

STARTING A

COOPERATIVE

PURCHASING PROGRAM

FOR FARMER COST-SAVINGS

HOSTED BY CORNELL COOPERATIVE EXTENSION

FUNDED BY NORTHEAST SARE

PRESENTATION BY FAITH GILBERT



Cornell Cooperative Extension

Capital Area Agriculture and Horticulture Program



IN THIS WEBINAR

Intro to the Hudson Valley Farm Bulk Order program

Starting a bulk order program: resources, process, feasibility

Running a bulk order program: workflow and lessons learned

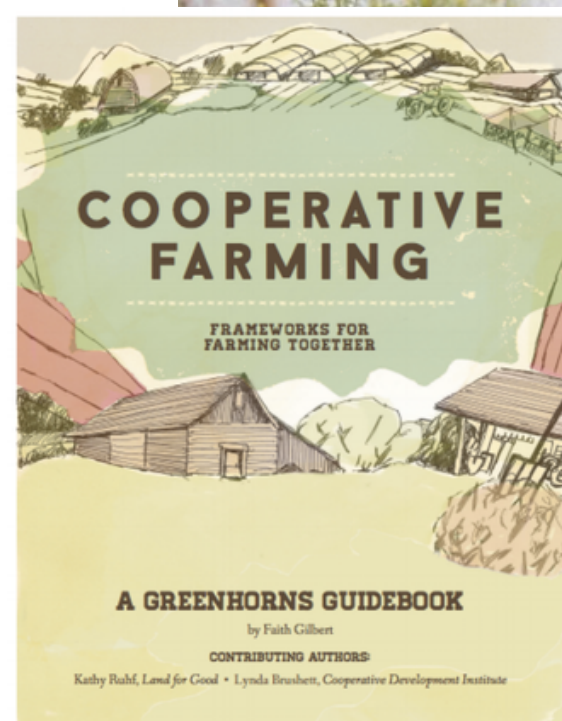
Organizing tools and templates

Q & A

THANK YOU TO OUR SPONSORS

This webinar is hosted by Cornell Cooperative Extension and funded by Northeast Sustainable Research and Education (NESARE). The Hudson Valley Farm Bulk Order's pilot year was funded by a NESARE Farmer Grant, #FNE20-953.





INTRODUCTION

FAITH GILBERT

FARMER

Vegetable farmer, partner at Letterbox Farm Collective in Hudson, NY 2013-2021

EDUCATOR

Trainer/coach in farm financial management

COOPERATOR

Advocate for food systems cooperatives, author of Cooperative Farming: Frameworks for Farming Together, and A Guide to Sharing Farm Equipment





Hudson Valley Farm Bulk Order

A Farmer-to-Farmer Cost Savings Program

The Hudson Valley Farm Bulk Order is a new cost-savings program in its second year. The program is organized by Faith Gilbert and fiscally sponsored by Good Food Farmers Network. Information can be found at www.hvfarmbulkorder.com.



ABOUT OUR PROGRAM

62

FARMS

Participants are majority small and beginning produce farms from 5 neighboring counties

\$175K

SUPPLIES PURCHASED

From 9 vendors of common farm inputs, like fertilizer, cover crop seed, irrigation

2

PICKUP SITES

Both working farms, on each side of the river, in the Hudson River Valley of New York State

\$40K

IN DISCOUNTS

Passed on to farms. Average discount per farm this year was \$633, or 22.5%

300

ORGANIZING HOURS

180 administrative, plus labor receiving and distributing supplies, January through March

6.5%

MARKUP

Funds the program. Program appears to be self-sustaining after its first grant-supported year



WHO WE SERVE

Our participants are small, commercial-scale, produce-focused diversified farms in their first 10 years.

