. Upon joining the CSA, subscribers are sent a welcome email along with a manual that details benefits including the weekly newsletter, storage tips, online recipes and farm events. In addition, the manual includes policies regarding share distribution, alternative delivery arrangements, basket returns and payment. Subscribers are then compiled into an email distribution list that is used throughout the season as the primary form of communication. At the end of the season, a comprehensive subscriber evaluation is developed and implemented to ensure a forum for feedback and to help better serve our members.

The primary market for the wholesale enterprise is restaurants, caterers, small grocers and institutions. To recruit wholesale customers, we promote the high level of quality, convenience and customer service available through the Food Hub. There is a great deal of time, coordination and commitment required for chefs and food buyers to purchase local foods. In addition, most buyers are constrained by time and resources, leading to limited local purchasing. The aggregated marketing and distribution business through the Food Hub alleviates these constraints, making it easier for buyers to purchase high quality, locally grown products through a single order and single delivery. In addition, chefs and buyers can rely on the Food Hub to determine which local products are in season and to provide detailed information on product origin, farmers and growing practices.

Initial outreach included contacting restaurants that we know, connecting with the cafeterias at the current CSA businesses and extending our relationships with local grocers and institutions. In addition, we developed a comprehensive list of Chittenden County restaurants, caterers and small-scale grocers and made cold calls. Currently, the complete list of interested local markets includes over 25 businesses.



QUALITY CONTROL, PRICING & PACKAGING

All participating farmers adhere to a set of product quality, packaging and delivery standards to address risk and ensure consistency. Standards are aligned with traditional protocol for selling wholesale to retailers. Food Hub staff check all farmer product to ensure compliance upon delivery and reserve the right of refusal in the event of noncompliance. In addition, individual farmers and the Food Hub honor credits for quality issues within 48 hours. The business also requires proof of product liability insurance from each participating farmer. As for permit and license considerations, the Food Hub is considered an unregulated food establishment according to the Vermont Department of Health, however the Food Hub follows best practices. We currently hold a Meat Handlers license under the Vermont Agency of Agriculture and have obtained a PACA (Perishable Agricultural Commodities Act) license from the United States Department of Agriculture.

To ensure consistent and fair pricing, the Food Hub has a comprehensive price list for all farmers to follow. There are two price lists; one for the CSA and one for wholesale. CSA prices range between wholesale and farm gate prices while the wholesale prices mimic traditional wholesale prices in the region. All prices are set in collaboration with the farmers. The availability and prices can fluctuate throughout the season; however, this list provides the general parameters for availability and cost.

In terms of packaging, the Food Hub delivers all CSA shares in reusable plastic shopping baskets. For wholesale, the Food Hub currently only offers customers whole and half cases. To ensure consistency, cleanliness and sustainability, we use Returnable Plastic Containers (RPCs) for wholesale as well.

With regards to growing practices, the Food Hub does not require organic certification from participating farms. Although certification is encouraged, we recognize that there is no one size fits all for our farmers and our markets. Seventy percent of our producers are certified organic while the others are either utilizing integrated pest management or are practicing organic methods without certification. Regardless of certification, the Food Hub promotes sustainability and profitability for our farms.



PACKING & DISTRIBUTION

Weekly CSA orders are confirmed with farmers every Monday morning and product is delivered to the Food Hub on Tuesdays. Member shares are packed and delivered on both Wednesdays and Thursdays to the business locations.

Distribution for wholesale occurs twice a week on Tuesdays and Fridays. Farmers provide product availability lists to the Food Hub staff on Wednesday mornings and Friday mornings. These lists are consolidated and sent to chefs and buyers that morning. Buyers have until Thursday morning and Monday morning by 9am to place their orders. Market orders are consolidated and immediately reported back to farmers. Farmers deliver the product to the Intervale Center by 10am on Tuesday and Friday mornings. Orders are sorted, loaded into the delivery vehicle and delivered to markets between 11 am and 3pm.

