
Innovative Strategies for Meeting New Markets

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Development Fund

February 2007

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Innovative Strategies for Meeting New Markets

Introduction

Purpose of this study

The purpose of this exploratory study is to provide concrete tools and inspiration for producers and others who address the challenges inherent in scaling up agricultural production and expanding into new markets. This report provides a summary and analysis of the experiences of numerous producer cooperatives, individual producers and buyers. Each of these groups has approached challenges in ways that have resulted in innovative businesses and infrastructure that are effective in meeting new markets.

Audience for the study

‘Meeting New Markets’ is designed to be useful to a diversity of farmers and farmers’ groups working with a wide range of products. Producer cooperatives, producers marketing product in a cooperative manner (not necessarily within a cooperative as the legal entity), individual producers and people who work with farmers should all benefit from this study.

Furthermore, the study was designed to be as generic as possible regarding the type of product so that it would be helpful to producers of meat, dairy, produce, grains, packaged foods or even non-food products. Many of the case studies provided are of cooperatives directly marketing as wholesale businesses, though they can be applied more broadly to other marketing models.

Some readers of this study may already be involved with direct marketing and seek to increase volume of production and sales or diversify into new markets. But this report can also serve the needs of farmers seeking entry into direct marketing of value-added products for the first time. An introductory piece, ***Adding value and direct marketing***, (below) is targeted at farmers who are new to value-added production and/or direct marketing. The section called ***Business planning*** (below) should be

helpful to you whether you are starting up a new business or expanding an existing one. The business planning process is essential to both.

Sources of information

Three sources were used to obtain information for this study: Interviews were conducted with individuals involved with cooperatives that have scaled up into higher volume of production and wider distribution. The people who were interviewed include: members and managers of cooperatives, consultants working with cooperatives, buyers at consumer natural foods cooperatives and other retail or wholesale businesses that are direct buyers of farmer-produced goods. The second source of information is case studies. Intensive interviews were conducted by telephone with managers or members of cooperatives and other businesses that have been successful in scaling up to larger volume and sales distribution. These interviews were analyzed and are presented as case studies below. A third source of information for the study was Internet research.

Reporting format

The findings of 'Meeting New Markets' are presented below, as an on-line, Internet tool. The matrix included outlines five types of strategies. The strategies are ones that have been used by producer cooperatives as they scale-up production and expand into new markets. Each of the strategies in the matrix has helped producer groups face a common set of obstacles as they transition their businesses to new levels of growth and development. Under each strategy is background information on that approach and two case studies illustrating innovative approaches to facing the challenges of meeting new markets. There are also links to relevant publications found elsewhere and an analytical summary that outlines lessons learned from these case studies.

The categories used below to describe the strategies were derived from analysis of the interviews that were conducted. The categories had to be somewhat arbitrary. Categories overlap with one another. Several case studies can be used to illustrate more than one type of strategy. The intent of the matrix structure is to provide easy access to information, case studies and analysis for producers who seek ideas and resources for meeting their own new markets.

Moving beyond conventional production

Adding value and direct marketing

As our food system becomes increasingly industrialized and concentrated into fewer and larger companies producing the nation's foods, many small and medium-sized farmers find themselves in the position of having to either alter their strategies or go out of business. Many farmers have stepped outside the conventional food production system and are selling their products directly--- to retail stores, to restaurants, directly to consumers and to others (**Shepherd's Grain** and **Hudson Valley Fresh**, below, are two examples of farmers that have navigated this transition).

There are two major reasons why small farmers move away from producing within the conventional system. First, the conventional system offers farmers less control over what they earn. Someone else sets the prices. The second challenge in conventional, commodity agriculture for small farmers is that their small volume of production, combined with the narrow margin earned, is often not enough to make the farm business financially viable.

In the conventional food system, the role played by the farmer is very different than with direct marketing of value-added products. Within the conventional, commodity system the farmer has much less responsibility in the marketing and sales arena. A buyer, usually a wholesale operator or distributor, takes care of the marketplace. This works well for people who prefer to stay on the farm; they can leave the marketing to someone else. But the trade-off is that farmers receive relatively low prices for their commodity products.

In contrast, entering into a direct marketing business can earn the farmer more money. The farmer can eliminate distributors or wholesale buyers and takes home more earnings. If the new product is well chosen and marketed using effective branding, considerable value can be added to the product resulting in even higher earnings for the farmer. Selection of product and marketing strategies are critical pieces of early business planning.