UNDER 10 YEARS IN OPERATION

75%

Over \$500K

4%

\$250K - \$500K

12%

\$100K - \$250K

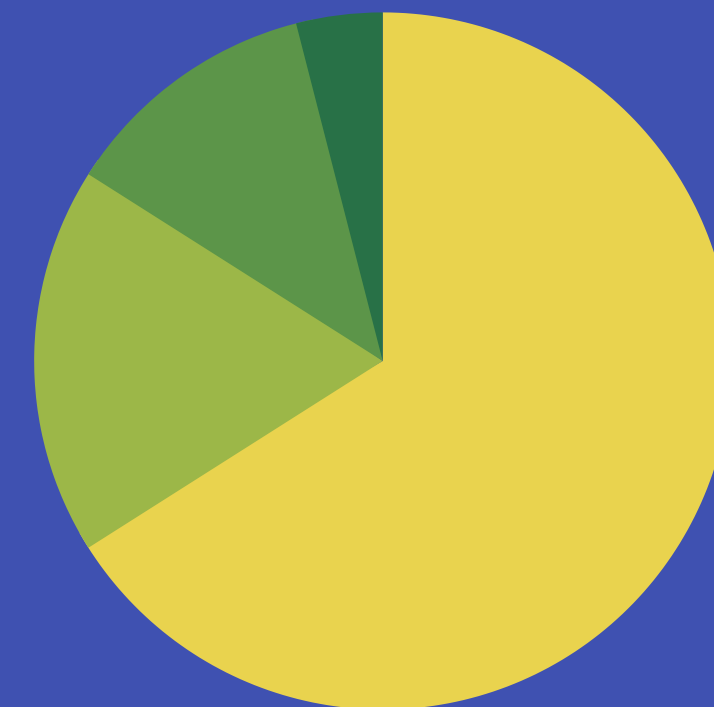
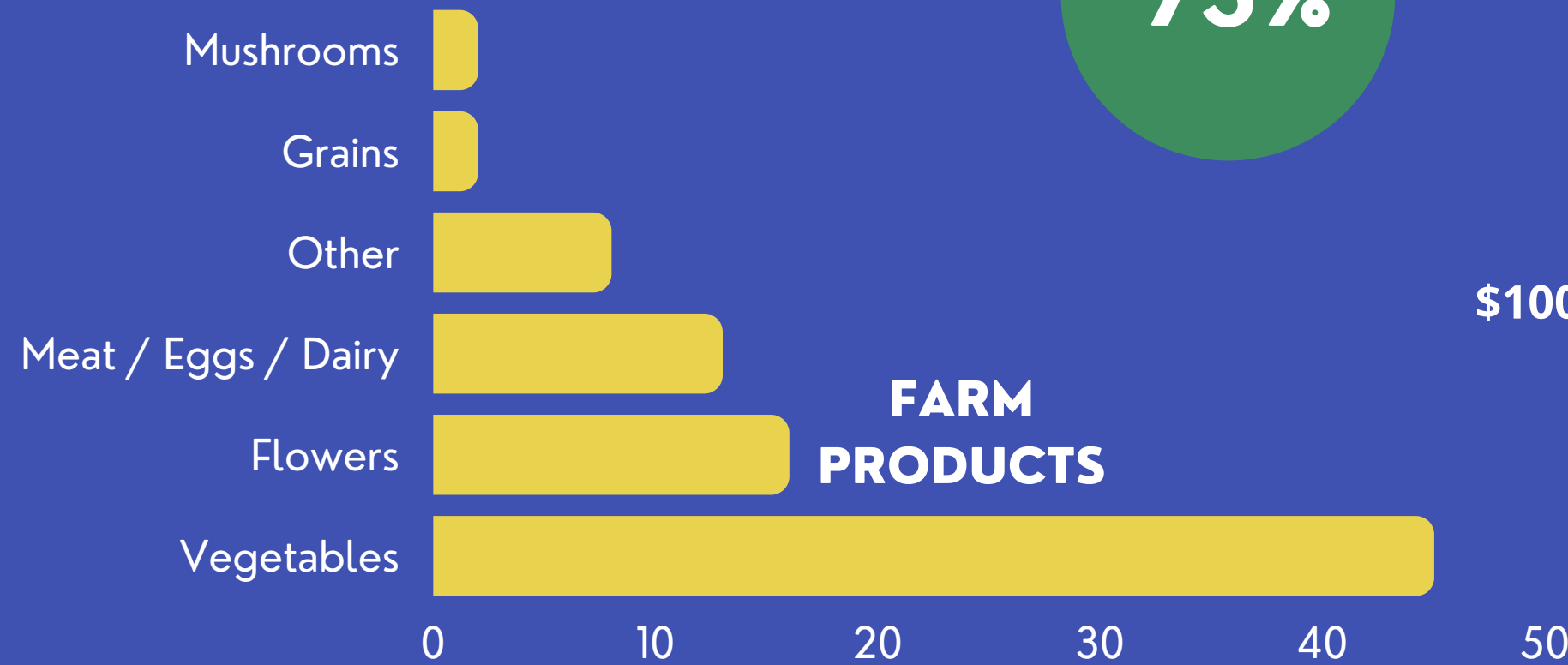
18%

