

# **Evaluation of the Intervale Food Basket: *Perspectives from Participating Farmers***

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***Conducted by research partners from the University of Vermont:***

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## Table of Contents

Introduction.....	2
Methodology.....	2
Sample and Procedures.....	2
Data analysis.....	2
Evaluation of the Food Basket Process .....	3
The Multi-Farm Collaborative Model.....	3
Rating of Food Basket Implementation Areas .....	4
Price Points.....	5
Crop Planning .....	5
Schedule and Drop-off Process .....	7
Marketing, Advertising and Membership Growth .....	7
Developing the Food Hub.....	9
Working with Intervale Staff .....	9
Participation in Business Planning and Implementation .....	10
Additional Services, Resources and Practices to Benefit Farms .....	10
CSA share mix.....	10
Target markets/additional CSA models .....	10
Public awareness of farms .....	11
Business support .....	11
Increasing farm profitability and sustainability .....	11
Impact of the Food Basket on Farms .....	12
Changes to Farm Production.....	12
Physical Expansion and Changes to Operation Practices.....	12
Packaging.....	13
Labor and Distribution .....	13
Access to Markets and Accounts .....	13
Financial Analysis.....	14
Conclusions and Recommendations .....	16
Key Benefits to Farmers .....	17
Recommendations .....	18

### List of Tables

Table 1 Farmer ratings of the Food Basket.....	5
Table 2 Summary statistics from farm financial data, 2007-2009 .....	14
Table 3 T-test comparison of changes in average figures over time, 2007-2009.....	15

## Introduction

This report presents the evaluation findings of the implementation and impact of the Food Basket, a multi-farm community supported agriculture (CSA) collaborative, from the perspective of participating farmers. This report summarizes key findings, including 1) what worked and did not work with the Food Basket and the multi-farm collaboration, 2) economic and other impacts on farms/businesses, and 3) recommendations for future improvements.

## Methodology

### Sample and Procedures

All 18 farms that provide product to the Food Basket share mix completed an in-depth interview for this evaluation. Farmer's were initially contacted by email to inform them of the interview process and invite their participation. This communication informed them that the survey would take about 30 to 60 minutes to complete, that participation is voluntary, and responses are confidential. Subsequent email and telephone calls were made by the research team and Intervale staff to schedule interviews with each farm. Farmers participated in a variety of ways, including completing and mailing or faxing a paper copy of the survey or emailing an electronic file. Farmers also participated by telephone or in-person, on-site interviews.

A series of 10 questions were asked, including several multi-part questions and a quantitative rating of Food Basket implementation areas. Researcher discretion was afforded for asking relevant follow-up questions, as needed. Topics covered include 1) what worked and did not work with the Food Basket and the multi-farm collaboration, 2) economic and other impacts on the farm/business, and 3) recommendations for future improvements. Interviews took between 30 minutes to three hours to complete, depending on the depth of information individual farmers chose to provide. Additionally, farmers also provided or were assisted in providing financial information spanning 2007 to the present, including farm gross sales, gross sales for items similar to those sold through the Food Basket, and sales earned from the Food Basket.

### Data analysis

Survey responses were compiled by question and unique identifiers were used in this aggregation process to protect farm confidentiality. A thematic analysis of qualitative data was conducted (Glesne, 1999; Patton, 2002) by coding key based on the existing framework of research questions and common and divergent themes that emerged by question and across questions from repeated reviews of field notes. Validity was verified through investigator triangulation and multiple independent reviews of data and analyses. Quantitative data were analyzed using Microsoft Excel 2007 and the Statistical Package for the Social Sciences (SPSS) 17.0. Means comparisons (paired samples t-test) were conducted to examine change in farm financial figures over time. P values less than or equal to .10 were deemed significant.

## Evaluation of the Food Basket Process

The first section of this report reviews farmers' evaluation of the Food Basket process, or how the enterprise is carried out. This includes farmer perspectives on the multi-farm collaborative model, rating of process areas and farmer participation in the Food Basket business planning and implementation. Additional resources that would benefit farmers and additional suggestions for carrying out future projects are also discussed.

### The Multi-Farm Collaborative Model

The Intervale Food Basket provides a comfortable, low pressure environment in which farmers are respectful of one another and willing to collaborate. The consistent annual growth indicates that the program is working. A strong benefit of the collaborative model is that multiple farmers allow room for difficult growing seasons without effects felt by the end consumer. A person explained that farmers are "not made to feel guilty" and that "Sona does a good job to be flexible enough to make things work...other farmers fill in." Likewise, another recognized the potential of the Food Basket to be "a potential market for surplus bumper crops." To address issues such as weather, flooding, disease/pests, or crop failure, Sona has a list of back-up farmers to call for times when agreed on products cannot be supplied. Multiple farms also increase the CSA's capacity to offer a diversified and high quality product mix from different producers. The Food Basket is also in line with the local foods movement, as one person noted, "I think customers like supporting several local farm families at once."