Another consideration in direct marketing is whether you will approach it alone or in cooperation with others. Many farmers launch a direct marketing business on their own. They find a way to take on or hire out the new set of tasks that direct marketing requires. And as a complement to other income sources, direct marketing can be an important means to generate additional farm income.

Many producers eventually join or create a cooperative marketing arrangement. Cooperative marketing is often essential in meeting the

demands of certain customers. For example, **HomeGrown Wisconsin** (below), as a cooperative, is able to offer 100 different fresh, locally-raised, organic products to restaurants. For chefs, who have limited time to source ingredients, this arrangement is very attractive. Growers also enter into cooperative marketing arrangements with other producers when institutional customers need a greater volume of product than an individual producer can grow alone. Or sometimes the demands of marketing, selling and distributing product drive producers to cooperative efforts. When pooling product, labor, knowledge and contacts, a group of producers can often manage a direct marketing business more effectively than one grower trying to do every job on their own.

Business planning

Direct marketing offers farmers the potential for much more control over what they earn. And it is possible to earn a better margin than with commodity sales. But for farmers who decide to step outside commodity production, they enter a new world with a whole new set of challenges. These new challenges include:

1. Identify a distinctive and viable product.
2. Brand your product and business.
3. Plan and budget for marketing and sales.
4. Get behind it and sell!

Accomplishing these steps, taking into consideration today's complex market, will be time consuming and costly.

Identify a distinctive and viable product or products. If you, the farmer or farmers working together, step outside that conventional system, you must grow and sell products that can be distinguished from those of other farmers. Be sure to create a product, a new product line or a business that stands for something you believe in. Make sure it's something that's attractive to a big enough piece of the market to make it a viable business. Get help to assess your idea.

Recall the differences between the commodity producer and you—the direct marketer of a value added product. **If you are a farmer who sells a commodity product, you want that product to conform to a standard** so that it can be pooled with product from other farmers and be uniform with the rest. **But if you decide to sell produce at a farmers' market or to a retail store, you must find something that makes your product stand out in the face of your competitors.** You may grow a distinctive variety of squash; you may plant earlier and so have tomatoes sooner in the spring than the others; or you might offer tastes and

recipes for cooking with your produce in an effort to attract customers to buy your goods. In each case, with direct marketing, farmers must depart from the production of commodity or standardized goods to begin producing and selling products that are distinctive or special.

Conduct a feasibility study. Starting a business or a new product line takes a lot of time and money. Do yourself a favor and get some objective, outside help to look critically at your proposed plan. You may be surprised to discover that some assumptions you are making are not correct. Better to find out early, before you have launched the new business. Feasibility studies take a critical and objective look at the market, at set-up needs and at related financial issues. If done well, a feasibility study will help you collect much of the information you will need for a business plan, the road map you'll use to launch this new business initiative.