ANNUAL REVENUE

Under \$100K

66%

FARM PRODUCTS



HOW IT WORKS

Vendors contacted, catalog developed in December

Orders open in early Jan (via a spreadsheet catalog)

Orders close and are processed mid-Feb, orders placed with vendors

Supplies arrive to pickup sites mid-March, are packed out by hand with printed packout sheets and clipboards

Farms pick up on designated pickup days in late March

Backorders processed and picked up in late April

The program is weighted toward produce farming largely because the program works well with seasonal, one-time purchasing, and because it is one of the stronger and more common business models for small and start-up farms in our region.



FARMER BENEFITS

OVERALL
SATISFACTION
98%

"Thanks so much for doing this! It's so nice to get everything in one place, avoid shipping, AND get a discount!"

"Thank you for your hard work organizing us."

SAVING MONEY

Average saving \$633, highest savings \$3k, 22% in 2022

SAVING TIME

Ease of ordering, eliminate out-of-state supply runs

INCREASING ACCESS

No per-vendor minimums, don't need loading equipment

STRATEGIC SOURCING

Price-shopping, suggesting good products

COMMUNITY DEVELOPMENT

Harnessing collective power & increasing industry autonomy





ORGANIZING A BULK ORDER PROGRAM





INGREDIENTS FOR SUCCESS



CRITICAL MASS OF FARMS

We needed about 30 per distribution site. Farms should be within an hour's drive.



PREDICTABLE PURCHASING

Identifying commonly used vendors, predicting sales volume is helpful for budgeting and meeting vendor minimums



ANCHOR VENDOR(S)

One or more core suppliers that everybody orders from, and can give good discounts



A GOOD EMAIL LIST

Our simple outreach plan relied on an existing list serv with a large membership



WILLING HOST SITES

With a generous attitude and reasonable equipment and infrastructure. Covered space is extremely helpful



WILLING ORGANIZER

With strong excel skills and ability to organize information



RESOURCES NEEDED

OUR PILOT YEAR REQUIRED...

~12K in grant funds (we ended the year with \$6500 in operating funds)

~270 organizing hours (60% repeat tasks, 40% development tasks), plus packout

Fiscal sponsorship / administrative home (little to no overhead costs)

OUR SECOND YEAR IS STILL IN PROGRESS. WE RECEIVED A SMALL LOCAL GRANT (\$1K), BUT RELIED ON PROGRAM REVENUE. WE EXPECT TO NET A SMALL SURPLUS. HOURS WERE REDUCED TO 180 ADMIN, PLUS PACKOUT.



STEPS TO ORGANIZING

RESEARCH AND LEARNING

SURVEY AREA FARMS

VENDOR INQUIRIES

IDENTIFY DISTRIBUTION SITE(S)

SECURE FISCAL SPONSORSHIP OR
OTHER LEGAL/FINANCIAL HOME

CHOOSE ORDERING PLATFORM

BUILD WEBSITE WITH KEY INFORMATION

LOCK IN VENDOR RELATIONSHIPS AND
DISCOUNT TERMS

BUILD THE CATALOG AND DETERMINE
PRICING

SET UP BILLING/PAYMENT PLATFORM

PUT THE WORD OUT





ACHIEVING DISCOUNTS

FULL PALLETS

Simply filling out pallets can cut the cost of shipping per item in half or more.