*"The success is that so many farms are able to benefit by reaching customers outside of their usual areas. Challenge is that so many farms offer the same products, so they only benefit by the increase of the one selected product."*

Farmers also benefit from being part of a larger collaborative that reaches customers they may not have time or capacity to reach. One farmer said that his farm cannot sustain its own CSA as he prefers focusing on growing certain crops really well rather than growing a diversity of crops with the potential for less quality. The Food Basket allows him to be a part of a CSA and sell large quantities of one product that he grows best, such as carrots, rather than spread operations too thin. However, other farmers face the challenge of a learning curve, noting that they are in the process of "figuring out what crops make the most sense to wholesale for us." Collaboration that is coordinated by a central person also allows farmers to focus on growing rather than be burdened by the paperwork and marketing end of the business. The collaborative also provides a support and resource network, such as getting to know other farmers and knowing other farms' production capacity. One farmer is interested in making soup as a value-added product and will purchase products that he does not grow from other farms. Farmers also benefit from the resources and expertise available from Intervale staff who manages the Food Basket.

Challenge arises in establishing specific items and quantities for each farm to produce. All farms should feel that the Food Basket is worth their participation, that there is a fair distribution of sales across all farms, and farmers are paid a fair price. Some interviewees recommend developing a process to determine how many and which farms should participate, especially if the Food Basket is to move towards a farmer-owned model. One interviewee explained that the “challenge is that so many farms offer the same products, so they only benefit by an increase of their one selected product.” However, another offered that enough farms supply “specialty products,” which mitigates these challenges.

Another obstacle to overcome is avoiding product overlap, while still treating each grower equally. Multiple farm involvement also poses the potential for competition and contention among farmers if farmers perceive that they are not treated equally. Yet farmers commented that they are “not aware of any conflict” and that “farmers are not being greedy...not trying to pick off others.” A few were unclear on how current farms were selected to be involved in the Food Basket. One farmer said that some neighboring farmers wonder why they were not involved. Some also were not clear on the Food Basket’s goal for growth, such as to support the original farms or help “newcomers” grow. Increasing volume to support more shares could be a barrier for smaller farms because they have limited field space and crops.

Overall, farmers are very glad to be working with a good group of reasonable people. Working with farms of different sizes may be a challenge, though. For a smaller farm, a \$3,000 seasonal order may be a large sale and portion of their market, whereas this sale may be regarded as “normal” for a larger farm. Decisions about CSA growth potential need to be agreed upon by the farmers themselves, not simply set by the Intervale. There is a question of whether or not the larger farms will be satisfied with smaller, new farms getting products they can supply. The best method of avoiding conflict in a scenario such as this is to thoroughly discuss the situation. Farmers want and need to become more involved in setting goals for levels of sales by farmer members.

### **Rating of Food Basket Implementation Areas**

Farmers were asked to rate each of the following topic areas on a scale from 1 to 4, with 1 representing a rating of poor, 2 representing fair, 3 representing good and 4 representing excellent. Table 1 displays the summary statistics of ratings for each area. Areas that received the most favorable ratings were the process to schedule and drop off produce for inclusion in the Food Basket mix, working with Intervale staff, and the price points of Food Basket sales to farmers. Overall, all areas received positive reviews demonstrating that farmers have had a high quality experience in being part of the multi-farm collaborative. The lowest average rating of 3.2 was received by the crop planning category. Areas are discussed in further detail as follows, with a summary of what aspects worked best for farms and suggestions for improvement.

**Table 1 Farmer ratings of the Food Basket**

	<b>Low rating</b>	<b>High rating</b>	<b>Average rating</b>
Scheduling and drop off	4	4	4
Working with Intervale staff	3	4	3.9
Price Points	2	4	3.6
Marketing and advertising	3	4	3.4
Developing the Food Hub	2	4	3.4
Crop planning	1	4	3.2

***Price Points***

An overwhelming response was that Food Basket prices are great for farmers. One person noted that “wholesale volume at a higher [retail] prices” really supports farm viability. Some farms that do not generally sell wholesale are very pleased with the Food Basket’s price points, describing them as “fair and attractive.” The majority of the farmers recognized that the price points from Food Basket sales are better than most if not all other wholesale outlets. A few farmers estimated that Food Basket prices were “approximately 10% to 15% higher than some retail outlets” although another noted that the prices were not as high as he could get from some direct retail. Intervale staff is also amenable to adjusting prices as needed and adding other products to the share mix based on farmer recommendations. Another complimented that billing procedures are clear and that they know when they will be paid and when their account is balanced. Further, the distribution process is cost effective as farmers benefit from delivering a large volume of products sold at higher price points to one central location. Overall, farmers shared the sentiment that the convenience of having a large, pre-planned quantity of produce for sale and a known revenue stream makes participation in the Food Basket worthwhile.

***Suggestions to improve***

Though many farmers were satisfied with this overall process, some would like more involvement in determining the Food Basket’s price list and recommended better communication between farmers and staff during this process. Farmers would also like staff to continue providing advance notice of orders and some expect the number of orders and sales volume to grow. A few farmers questioned whether or not the prices were too high to be sustainable, implying that perhaps the prices should be lowered in order to increase or maintain demand. Ideally, farmers interviewed would like prices to be affordable for customers, but also fair to farmers. It was also suggested that prices should include the overhead cost of supporting a permanent Coordinator position.

***Crop Planning***

Farmers were asked to discuss how the process to plan for Food Basket crops, including fall/winter meetings and spring crop plan itemization, worked for their farm and suggestions for improvement. Most farmers like the organization and clarity of the existing process, facilitated by Sona Desai’s organization skills. Farmers appreciate how Food Basket’s pre season planning system operates because other buyers often provide little to no advance planning. The Food

Basket's model works well for farmers because it facilitates advanced planning for the growing season and budgeting for projected expenses and revenues. Interviewees also liked that staff are flexible with the type of certain products provided, such as specific herbs or berries.

