Cooperating to Distribute & Market Local Food

How do we build a real local food system?

We in the local food community have been selling to the choir. CSA, Farmers markets, Farm stands, Farm to table (restaurants or events).

Our growth model, weather we know it or not, has been to get more people to join the choir.

If we want a true regional food system. 50% of our food coming from local producers by 2060 than we need to attract nontraditional local food buyers.

Local food needs to be less sexy. It needs to become the food that is on your plate just cause.

How do we get there?
Aggregation of Local Food Supply

Why do small farmers need a local aggregator?

Some clients have barriers of entry to small producers:
- Only buy from approved vendors
- Small producers lack the diversity that the market is looking for
- Small producers are not set up for home delivery

A small farmer’s time is needed on the farm.

Most important is the cost of doing wholesale to the small farm. The smaller the farm the higher the opportunity costs will be.
What Was Needed in a Local Food Distribution System for Growers

Must be able to reduce the overall cost to farms for the ability to wholesale and home delivery

Must be a system that can aggregates product lists

Must be able to aggregate billing

Must be able to aggregate delivery

What Was Needed in a Local Food Distribution System for Growers

Need to be able to have orders uncombined

Farms can have individual pick sheet

Farm can have individual pack sheet

Must be able to tract inventory to both maximize sales and eliminate over selling

Must be able to tract accounts receivable
What Was Needed in a Local Food Distribution System for Consumers

- Must be an aggregated marketplace
- Must have aggregated billing
- Must have aggregated delivery
- Want a reliable source of produce both in quality and in quantity
- Want the price of local food to become more reasonable

Specialization of product helps farms achieve economy of scale
Green Beans Enterprise Budget

- Most small farms would find it hard to grow green beans at a profit
  - According to Richard Wiswall beans sold @ $2.50/# USD, will yield a loss of $2,720/acre if they are hand picked.
  - Machine pick beans at Heron Pond Farm yield a profit of $9,000/acre
- This may be a way for the future of local food to be more affordable
  - As farms specialize their C.O.G.S. goes down
    - Savings passed on to customers
    - Create lower point of entry for local foods.

Became Clear That We Would Need Powerful Software

Powering resilient local food systems.
An App For Today's World

Chef's like doing their ordering from the walk in sometimes

At certain times of year 50% of our orders come from the mobile app

With our multi farm CSA this lets our customers add thing a-la-carte with ease

Software produces a pick list

- Customers order from the main site but orders are broken out by farm
- Each item offered is totaled for the units it was offered in
- This allows the pack house to get all the food prepped for that week's share
Software produces a pack list

- Unlike the pick list above, the pack list breaks the order out by customer or pick up location
- All boxes are packed with farm name and location
- The software will even print labels for easy organizing during route aggregation time

Software produces an invoice

- Invoice is broken down by farm and clearly marked as to what came from which farm
- CSA share info is in the order note
- Customer gets to order from four farms in this case but has one delivery, one bill, and one check to deal with
We started with a walk in cooler and a truck

Sales Growth of Three River Farmers Alliance

- 2014 Total Sales $92,000
- 2015 Total Sales $251,000
- 2016 Total Sales $351,500
- 2017 Total Sales $413,500
- 2018 Total Sales $486,200
- 2019 Total Sales $602,758
- 2020 Current Sales $3,077,308
Cost to Individual farms depends on sales

Heron Pond Farm total wholesale: (2019)$198,000.
Cost of wholesale paid to Three River: $31,680.
16% of sales.

Three River enables us to aggregate a fractured food system
Distribute local food into the existing mass food marketplace
This makes a seamless transition to purchasing local food
As the ease of purchasing local food increases, the demand increases
As demand increases, we become more sustainable, and so does our local economy!
Some of the connections that can be made with current aggregation sites

- Connections between sites can help with product flow
- Customer satisfaction goes up when all their needs are met
- Just as the local aggregation helps the small grower, regional aggregation can help each cooperative.

Big picture ideas

May be that the role of local aggregates will be to move between $500,000-$1,000,000 of product a year through their own routes.

Local food aggregation’s main goal may become aggregation of local, small farm produced goods for large regional buyers.

In this way, local food aggregators like Three River are a pathway for the small farm into the existing food system.
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