VOLUME DISCOUNTS

Most farm suppliers are also low-margin businesses, but may offer 3-12% in volume discounts across the board, and/or free shipping.

PRICE SHOPPING

We find and list cheaper alternatives when possible.

DIRECT HAUL VS. UPS

Per pallet or item shipping can easily cost 10-30% additional. A full truckload may cost 1-2%.

BULK ITEM PRICING

For a single product - like poultry crates, or harvest bins - we can fill out full pallet orders for big discounts.

CASH PAYMENT

Businesses may credit ~2% on and order paid in advance by check.





FEASIBILITY & BUDGET

OUR PROGRAM REQUIRES A 6.5% MARKUP TO OPERATE.

\$4500	2.5% Site Payments (equivalent of \$750 site/equip rental, plus 60 hrs @ \$25/hr)
\$5000	3% Administrative Fee (equivalent of 180 hours at \$30/hr)
\$750	.5% Expenses: supplies, payment processing fees, website

ADDITIONAL FUNDS NEEDED FOR DEVELOPMENT

ADDITIONAL FUNDS NEEDED TO BUILD UP OPERATING RESERVE



OUR "SWEET SPOT" IN SCALE

30 PARTICIPANTS PER SITE, AVG. ORDER \$2500, IS A GOOD PLACE TO BE

Consistently fill pallets and make good orders from vendors

Sites at capacity but not (very) overwhelmed

2.5% of that revenue is fair compensation for sites

Making use of existing infrastructure and hired staff - funds stay in farm community