A combination of excel spreadsheets are used to manage CSA and wholesale packing and distribution and to streamline the collection of farm and market orders. The Food Hub is currently working to implement web-based systems to more efficiently manage the logistics of wholesale and the CSA.



ANALYSIS

The feedback from participating individuals and businesses has been overwhelmingly positive. The CSA has continued to grow by 60% annually since our first year in 2008. Although the wholesale enterprise is in the early stages, we managed to meet our first year sales target. Overall, operations ran smoothly, product quality and consistency was maintained and buyers were pleased with the ease of ordering, distribution and payment.

Our primary challenge has been managing a fast growing business within a non-profit structure. The growing needs of the business are occasionally stymied by resource limitations of the non-profit organization. Other smaller challenges include the inherent difficulty of coordinating with multiple producers, working through competition issues, setting common prices, ensuring farm identity is maintained, maintaining a high level of customer service and securing funding for capital improvement.

Our primary success has been that the Food Hub is well received by employers, subscribers and wholesale accounts. We have found that 85% of our CSA subscribers are new to the concept. This is a critical achievement as we have effectively grown the market for local foods by attracting new customers and have created a significant source of revenue for our farmers. In our third year of business, we have generated over \$300,000 in local food sales, with over \$200,000 for our participating producers. Other successes include overall farmer satisfaction, assurance of fair prices, strong farmer camaraderie and a desire to continue the collaboration.

FUTURE

Our next steps will focus on expanding our packing facility and investing in additional infrastructure. We will also increase marketing efforts and continue recruitment for CSA and wholesale. At this time, our service area is limited to the greater Burlington region; in the future, we will consider opportunities for expanding our geographic area. Our goal is to reach financial viability by 2012 and explore opportunities for farmer ownership.

FOOD HUB FARMERS

Adam's Berry Farm — Burlington, Adam Hausmann
AH Mushrooms — Colchester, Amir Hebib
Arethusa Farm -- Burlington, Thomas Case and Benner Dana
Bella Farm — Burlington, Rachel Schattman and Kelli Brooks
Brotherly Farm — Brookfield, Craig and Angela Russell
Burnt Rock Farm — Huntington, Justin Rich
Champlain Orchards — Shoreham, Bill Suhr and Andrea Scott
Does' Leap Farm — East Fairfield, Kristan Doolan and George van Vlaanderen
Dragonfly Sugarworks — Huntington, Paul Limberty and Jennifer Esser
The Farm Between — Jeffersonville, John and Nancy Hayden
Hazendale Farm — Greensboro, David Allen and Diana Griffiths
Jericho Settlers' Farm — Jericho, Christa Alexander and Mark Fasching
Maple Wind Farm — Huntington, Bruce Hennessey and Beth Whiting
Maplewood Organics — Highgate, Eric and Hannah Noel
Mount Mansfield Creamery — Morrisville, Stan Biasini and Debora Wickart
Open Heart Farm — Burlington, Rachel Daley and Josh May
Old Stillhouse Farm — Huntington, Paul Limberty
Pitchfork Farm — Burlington, Eric Seitz and Rob Rock
Riverberry Farm — Fairfax, David Marchant and Jane Sorenson
Rockville Market Farm — Starksboro, Eric and Keenann Rozendaal
Screamin' Ridge Farm — East Montpelier, Joe Buley
Stray Cat Flower Farm — Burlington, Diana Doll
Sugarsnap Farm — Burlington, Abbey Duke and Jen Miller
Valley Dream Farm — Cambridge, Anne and Joe Tisbert
Willow Hill Farm — Milton, Willow Smart and David Phinney



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For 23 years, the Intervale Center has been dedicated to preserving agricultural resources. We help farmers bring their products to market and promote land use that protects Vermont's water quality and sustains Burlington's Intervale, 350 acres of farmland, nursery, trails and wildlife corridors along the Winooski River.