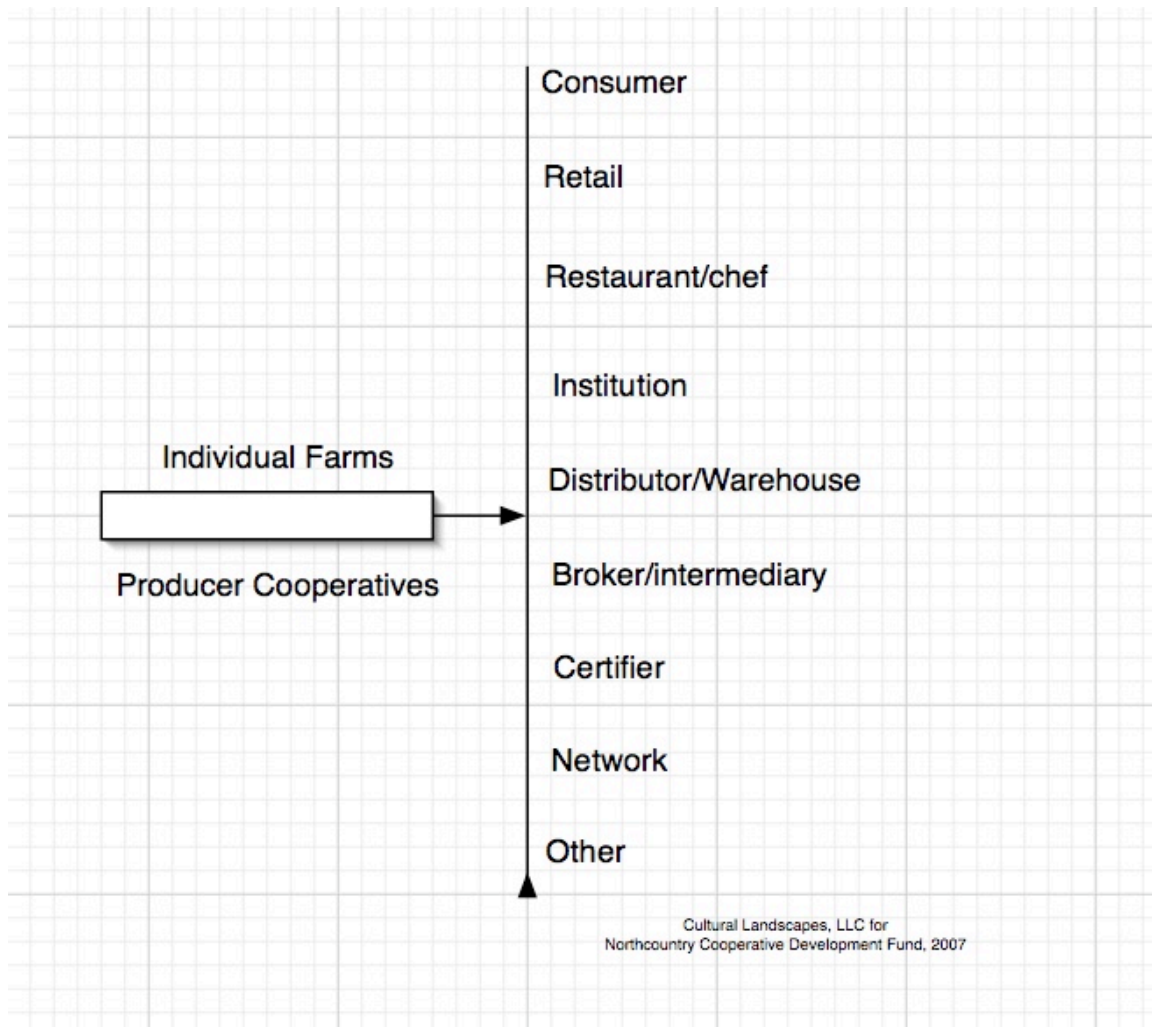
Brand your product. Create a product and a business that stand for something that is important to you. Make all aspects of your business adhere to that brand. Back it up with a logo and labels that are attractive, capture your brand and mean something to the people who will buy it. Take the time to develop and examine your brand. If you do it well, creating a brand will go a long way to helping you sell a product.

Plan and budget to reach your market. Examine holes in the market today and assess how you might fill them. Who is the target market for this product? How will you get your product to market? How will you identify appropriate sales outlets? How will you approach individual buyers? Do you have attractive sell sheets that describe and illustrate your products? Develop your 'story' and learn to tell it in a way that draws customers to you and your product. How did you get into this business? How are your products or production system unique? Do you plan to invite buyers out to your farm? How much time and product will you put in to meet consumers and allow them to try your products? This is one of the best ways to sell your product and to refine your story. Watch peoples' reactions as you tell your story. What questions do they ask? Continually assess your ability to produce, to connect to the market, to make money. Get help. Be sure to budget money and time for these marketing activities.

Stand up and sell it. When stepping outside the conventional food system to direct marketing, **the farmer wears a new hat: marketer.** A whole new world opens up to the farmer who decides to market directly to buyers. As the farmer, you now must find and cultivate your own customers. And you will learn strategies to work with them. Don't pass this job off to somebody else! There is a wide range of potential customers with somewhat different sets of needs and standards. The graphic below illustrates how either individual farmers or producer cooperatives can market goods directly to a diverse group of businesses.

Potential markets

Some potential markets for farmers, either individual producers or producers who market cooperatively, are illustrated below.