POSSIBILITIES FOR GROWTH: SECOND, FALL DISTRIBUTION

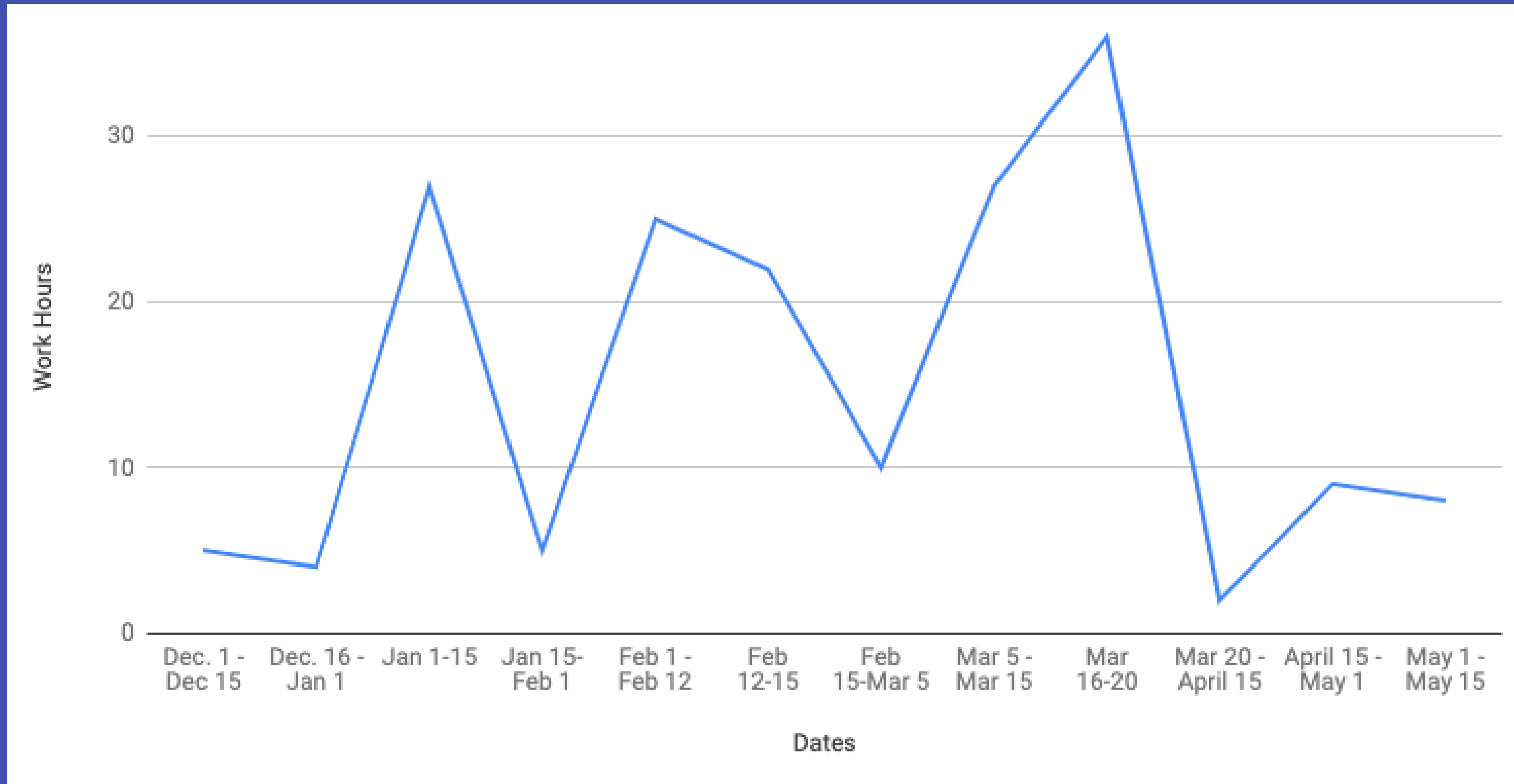
ADDING ADDITIONAL SITE

CONSOLIDATING TO CENTRAL WAREHOUSE



RUNNING A BULK ORDER PROGRAM





The Bulk Order is tightly scheduled in the year, with several spikes of long work hours entering & organizing data. It's manageable for one person half-time, but helps to have flexible other commitments. Our program requires 180 admin hours over 4 months.