However, some farmers expressed confusion regarding the process of how orders are fairly allocated to multiple farms. Some were uncertain as to whether orders were filled by farms on a first-come-first-serve basis or by seniority of involvement. Other farms sensed that, to some degree, larger and established wholesale producers were allotted a bigger share of the vegetable production. Newer and smaller farms at first felt intimidated by larger growers but would welcome the opportunity to supply more vegetables and specialty crops to the mix. Regarding the planning meetings, many interviewees felt that the general atmosphere was friendly and cooperative. Using a show of hands seemed to work, although a few farmers felt that there were too many people to have a productive discussion. One interviewee commented that these meetings have improved over time. He explained, "The first time...was a bit chaotic. I spoke with Sona and she felt the same way. [There were] too many people and it felt like a grab bag. This can create opportunities for unnecessary tension." However subsequent meetings have felt more organized and productive.

#### *Suggestions to improve*

Farmers asked to be informed of the projected number of CSA customers for 2010. Several also wish to receive customer feedback to find out new items they need. Alluding to the disconnect between Food Basket farmers and customers, one person wrote, "What is customer feedback? I have no contact with them." They also suggested reviewing the types of shares offered and quantity sold to identify gaps in meeting customer needs. Regarding crop planning, farmers suggested that before future meetings, staff could ask farms which items and what quantity they would like to produce and then review overlaps. The Food Basket could also commit a minimum gross dollar amount of sales to each farm, unless farms choose to opt for less. It was also suggested that the Food Basket plan ahead for or pre-order crops to be sold frozen as part of the fall and winter share mix. Some also suggested allowing for additional planning time to accommodate farmers who grow certain perennial crops.

Many farmers expressed interest in participating in a spring meeting to better plan the process of itemization. Fair distribution of crops among farmers was a top priority; nine farms suggested developing a protocol to determine which crops will be supplied by whom and when shipments will be made. A crop seniority system based on past production may also help to establish the product mix from each farm. Others suggested giving farmers more "negotiating power" such as developing a bidding process for committing to pricing and quantities supplies and the option for new growers to contribute to the mix currently provided by larger farms. Miscellaneous suggestions included added flexibility in buying excess crops and increasing volume of orders per farm.

### ***Schedule and Drop-off Process***

Farmers were asked to evaluate the process in place for scheduling and dropping off products for the Food Basket mix. Farms expressed obvious satisfaction as all interviewees rated this areas as a four or “excellent.” All farms complimented the convenience and accessibility of delivering to a single location. Farmers travelling from a distance simply added the Intervale Food Basket as another drop-off site when travelling to Burlington, which was included in normal delivery routes. Even farms that are located further away and do not usually sell to Burlington markets noted that they don’t mind the travel time and distance because the high price points received for a large volume of product delivered weekly or every two weeks to a single site outweigh costs. Also, many farmers appreciated the use of a combination lock for the product storage space, which added the convenience of having access to the building at off times. The flexibility in drop-off dates to accommodate farmer schedules, advance notifications, and moving the warehouse space from Winooski to Burlington were commended as well.

#### ***Suggestions to improve***

Adding warehouse space, a pallet-sized door for the cooler, and a loading dock would benefit many farmers. In addition, a few farms that are in close proximity to each other would like consideration of adding a local drop off location near their farms. Increasing volume per drop-off date and the number of drop-off days per week were also suggestions provided.

### ***Marketing, Advertising and Membership Growth***

Farmers were queried about the marketing and advertising of the Food Basket, including growing Food Basket awareness and membership. It should be noted that most farmers indicated that they were not involved in Food Basket marketing and were not sure of the specific strategies used. However, farmers believe that the Intervale’s marketing and advertising strategies are working because of increased name recognition of farms and growth in membership sales. Though they are not involved, the farmer’s have faith in the Intervale to effectively market the Food Basket, with one person explaining that he “trusts Sona has a plan” and another exclaimed, “Don’t stop!”

Several farmers noted that being a part of a larger CSA affords them greater name recognition because farm names are listed on the site drop-off van and on the website. Some farms are also reaching customers from a geographic area that they normally do not target. However, others questioned whether or not shareholders feel a connection to the producing farms because farms are removed from the pick-up process and not identified as growing certain produce. This farmer wondered, “Many products aren’t branded or labeled, so do customers know who the farms are and what they produce?”

Others measured the success of Food Basket marketing and advertising by membership growth, which equates to increased farmer revenue. One person commented that Food Basket marketing is “excellent” and is working because “shareholder numbers have exceeded the goal set and we have started a winter share to fill a niche.” Farmers hope that by growing

shareholder members the Food Basket will become a sustainable business. Another farmer noted that he initially did not have high expectations for the Food Basket because it was a start-up venture; however after two years of participation and the substantial prices he receives for his products he is very impressed with operations. With potential membership growth, several farmers wondered if current participating farms have the capacity to meet and increased demand. However, increased membership was viewed as an opportunity to enable growth or expansion of smaller farms or expand participation to new farms to meet increased production needs.