People are increasingly sourcing food locally and are recognizing the health advantages of fresh foods that come from local sources. They also see the need to diminish fuel use and so seek out closer sources of food. Many recognize the advantages of supporting family farms, agricultural landscapes and rural communities. These include consumers and institutions of all kinds who are opening their kitchen doors to local farmers. Take advantage of these trends. Talk about these issues when appropriate. Here are some of the potential markets and links to producers

selling to these markets:

Consumers. A farmer who markets products directly to consumers typically has the chance to develop a personal relationship with each customer and offer adequate information about production methods, farmer philosophy, handling and use of products. Selling at a farmers' market, through a CSA or through other direct sale, the customer usually has the chance to ask questions, often to visit the farm to see production in action, read about it in a newsletter or otherwise obtain information directly from the farmer that is relevant to the product, the farm, the farmer or the purchase.

Sales directly to consumers can be conducted on-farm, door-to-door, at farmers' markets and at special events. Some farmers have good results with Internet or catalog sales. These can be helpful for cash flow in the winter months or year-round for some types of products. (See <http://www.attra.org/attra-pub/directmkt.html>).

Retail. Many farmers identify nearby stores that are interested in selling locally-raised products. Often natural foods cooperative groceries and independently-owned retail stores seek relationships with local producers as a way to distinguish themselves from larger, mainstream, retail chains. These stores are good entry points into the retail world for growers. (See **Working with retail buyers** <http://www.cias.wisc.edu/pdf/retail.pdf>)

Restaurants. Sales to chefs and independently-owned restaurants are increasing for farmers across the U.S. Chefs recognize the quality of locally-produced foods. Some acknowledge the food and farm on their menus or menu boards. Chefs can be trend-setters in the introduction of a new product so let them help you find dishes that offer new ways to market your product. Around the country, intermediary organizations are springing up that connect farmers to chefs. For a few examples see the case in New Hampshire (below) and the **NY State Farm to Chef Express** program (<http://www.farmtochefexpress.org/>).

Public schools. Lessons learned from an experience selling to schools in Kentucky are published in 'How local farmers and school food services buyers are building alliances': <http://www.ams.usda.gov/tmd/MSB/PDFpubList/localfarmsandschool.pdf>

The Wisconsin HomeGrown Lunch Program is another example of getting local products into schools: <http://www.reapfoodgroup.org/farmtoschool/>

Colleges. Several producers and producer groups are finding that colleges

and universities are interested in sourcing foods locally. Here are a few examples of this:

New markets for producers- selling to colleges:

http://www.cias.wisc.edu/archives/1999/02/02/new_markets_for_producers_selling_to_colleges/index.php)

The farm to college program: <http://www.farmtocollege.org/resources.htm>

Hospitals. Kaiser Permanente, a large health maintenance organization (HMO) in the western U.S. manages several hospital programs that buy from farmers' group
(<http://www.sfgate.com/cgi-bin/article.cgi?file=/c/a/2006/08/06/MNG43KC7751.DTL>).

Kaiser Permanente also has 24 hospitals with regular **farmers' markets on the hospital grounds** to encourage patients and staff to buy locally-raised foods:

(<http://members.kaiserpermanente.org/redirects/farmersmarkets/> and http://www.pps.org/markets/info/market_profiles/food_insecurity/kaiser).

Key references on direct marketing

Direct Marketing Resource Guide; Sustainable Agriculture Research and Education. <http://www.sare.org/publications/dmrg.htm>

Adding value to farm products: An overview.

<http://attra.ncat.org/attra-pub/PDF/valueovr.pdf>

Key references on conducting a business feasibility study

Conducting a feasibility study. This is Chapter 5 of ***Cooperatives: A tool for community economic development.*** University of Wisconsin Center for Cooperatives and Cooperative Development Services. Date: 1998. http://www.uwcc.wisc.edu/manual/chap_5.html

What is a feasibility study?

<http://www.agmrc.org/agmrc/business/startingbusiness/whatisafeasibilitystudy.htm>

Innovative strategies for meeting new markets

Help for creating your own infrastructure

Stepping outside the conventional food system often means having to create your own infrastructure. The conventional food system is largely vertically integrated with infrastructure already in place. Connections are already made and channels of sale and distribution are well established to get product to market. The picture is very different for farmers trying to break into new markets on their own. Once you step out, you need to identify your own products, create an effective brand and means to market your goods, find the buyers and get the product to market.

This lack of infrastructure to help business transactions take place can be an overwhelming set of tasks to take on. Much of the work and many of the headaches farmers face are related to having to create the infrastructure for marketing value-added, niche products.

Market cooperatively with others?