WORKPLAN



NOV / DEC

Reach out to vendors, update catalog

Reach out to sites

Confirm distribution dates

Preliminary outreach



JAN

Finish catalog

Outreach / open orders

Collect and process orders

Collect payments



FEB

Close orders

Process huge volume of last-minute orders

Sort and get orders to the vendors ASAP

Follow up continually with vendors



MARCH

Lean on vendors to get orders shipped on time

Prep packout info sheets and supplies

Site visits, communications week before pickup

Site support through pickup weekend

Process missing item info



APRIL

Follow up on backorders / refunds

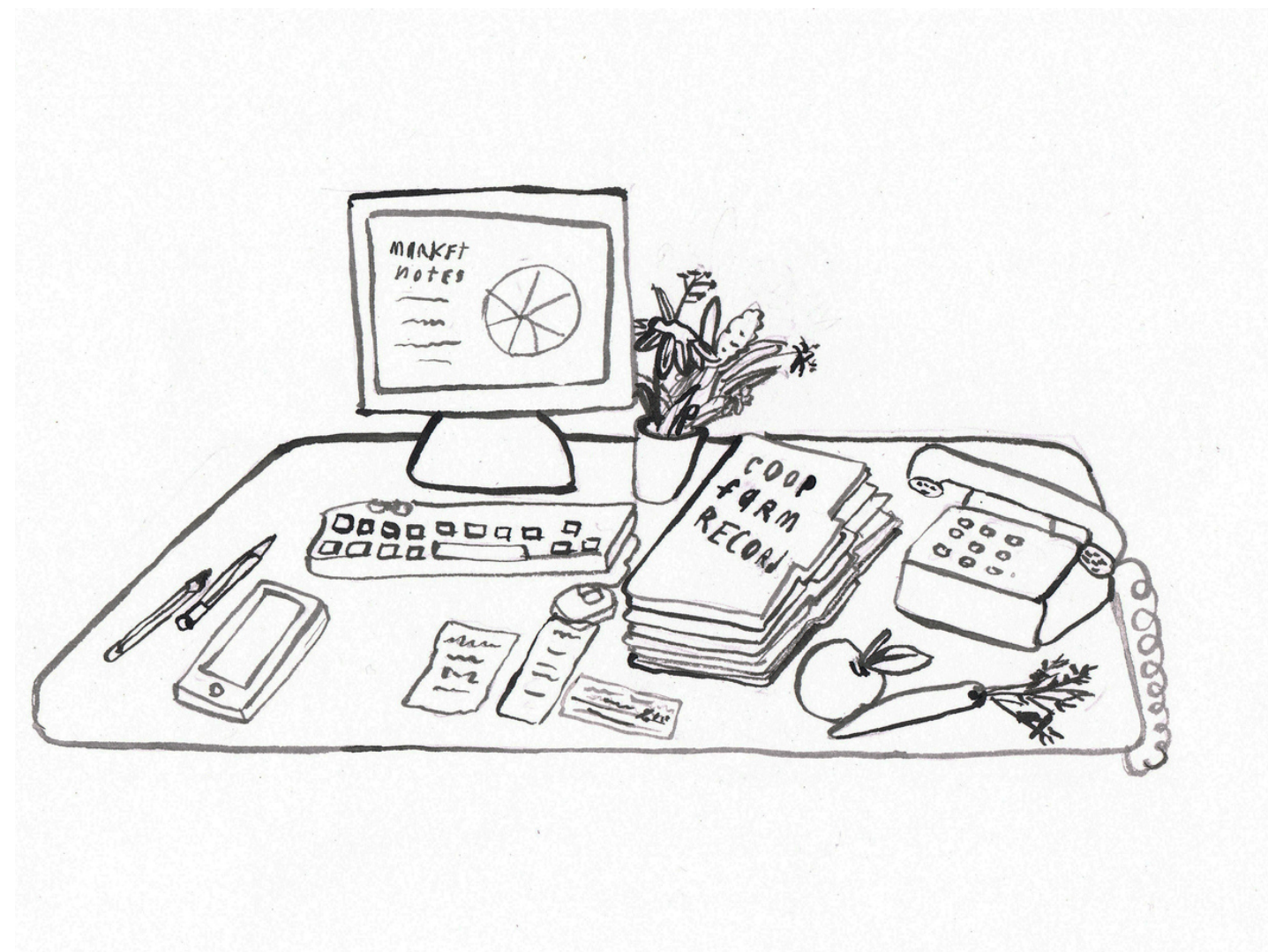
Support sites through backorder day

Program wrap up, payments, records





ORGANIZING TOOLS



OUR SIMPLE TOOLS



Hudson Valley Farm Bulk Order
A Farmer-to-Farmer Cost Savings Program

Home Order Form FAQ Vendors & Discounts Contact Start a Bulk Order Program

[Access Google Sheets Order Form](#) [Download Sales Tax Exempt Form](#)

How To Place Your Order

1. Click on the Order Form link that will direct you to make a copy of the sheet.
2. Fill out your order information. Be sure to select your preferred pickup site. Unless you prefer to pay by credit card, leave the Online Bank Transfer payment method selected.
3. Read and accept the customer agreements.

WEBSITE WIX BASIC

Participants have to go here to get the form. While they're here, we encourage them to read the FAQs. They can also message us or subscribe to a mailing list.



OUR SIMPLE TOOLS



Click File --> Make a Copy to enter your order. Email or share completed order sheet to hvfarmbulkorder@gmail.com

Item	Enter Your Order Quantity Here	Bulk Order Price	Catalog Price + Shipping	You Save	Subtotal	Discount	Vendor Code	Item Number
					0.00	0.00		

Order Info

Name (Your Name or Farm Name you will use for pickup):
 Phone Number:
 Email:
 Farm Address & Zip Code:
 Mailing Address (for refund checks) if different from above:

Choose Payment Method: Online Bank Transfer - Free Bank transfer is preferred. Credit card requires 3.5% fee. We will provide you an invoice with a link for digital payment.