### *Suggestions to improve*

The primary suggestion offered was to increase advertising to expand Food Basket membership. Farmers' suggestions offered indicate that they would like to provide more input in marketing strategies implemented but appreciate that the Intervale carries out this endeavor. One suggestion to better familiarize customers with the "Food Basket" is to advertise the name in various ways, including having farms market this larger venture alongside their own farm. For instance, individual farm websites and the Food Basket website should link to one another. Farmers also wanted more connection with their customers. Establishing a relationship between farmers and consumers contributes greatly to increased consumer satisfaction and generates potential new markets in the future. Products should be identifiable by the farm from which they were produced or at least give customers a list of which farms supply what items. Though participation in the Food Basket is clearly beneficial, some farmers worried about maintaining their individual farm's identity. One person suggested that Food Basket could inform shareholders more about individual farms, their specialties, and where customers can find their products elsewhere such as at local grocery stores or farmer's markets. Another person suggested that Farmer's write articles for the newsletter so that customers would better comprehend and connect with the source behind the goods. Sharing the CSA newsletter with farmers prior to printing would allow them to understand how they are portrayed to the customer.

A few expansion strategies were offered. One grower suggested "targeting corporate plazas and setting up satellite programs in Montpelier, or maybe elsewhere out of state, to limit competition [between closely located small and large-scale growers]." Another suggested adding different products to all shares, such as maple syrup. Regarding the brokerage model and expansion to new institutional markets, specialized and smaller growers were not interested in incorporating restaurant sales, as they felt restaurants are already supplied by local farms. If the Food Basket were to solicit orders from these restaurants, it may cause conflicts and unnecessary competition among farmers. Most suggested that the Food Basket focus on shares with businesses and worksites, and possibly adding local cafeterias.

### ***Developing the Food Hub***

Many farmers were satisfied with the process of developing the Food Hub and communication exchange about this process. Many comments focused on the benefits realized from being a part of a multi-farm collaborative, such as reaching new customers, having a convenient and flexible market, having price points that offer good cash flow, and filling in gaps individual farms have with their other markets. They also appreciated having a Coordinator not from their farm manage the marketing and distribution, with one person stating, “We are unable to take on any more of this ourselves.” Free membership is also an enticing aspect of the Food Hub. In general, though, it seems that farmers are not yet connected to the broader idea of the “Food Hub” but most recognize this is an upcoming discussion and has the possibility for affording new opportunities.

#### *Suggestions to improve*

Farmers were interested in being involved in the process to further develop the Food Hub. However, many had more questions than suggestions, such as “the initial discussion is good but where are we going?” and “how do we get there?” Five interviewees also commented on the number of farms involved, with one noting that there may be “too many farms for the limited amount of business.” Another person explained the challenge of working with multiple farms, stating “There’s so many farms involved with such different needs that it will be difficult to fuse into a farmer-run and/or farmer-owned entity without either losing some farms or becoming a complicated mess.” Other farmers suggested regionalizing, gaining more service area by expanding to different areas such as Waterbury or Montpelier, and marketing to larger restaurants or food service providers using the CSA model. In addition, in order to plan accordingly and count on revenue, farmers need an earlier estimate of the number of Food Basket shares for 2010 and suggested closing memberships at certain point.

### ***Working with Intervale Staff***

Overall, all farmers felt that the Food Basket Coordinator, Sona Desai, is very helpful and good at what she does; she has the right balance of being organized, yet flexible. Farmers expressed, “Sona is a good communicator, timely, and organized. [She] always knew what was expected of us and when” and one person exclaimed that “Sona is the bomb!” They praised her quick responses to their queries, whether by phone or email, and the clarity and timeliness of information she provides such as spreadsheets, schedules and general expectations. Farmers complimented the overall staff camaraderie, which makes dropping of product a pleasure. Regarding communication with farmers, five farmers said that either phone or email is best and seven prefer just email. A few farmers commented that they would like more in-person meetings on occasion.

#### *Suggestions to improve*

Two farmers suggested improving pre-season communication and planning to negotiate product mix supplied by farms. Another interviewee asked to have a “heads up if it looks like the numbers will be off” so they may be better prepared. Overall, most farmers simply noted to keep up the good work and “good job!”

## **Participation in Business Planning and Implementation**

In general, Farmers have put in minimal effort on business planning for the Food Basket because the coordination, planning, and packaging of shares are taken care of by Intervale. This model works well for all farmers involved and has met their needs. Because farmers are not running the “business end” of the production, they appreciate being able to focus on implementing and improving sustainable farming practices, as well as working with other markets. While the Food Basket is the main sales outlet for smaller farms, larger farms remain involved because of the low overhead costs and high price points.

The farmer ownership/cooperative model has not been discussed much, and farmers generally have had very little involvement in business planning. Most farms would like to continue to have a paid Coordinator to organize everything so they can focus on farming. However, farmers need to know a little more in advance of a given growing season, such as how much the Food Basket expects to grow in a given year, so that they can plan production accordingly. Most farms are ready to increase production over the next several years as well as contribute time, money and resources if they have a clearer sense of growth projections. Farmers may need to take a larger role in planning to ensure sustainability of this as a market.

## **Additional Services, Resources and Practices to Benefit Farms**

Many unique suggestions were provided by farmers concerning additional services or resources to benefit their farm, strategies for meeting the needs of farmers through the collaborative, and ways to increase profitability and sustainability of the Food Basket.