Once you are in business direct marketing, you may eventually need to increase production to meet new market demands, to bring in additional income or to reach economies of scale. Increasing the volume of production within these business models, where you sell directly, is possible. Besides identifying markets that can absorb a greater volume of your product, you may also need to make changes within your own business. You may need to hire employees (family or others) to manage added production or to help with sales or distribution.

This is often the time when farmers decide to join or form a marketing cooperative. There are many tasks to be done. Often they are new tasks requiring time or skills that have never come up before. The good news is that a lot of farmers have been down this path before you. And there is a lot to learn from their experiences about the options available to you and the outcomes they experienced.

The discussion below outlines a series of case studies of farmers cooperating

to meet new markets. Each is preceded by an introduction to the strategies employed. For each strategy there are links to key references. Also provided is a summary of lessons learned for each strategy described. Hopefully these case studies and the discussion included will help you to see new opportunities to reach your goals and offer information to help you make decisions along the way.

The on-line tool of innovative marketing strategies

The matrix below lays out five strategies. For each strategy, two case studies of cooperatives and other groups that have implemented them are described and discussed.

Strategy	BRANDING DISTINCTIONS	BRANDING WITH CERTIFICATION	PURPOSEFUL PARTNERING	INNOVATIVE DISTRIBUTION SOLUTIONS	MAKING LINKS IN THE CHAIN
Background	INTRODUCTION	INTRODUCTION	INTRODUCTION	INTRODUCTION	INTRODUCTION
Case Studies	- Hudson Valley Fresh - Home Grown Wisconsin	- Wisconsin Potato Growers - Shepherd's Grain	- Edelweiss Graziers Co-op - La Frontera Foundation	-Co-op Partners Warehouse - La Montanita NF Cooperative	-Red Tomato - New Hampshire Farm to Restaurant Connection
Key Resources	KEY RESOURCES	KEY RESOURCES	KEY RESOURCES	KEY RESOURCES	KEY RESOURCES
Lessons learned	CONCLUSIONS	CONCLUSIONS	CONCLUSIONS	CONCLUSIONS	CONCLUSIONS

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For each type of strategy that is described and analyzed, the following information is provided:

Background. This section is an introduction to the strategy. It describes the context, when is it likely to surface, under what circumstances, and why it is an important issue.

Case studies. These are brief descriptions of businesses that have used this particular strategy or addressed this issue. These case studies focus on illustrating how the businesses implement a strategy or set of activities.

Lessons learned. This is an opportunity to summarize and synthesize lessons learned concerning this type of strategy, from the case studies and other information collected in the course of this project.

Key resources. Here are a few selected resources available elsewhere on the Internet for additional help in implementing similar efforts. Rather than reiterating what is available elsewhere, links to some key resources on each topic are provided. This is not intended to be an exhaustive list of available resources on the topic—simply a few key documents that cover the basic concerns and offer help.

1. BRANDING DISTINCTIONS

Background

At the very earliest stages of assessing a business idea you are looking for ways to distinguish your products from those of your competition. Among the most effective ways to do this is to create a brand (or build on an existing one).

A brand encompasses a business name, a logo and/or other graphic, and the products and service that your business offers. It enables buyers and consumers to identify your product from those available. It assures customers of a certain quality of product with the set of characteristics that you have worked so hard to bring to that product. Protect those distinctions with a brand.

The biggest challenge to branding is coming up with the ideas for the brand: the name of the company and the product(s), the logo, a principle or mission, perhaps a slogan, byline or mission. These decisions are hard because there is much to convey in little space and few words. And the task can be more difficult for a cooperative or other group with several people generating ideas and voting for preferences. But keep the focus of these early discussions on what you want your company and products to stand for. Are there values inherent in the production methods? Are there unique attributes or flavors? Is there something about your geographic region that you want to emphasize? Is the fact that you're a co-op or that you are cooperating an important part of what will draw people to your products? If you are group of family farms, should the public be aware of this?

Be sure to give your brand some fuel to get started. The job is not over after the brand and graphics are determined. From the very start, have a plan for marketing your brand and the products you sell. And be sure to budget for marketing; without as budget, it will be difficult to advance.

Your brand will define the target market for your product or line of products. Seek out market channels that make sense for the characteristics and/or values your brand emits. Look for ways to feature those distinctions and make them apparent to your customers. Be sure that all of your co-op members and people who represent you understand the brand and conform to it.