Choose Pickup Location:
 Choose Pickup Day/Time:

Opt In

Are you interested to volunteer on distribution weekend or backorder day?

If we have significant backorders this year, we will help arrange shared pickups of backordered items. If you would like to take part in this service, may we share your farm location and contact with others?

Amendments

PELLETED POULTRY MANURE FROM KREHER FAMILY FARMS								
<small>Poultry-manure based pelleted dry fertilizers - a popular and economical choice for fertility management. See nutrient analysis for all blends and OMRI certificate (for 5-4-3 blend) at https://www.krehereggs.com/compost-fertilizer</small>								
5-4-3 OMRI Single 50# Bag		13.00	17.70	27%	0.00	0.00	CAR	KRR543
5-4-3 OMRI Full Pallet (1 Ton - 50 40# Bags)		585.00			0.00		CAR	KRR543FP
7-2-6 Single 50# Bag		25.00	31.70	21%	0.00	0.00	CAR	KRR726
8-2-2 Single 50# Bag		25.00	29.70	16%	0.00	0.00	CAR	KRR822
LIQUID FERTILIZERS FROM NEPTUNES HARVEST AND FERTRELL								
Neptune's Harvest Fish Fertilizer 2-4-1, 1 Gal.		30.00	34.70	14%	0.00	0.00	PG	12221