### ***CSA share mix***

- Incorporate value-added products to the regular weekly shares, rather than as a separate share.
- Diversify the CSA share offerings further.
- Consider having more uniform packaging and varieties for shares.
- Expand the current CSA model rather than expanding to additional markets.

### ***Target markets/additional CSA models***

- Develop a restaurant CSA model. Target other markets such as pizza restaurants and smaller markets.
- Develop CSA accounts that would require large volumes of products aggregated from multiple farms.
- Develop an Internet based CSA where customers throughout the New England regions could place orders by volume and have them fulfilled by local farms.
- Examine the wholesale model and prices of other collaborative models, such as Deep Roots, to help inform the Food Basket’s “next steps”.
- Determine other target markets that are missing from markets currently served by local food collaborative. Determine the goals of the collaborative such as determining who is served by these efforts.

### ***Public awareness of farms***

- Distribute individual farm information with each delivery so CSA customers can learn about farms and purchase directly from the farm or seek out farm products.
- Generate public awareness of farms operating within a 50 mile radius of their location to encourage supporting local farms.
- Develop educational materials on what produce/products are locally available at different times of the year.

### ***Business support***

- Provide support for business ventures such as grant writing and enterprise analysis.
- Provide business assistance such as using database management
- Have veteran growers available to consult with newer growers on planting schedules.
- Have a weekly or periodic email listserv notice to keep farmers updated
- Further facilitate networking and discussion among collaborating farms. Facilitate farmers to take more ownership in decision-making and operations guidelines.
- Additional storage options, such as winter storage for squash, onions, potatoes, cabbage, and carrots, larger coolers, and affordable freezer space.
- Additional growing options such as shared-use greenhouses.
- Develop a food processing facility to assist farmers in accessing additional markets through value-added and lightly process and packaged products. Or help farmers connect to shared-use food processing facilities.

### ***Increasing farm profitability and sustainability***

Food Basket sales are profitable for farms and sales for specific products have increased with increased production. To increase farm profitability, all farms asked for the Food Basket to expand sales volume and shares sold, even to other states, and are open to expanding their growing contract. Expansion could also include transferring the CSA model to larger accounts such as schools and institutions. However, profitability may require limiting the number of additional farms participating to allow current farms to expand their production. It was also suggested to limit the number of farms that produce a given crop, so that the farms can benefit from the efficiency of scale by producing a lot of a few things for the Food Basket. Several farms expressed willingness to move forward with a farmer-investment model, such as investment based on percentage of sales to the Food Basket (similar to the Deep Root model) and look forward to continuing this discussion. Additionally, farms recognized the need for the Food Basket to become self-sustaining to support the Coordinator's position, rather than relying on grant funding.

## Impact of the Food Basket on Farms

### Changes to Farm Production

Farmers discussed the plethora of ways their farm benefits from being a part of the Food Basket. Most farms noted that they have increased their farm's production of food to supply Food Basket orders, increased sales in vegetables and beef, earn extra income, and have gained exposure to new markets. One interviewee explained that they "occasionally get customers at the farmer's markets who were introduced to our product through the food basket." Farms located in or near Burlington benefit from the extra sales with no increased delivery costs. Food Basket sales also provide farmers with money paid upfront and access to a wholesale outlet, with one person explaining that "the Food Basket has been our only direct farm sales as everything else goes to the restaurant."

The Food Basket has also been a helpful learning tool for newer farms to test the profitability of wholesale markets with limited risk. Smaller farms generally see the Food Basket as an opportunity for increased production overall, while others view it as a larger wholesale market for quantities larger than retail outlets such as farmer's markets. This provides impetus for growth to expand farm operations. If farms are not willing or don't have the capacity to expand, the Food Basket could consider adding new farms to split the growing of individual crops among them. However, many larger farms regard IFB as an opportunity for a larger scale retail account, with lower labor and delivery costs. In fact, many of the larger growers believe that too many farms are involved already, which hinders their own production. They would like to reform the market to be a higher paying, more direct market than traditional wholesale. These are also the farms interested in supporting a restaurant initiative to boost sales.

### Physical Expansion and Changes to Operation Practices

Several farms noted physical expansion or change in operations, such as expansion of herb gardens and more efficient use of land and greenhouses. One person estimated that he has increased his growing area by 30% because of the Food Basket. Other farms noted that rather than expansion, they have shifted from other markets to the Food Basket because of its high profit margins, reliability and pre planned orders.

Farmers have also changed certain practices to accommodate expansion and increase production efficiency. One person has incorporated the use of intentional and sustainable farming practices, such as growing organically, using of integrated pest management, and conserving water through intentional greenhouse practices and planting products to irrigate through drainage and runoff. He describes this as a "win-win" situation as he "saves money, earns more revenue, supplies a better product and its better for the environment." Others have realized the benefits of niche marketing, such as growing winterized greens for the Food Basket and space efficient crops.

### ***Packaging***

While most farmers indicated that the Food Basket has not led to change in their product packaging, several noted packaging changes. One person pre-packages his salad mix using baggies and ties to facilitate the share preparation process. Another commented that they have changed packaging, at an additional cost, to meet requirements of USDA meat inspection. Others have purchased packaging materials such as wax boxes. A few farmers commented that they appreciate the flexibility the Food Basket has for product packaging at the drop-off to maintain current practices and keep production costs to a minimum.