The name of the product, name of the company and logo are not the only things that need to emphasize your brand. Be sure that packaging reflects the brand. If your emphasis is pro-environment, be sure that an environmental message comes across in the packaging. For example, it ought to be recyclable. An environmental emphasis may be reflected in the colors and images you choose for your logo and labels. Any accompanying point of sale materials should also reflect your brand. The themes or important characteristics of your brand, whatever the brand stands for, should be present in all that you produce and communicate.

CASE STUDIES

Hudson Valley Fresh

Hudson Valley Fresh is a non-profit organization in New York State that is dedicated to a sustainable and regional food system that is secure, safe and engages the community in education. While the organization has several goals, its major project is selling fresh milk from 10 farms in the Hudson Valley to small independent grocery stores within 35 miles of the farms that produced it. Members of the organization include farmers who produce milk for local distribution as well as retail stores, restaurants, other businesses and institutions and individuals.

The farmers that produce milk for Hudson Valley Fresh didn't like selling off their milk to the large co-op where it was pooled into a 'faceless' product. They were proud of the good quality, fresh milk they produced. They had watched many farms in the area that had given up and sold out to real estate developers. These farmers wanted to create a brand of milk that both stood for a high quality product and that offered support to the remaining farmers in the area.

What does the Hudson Valley Fresh brand stand for?

1. Fresh milk that comes from local dairy farms. All milk is delivered within a 35-mile radius of the farms;
2. Fair and equitable business practices;
3. Business practices that benefit all involved, from farmer to consumer and to the community at-large;

4. Safe handling of food, adherence to state, federal and local food regulations;
5. Providing accurate and honest information to consumers on labels and packaging.

Hudson Valley Fresh milk comes from 10 farms in Columbia and Dutchess Counties. Most of the farms have herds averaging 60 cows; one has 100 cows and another has 200. All participating farmers send the majority of their milk to the local co-op, Agri-mark. Once a week, milk is diverted for sale to Hudson Valley Fresh for bottling and their own labels. A bulk tank purchased by the group enables the processor to keep Hudson Valley Fresh milk segregated from the rest. Members pay a fee to Agri-mark for the milk that's diverted.

Milk is bottled in plastic jugs on Ronnybrook Farm in Ancrandale, New York. Milk is delivered from farms in the Hudson Valley Fresh truck three days a week. Once bottled, milk is distributed to retail stores in Dutchess County and in some parts of Columbia and Ullster Counties. Small retail stores and increasingly chains such as Stop 'n Shop, Hannaford's, Freshtown, IGA and Price Chopper are buying their milk. Some milk is delivered to a distributor that ships to specialty grocery stores and coffee shops in New York City. Their milk is also distributed to nearby Vassar College and the Culinary Institute of America.

Hudson Valley Fresh milk sells for about \$2.69 for a half gallon in local stores. The retail price for Hudson Valley Fresh milk falls in the price range between conventional milk and organic milk. All farmers involved are guaranteed to make \$20/cwt on milk sold through Hudson Valley Fresh. Proceeds from retail sales are divided equally among the 10 farms. In early 2007, Hudson Valley Fresh was marketing 12,000-15,000 pounds of milk per week (or 150-200,000 pounds a month) to 60 different stores.

Among the challenges the group has had to address was the creation of a distribution system to transport the milk from farms to the stores where it is sold. The group secured a grant for \$65,000 from the Dutchess County Industrial Development Agency to buy a refrigerated truck. They have hired three part-time drivers. Each driver delivers milk on each of the three delivery days and is available in case another driver needs back-up. Another, part-time employee handles all orders for the group.

The milk sold with the Hudson Valley Fresh label is not organic. Unlike organic operations, farmers participating in Hudson Valley Fresh may use fertilizers and pesticides on their land. Additionally, sick cows may be treated with antibiotics, though their milk is not sold for a period after use of antibiotics.

The organization requires that farmers meet specific standards in order to have their milk purchased by Hudson Valley Fresh. Somatic cell count on the milk must be below 200,000 cells per milliliter. Among participating farms, the somatic cell count averages 100,000. Farms must meet certain standards of cleanliness. Standards of animal treatment are agreed upon and respected. No farmer may use synthetic hormones (rBGH or BST) on cows.