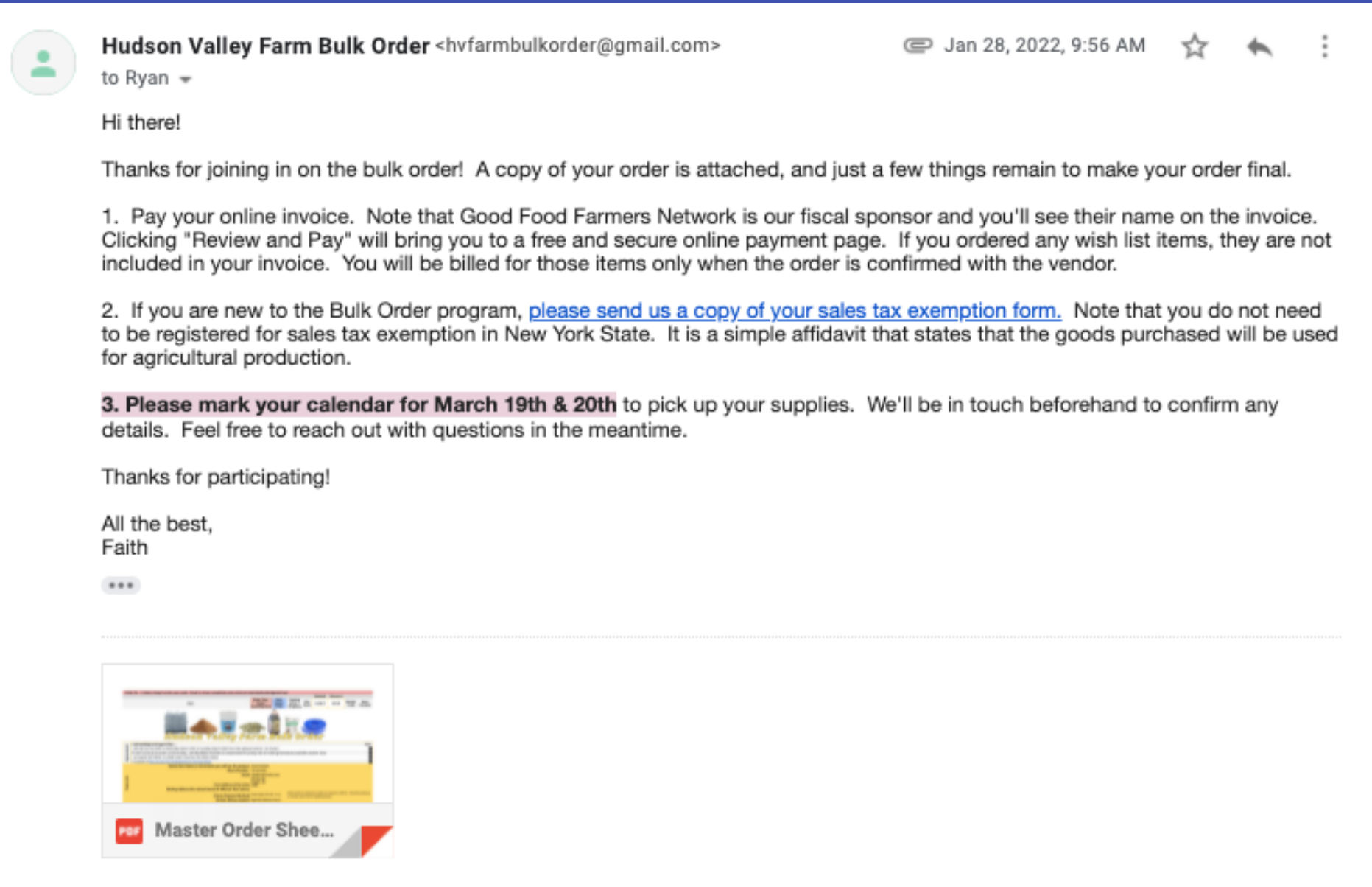
ORDER FORM

GOOGLE SHEETS

A single column copy-paste collects all needed info. Item totals and discounts are calculated.



OUR SIMPLE TOOLS



DEDICATED EMAIL GMAIL

Participants share their sheets or email to us, and we use template email responses to confirm their order and remind them of key info.

OUR SIMPLE TOOLS

Invoice #1102 Share Settings Help

Customer ? Cc/Bcc Customer email ? Send later ?

Online payments Edit

OFF Cards ON Bank transfer

BALANCE DUE
\$9,751.25
Receive payment

Last Delivery: Sent by email to leslielewis.90@gmail.com at Mar 8, 9:26 am Eastern Standard Time

Billing address

Terms ? Invoice date Due date

[Create recurring invoice](#)

P.O. Number Sales Rep

Reminders Edit

#	PRODUCT/SERVICE ?	DESCRIPTION	QTY	RATE	AMOUNT	TAX
1	Bulk Order Items	See attached order form for details	1	9,751.25	9,751.25	
2						
					Subtotal	\$9,751.25

Add lines Clear all lines Add subtotal

PAYMENT PROCESSING QUICKBOOKS ONLINE

We only take digital payment, with few exceptions. We pay a low ACH processing fee, but skip the administration costs of tracking and depositing checks. We pass on credit card fees to participants.



OUR SIMPLE TOOLS



PACKOUT CLIPBOARDS, PAPER AND PENS

A clipboard per farm with farm name (large), packing list, exit ticket, missing item information.

Packout sheets per item for each vendor.



OUR SIMPLE TOOLS



1	A	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
	Vendor Name	Email	Reached Out?	Confirmed Discount Terms?	Updated Catalog - Bulk Price?	Updated Catalog - Price to Members?	Updated Catalog - Retail price comparison?	Discounts & Pricing Summary	Order lead time needed	Sent Order?	Confirmed order?	Reviewed order?	Received Invoice?	Sent Payment?	Payment Info:
2	This Year's Confirmed Vendors		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
9			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
10			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
11			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
12			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
13	Past / Future / Non-Active Vendor														

ORGANIZING WORKBOOK GOOGLE SHEET

A single workbook with workplan, site info, vendor info, checklists, email templates and recordkeeping





THANK YOU! AND QUESTIONS

Faith Gilbert

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Thank you to Cornell Cooperative Extension for hosting and to Northeast Sustainable Research and Education (NESARE) for funding our pilot.