### ***Labor and Distribution***

Most farms saw little change in labor costs and some noted saving labor time because of the Food Basket's marketing strategies and delivering to a single, close location. Farmers that do travel for delivery noted some additional labor costs associated with delivery trips. However, one farm used advance payments from the Food Basket to support hiring a farm manager. Another commented that advance orders and payment "gave us confidence to carry a larger vegetable staff and provide year round employment." Two other farms have hired extra help or utilize additional community volunteers to accommodate the farms increased and expanded production volume. Regarding changes to product distribution, most farms viewed delivery to the Food Basket as an easy drop-off that fits into their regular deliveries to Burlington. Others noted that the drop off location has required less driving and delivery costs. One person suggested exploring delivery cost sharing among farms that are closely located but are not in the Burlington area.

### ***Access to Markets and Accounts***

Most farms regarded the Food Basket as either an additional account to their existing accounts or a new market that shifted resources and production from other accounts. One farmer noted that two of their farm's CSA members left their farm to become members of the Food Basket, which they viewed as a "wash" that minimally effected business. Farms have also gained access to the Burlington area because of the Food Basket and look forward to expansion of sales through the increased exposure and growth of shareholder membership. Farmers are also satisfied with the Food Basket's growth potential to expand to current or additional markets. All farms involved are eager and willing to grow for Food Basket.

Smaller farms commented that the Food Basket provides a substantial portion of their revenue. For several farms, sales from the season to Food Basket were compared to "a good day at the Burlington Farmer's Market." Yet instead of having to sell goods at the market for several hours, farmers saved time and money in dropping off goods in one stop. Another farmer compared the Food Basket account to a larger wholesale account that purchases only one or two items but 12 cases of it. Conversely, larger farms view the Food Basket as a small account; some noted that this account is not yet large enough to generate a difference in their business while others feel that the significant sales and higher price points make this smaller account worthwhile. The Food Basket is viewed as their least time-intensive account and a simpler account because they can plan ahead for production and drop off goods at a convenient time and location. Farms also commented that the minimal market effort required of them made

the Food Basket a more profitable and time efficient account than others. Aside from increased exposure to new markets, the Food Basket has not yet led to farms acquiring new accounts; yet a few noted some increased traffic from individual customers that learned about the farm through the Food Basket.

Compared to other accounts, farmers noted that the Food Basket is more innovative, consistent, reliable, larger and less sporadic. The Food Basket also shows more growth potential than other accounts, specifically for farms with a smaller production. Farms with larger production and more expansive markets felt that the Food Basket has grown consistent with other markets.

### Financial Analysis

Established in 2008, the Food Basket reached \$99,919 in sales from summer and winter CSA shares, and returned \$60,919 to the 20 participating farms (see Table 2). In 2008, the individual purchases from farmers ranged from \$180 to a high of \$8,777, with an average purchase of \$3,046 per farm. By 2009, the average farm purchase increased to almost \$6,000 per farm, ranging from a low of \$600 to a high of \$22,423.

**Table 2 Summary statistics from farm financial data, 2007-2009**

	Minimum	Maximum	Sum	Mean	N
2007 Gross farm sales	\$24,000	\$2,000,000	\$3,191,189	\$212,746	15
2008 Gross farm sales	\$25,000	\$2,100,000	\$3,975,300	\$233,841	17
2009 Gross farm sales	\$18,000	\$2,200,000	\$4,363,796	\$256,694	17
2008 Total sales of similar products	\$2,000	\$400,000	\$1,520,440	\$89,438	17
2009 Total sales of similar products	\$2,000	\$400,000	\$1,849,200	\$108,776	17
2008 Farm estimate of sales to IFB	\$180	\$10,235	\$61,791	\$3,090	20
2008 Actual sales to IFB	\$180	\$8,777	\$60,919	\$3,046	20
2009 Farm estimate of sales to IFB	\$600	\$13,500	\$97,021	\$4,620	21
2009 Actual sales to IFB	\$600	\$22,423	\$125,704	\$5,986	21

Table 2 shows that prior to the Food Basket, in 2007 farm gross sales ranged from \$24,000 to \$2,000,000. Because the sales from the largest grower was substantially higher than most of the other participating farms, their gross sales figures have been excluded from this summary in order to provide a more balanced representation from the Food Basket farms (this farm's figures are included in summary data presented in Table 2). With this in mind, 2007 gross sales for farms averaged \$85,085 in 2007 (range of \$24,000 to \$223,000) and that average grew to \$117,206 in 2008 (range \$25,000 to \$475,000) and an estimated \$135,237 in 2009 (range of \$18,000 to \$475,000).

Farmers were also asked to provide an estimate of the gross value of products they sold that were similar to products sold to the Food basket. In 2008, Food Basket sales represented an average of 10.6% of the gross sales from similar products sold, with this percentage ranging from less than 1% to 49% of similar product sales. This proportion increased in 2009 to an average of 13.7% of sales from similar products, ranging from 2% to 60% of similar sales.

It is interesting to note that 45% of farmers (9) underestimated the value of their sales to the Food Basket in 2008 when comparing estimated sales provided during the interview to actual 2008 sales. Farmers estimated earning up to \$690 less than their actual sales. On the other hand, 25% of farmers (5) overestimated their sales, sometimes as high as \$1,500 more than actual earnings, while 30% (6) of farms were spot on. It is recommended that the Food Basket provide at least quarterly sales reports to farmers to keep farmers informed and avoid complications and possible conflicts or misunderstandings in the future.

Table 3 shows that average changes in gross sales per farm from 2007 to 2009 have significantly increased over time, demonstrating consistent upward growth in farm sales over time (all p values are less than .10 indicating significance). For instance, average gross farm sales in 2008 were \$17,561 more than gross sales in 2007 (p=.03). Likewise, gross farm sales in 2009 were approximately \$40,000 more than sales from 2007 (p=.01). Food Basket sales to farms also increased an average of \$3,188 over time (p=.01).

**Table 3 T-test comparison of changes in average figures over time, 2007-2009**

	Mean Difference	t	P
2008 to 2007 gross farm sales	\$17,561	2.385	.032
2009 to 2008 gross farm sales	\$22,853	3.051	.008
2009 to 2007 gross farm sales	\$40,240	3.200	.006
2009 to 2008 actual IFB sales to farms	\$3,188	2.754	.013

## Conclusions and Recommendations

An overall conclusion is that through participation in the multi-farm collaborative CSA, the Food Basket, most farms have observed an increase in their farm's production of food, sales in vegetables and beef, and total farm income. Participation appears to have a significant financial impact on most farms, particularly smaller farms, due to high price points for products coupled with little overhead costs to participation. Farmers have also gained access and exposure to new markets, with all farms considering the Food Basket as access to a "new market." With the goal of supporting farm viability, it is recommended that the Intervale Center continue to lend staff, expertise and resources to support and organize this initiative until it becomes a self-sustaining business venture.

All interviewees remarked on the need for the Food Basket to become a self-sustaining operation to support overhead costs, such as a Coordinator's position, and resources to meet farmer needs, such as additional storage, cooler and freezer space. Additionally, farms were conscientious about not competing or outbidding local farms from their current accounts, hence the hesitation of some farms to go after restaurant accounts.

Additionally, farmers are enthusiastic about growing the Food Basket, which is not surprising given the business's potential for high profitability. Farmers consistently suggested increasing marketing efforts and numbers of shares sold from the current CSA. Suggestions also included for the CSA to expand to other areas such as Waterbury, Montpelier, and larger cities in neighboring states such as Boston, MA. Farms time and again expressed willingness to grow and expand their production to meet any increased demand from the Food Basket.

Some farmers expressed interest in expanding and adopting the CSA model to new markets, such as institutions and restaurants, while other farms were only interested maintaining the current CSA model. Given that farms consistently noted challenges and limits to profitability with "too many farms" being involved, perhaps a few farms can develop a smaller collaborative initiative to reach these additional markets. As the current CSA model has highly benefitted from a paid Coordinator position, it is recommended that any new or "spin-off" initiatives include a paid Coordinator position in their model and overhead costs.

Likewise, several farmers (but not all) showed enthusiasm for transforming the current Intervale Center led and funded collaborative to a farmer-invested ownership model. Farmers recommended that this model examine other farmer owned collectives, such as Deep Roots, to determine the best investment strategy such as basing investments on the proportion of sales earned. This farmer owned "cooperative" model could also be operated by fewer farms that realize greater benefits from concentrated sales volume while minimizing potential for conflict by having too many people involved.

## Key Benefits to Farmers

The following areas describe the key benefits realized by Food Basket farmers.

- Piloted in 2008, the Food Basket generated \$99,919 from summer and winter CSA share sales and returned \$60,919 to 20 participating farms. Farm CSA accounts ranged from \$180 to \$8,777, averaging \$3,046 per farm. By 2009, the average farm account increased to almost \$6,000, ranging from a low of \$600 to a high of \$22,423 per farm.
- The multi-farm collaborative model expands the capacity of the traditional single-farm CSA to provide customers with a more diverse and higher quality product mix from a variety of producers, allowing farmers to provide large quantities of selected or niche products to the mix. The collaboration also allows room for difficult growing seasons without effects felt by the end consumer and provides a market for surplus “bumper crops.” The collaborative also provides a support and resource network, such as getting to know other farmers and knowing other farms’ production capacity. The Food Basket has also been a helpful learning tool for newer farms to test the profitability of wholesale markets with limited risk.
- The CSA is coordinated by a paid staff person, which affords farmers to centralize energy and resources on growing food rather than marketing and business operations. In general, Farmers have put in minimal effort on business planning for the Food Basket because the coordination, planning, and packaging of shares are taken care of by Intervale, which works well for all farmers involved.
- Several farmers noted that being a part of a larger CSA affords them greater name recognition because farm names are listed on the site drop-off van and the website. Farms located outside of more populated areas in Vermont also benefit from being part of a CSA that targets a highly populated area and has drop off sites at large work places with 100 or more employees.
- In addition to benefits of the collaboration, farmers discussed other ways their farms benefit from being a part of the Food Basket. Most farms regarded the Food Basket as an additional account or access to a new market that shifted resources and production from other accounts because of its high profit margins, reliability and pre-planned orders. To meet the needs of the CSA, farmers have increased production and sales in supplying Food Basket orders, earn greater income, and have gained exposure to new markets. Smaller farms commented that the Food Basket provides a substantial portion of their revenue. Conversely, larger farms view the Food Basket as a small account; however, it is their least time-intensive account because they can plan ahead for production and drop off products at a convenient time and location. A few farms noted physical expansion or change in operations, such as expansion of herb gardens and more efficient use of land and greenhouses. Some also noted changes to farming methods, such as integrating intentional and sustainable farming practices to

accommodate expansion and increase production efficiency. While most farms saw little change in labor costs, a few farms hired additional employees to support expansion and increased production.

#### Feedback on the Food Basket implementation:

- Areas that received the most favorable ratings were the process to schedule and drop off produce for inclusion in the Food Basket mix, working with Intervale staff, and the price points of Food Basket sales to farmers. Overall, all areas received positive reviews demonstrating that farmers have had a high quality experience in being part of the multi-farm collaborative.
- Farmers overwhelmingly noted that Food Basket prices are excellent for farmers and support farm viability. The majority of the farmers recognized that the price points from Food Basket sales are better than most if not all of their other wholesale accounts.
- The pre-planning process facilitates advanced planning for the growing season and budgeting for projected expenses and revenues. Staff is also flexible with the type of certain products provided, such as specific herbs or berries.
- The distribution process for farmers to deliver product mix to the Intervale for share packaging is cost effective as farmers benefit from delivering a large volume of products sold at higher price points to one central location. Farms located in or near Burlington benefit from the extra sales with no additional delivery costs. Farmers also appreciated the use of a combination lock for the product storage space, which added the convenience of having access to the building at off times.
- Overall, farmers feel that the convenience of having a large, pre-planned quantity of produce for sale, a known revenue stream with advance payments makes participation in the Food Basket worthwhile.

#### Recommendations

While recommendations provided by farmers for improving Food Basket operations are detailed throughout this report, below is a summary of critical recommendations provided.

- During the pre-planning process, ensure that farms feel there is an adequate and fair distribution of sales across all farms, farmers understand this process, and they are paid a fair price.
  - Interviewees recommend developing a process to determine how many and which farms should participate, especially if the Food Basket is to move towards a farmer-owned model.
  - Before future meetings staff should ask farms to identify the items and quantity they would like to produce and then review overlaps before presenting the matrix to the group.
  - The Food Basket could also commit a minimum gross dollar amount of sales to each farm, unless farms choose to opt for less.
  - Pre-planning could also include crops to be sold frozen as part of the fall and winter share mix and advanced notice could accommodate certain perennial crops.

- Farmers suggested developing a protocol to determine which crops will be supplied by whom and when shipments will be made. A crop seniority system based on past production may also help to establish the product mix from each farm.
  - Others suggested giving farmers more “negotiating power” such as developing a bidding process for committing to pricing and quantities supplies and the option for new growers to contribute to the mix currently provided by larger farms.
  - Miscellaneous suggestions included added flexibility in buying excess crops and increasing volume of orders per farm.
- Clarify to farmers the circumstances that formed the collaborative and the Food Basket’s goal and plan for growth, such as to support the original farms or help newly established farms access a market and grow.
  - Farmers expressed desire and need to be more involved in decision-making surrounding the CSA’s growth potential and levels of sales. Farmers asked to be informed on the projected number of CSA customers for 2010. Overall, most farmers expect the number of orders and sales volume to grow over time. In addition, share prices should be affordable to consumers, while providing a fair price to farmers and covering the overhead cost of a permanent paid Coordinator position. Some farmers asked for more involvement in determining the Food Basket’s price list and recommended better communication between farmers and staff during this process. Most farms are ready to increase production over the next several years as well as contribute time, money and resources if they have a clearer sense of growth projections. Farmers may need to take a larger role in planning to ensure sustainability of this as a market.
  - Farmers’ suggestions indicate that they would also like to provide more input in marketing strategies implemented but appreciate that the Intervale carries out this endeavor. Suggestions include:
    - Co-market the “Food Basket” name and affiliated farms by having farms advertise the larger venture alongside their own farm, such as linking individual farm websites and the Food Basket website to each other.
    - On the other hand, the Food Basket could help inform customers about individual farms, such as identifying products they produce in the CSA mix and where customers can find their products elsewhere such as at local grocery stores or farmer’s markets. Another person suggested that Farmer’s write articles for the newsletter so that customers would better comprehend and connect with the source behind the goods. Sharing the CSA newsletter with farmers prior to printing would allow them to understand how they are portrayed to the customer.
  - Regarding product storage, adding warehouse space, a pallet-sized door for the cooler, and a loading dock would benefit many farmers. In addition, a few farms that are in close proximity to each other would like consideration of adding a local drop off location near their farms. Increasing volume per drop-off date and the number of drop-off days per week were also suggestions provided.
  - Farmers are interested in receiving feedback from customers.

- Farmer's suggested ways to expand the Food Hub. One grower suggested "targeting corporate plazas and setting up satellite programs in Montpelier, or maybe elsewhere out of state, to limit competition [between closely located small and large-scale growers]." Another suggested adding different products to all shares, such as maple syrup. Regarding the brokerage model and expansion to new institutional markets, specialized and smaller growers were not interested in incorporating restaurant sales, as they felt restaurants are already supplied by local farms. If the Food Basket were to solicit orders from these restaurants, it may cause conflicts and unnecessary competition among farmers. Most suggested that the Food Basket focus on shares with businesses and worksites, and possibly adding local cafeterias. Other farmers suggested regionalizing, gaining more service area by expanding to different areas such as Waterbury or Montpelier, and marketing to larger restaurants or food service providers using the CSA model.