Other goals of Hudson Valley Fresh include the preservation of farms and farmland in the region, allowing farmers who want to do so to stay on the land. The organization supports farmers and the general community by sponsoring educational activities and campaigns targeted at the public. Educational efforts are concerned with the local food system, featuring the farmers in the organization. Hudson Valley Fresh also promotes and supports the use of vending machines in schools and camps that offer local dairy products, fruits and vegetables for sale to children.

Hudson Valley Fresh was originally founded by Sam Simon, one of the farmers who produces milk for the organization. Simon retired from a career as an orthopedic surgeon and purchased a 150-acre farm in Dutchess County, New York. He had grown up on a dairy farm in Middletown, New York and chose to return to rural life for several reasons. When he returned to dairy farming, he felt strongly about the excellent quality milk he was able to produce on his farm. He and other local farmers saw the need to move away from selling their milk as a 'faceless product'. They preferred to give their milk an identity that consumers could relate to and support.

Additionally, Simon and the others wanted to support the few farms that remain in the area. Nearby New York City (Simon's farm is 75 miles north of New York City) has resulted in inflated land prices and made it challenging for farmers in the area to keep farming and not sell their land to developers. Simon and others involved with Hudson Valley Fresh believe strongly in conserving agricultural landscapes. They also wanted to help build a sustainable food system that offers reasonable financial gains for farmers and features locally-produced foods being consumed in the region.

As a non-profit organization, Hudson Valley Fresh is managed by a board of directors, a majority of whom are farmers. They also receive advice and support from an advisory council comprised of 25 people in the region who are farmers, representatives of the local department of health, of cooperative extension, of organizations that focus on food systems issues and of a financial institution. Cooperative Extension of Dutchess County has provided assistance with administrative support for the organization and supports educational efforts in the community.

HomeGrown Wisconsin

HomeGrown Wisconsin is a marketing cooperative of 25 family farms from southeastern and south central Wisconsin. The co-op was founded in 1996 to enable Wisconsin organic growers to present themselves to chefs in Chicago, Illinois and Madison, Wisconsin as a single brand and with a single salesperson. The HomeGrown Wisconsin brand represents high quality, organic produce from farms in Wisconsin.

Creation of the co-op also fulfilled a logical need for chefs. While chefs want to buy locally-raised foods, the time inputs required are often too great for a restaurant to make and maintain contact with individual farms to source all the foods they need. HomeGrown regularly provides chefs with an updated list of dozens of fresh products available and delivers to their restaurants twice a week. In winter months, the co-op delivers root crops, frozen fresh produce and some fresh greens raised in hoop houses.

Produce offered by the co-op includes multiple varieties of many dozens of vegetables (including several varieties of baby vegetables), 24 varieties of herbs, edible flowers, apples, berries, plums, pears, grapes, melons and organic brown eggs. Co-op members use organic and sustainable methods to raise produce for the co-op's customers.

The branding system used by the co-op recognizes the importance of both the co-op brand and of the need for individual farms to be credited. All produce marketed through the co-op has a HomeGrown Wisconsin label on it. Also on the label is a space to include the name of the farm that raised the product.

Producer-members of the co-op send their availability sheets to the co-op manager who collates the information and contacts customers. Customers place orders with the co-op manager. HomeGrown Wisconsin members are then notified of orders by e-mail. They harvest and box the produce for the order and deliver the product to the co-op's warehouse in Madison the night before delivery. At present, the majority of deliveries are to Chicago high-end restaurants. The HomeGrown truck travels to Chicago for deliveries two times a week; in winter they service Chicago restaurants once a week.

The cooperative has a general manager who oversees all aspects of ordering and inventories and manages the financial aspects of the business. The bookkeeping associated with ordering and logistics is a significant part of co-op overhead. It has also been a huge time demand for the co-op's general manager. Until recently, the general manager handled all logistical and financial tasks and was also responsible for marketing and maintaining relations with the restaurants in Chicago (nearly a three-hour drive from the co-op's warehouse and offices). The co-op has had five general managers in 10 years, an indication of the challenges inherent in managing that entire set of responsibilities.

After 10 years in business, the co-op is now in the financial position to hire a sales person whose major responsibility is to promote the co-op among restaurants in the Chicago area. The sales manager is a native of Chicago and knows the city. She brings back comments from chefs, and communicates regularly with new and existing customers. Having a person dedicated strictly to building relationships with chefs is a huge step forward for the co-op.

Sales for co-op members operate on an allocation system. Allocations are arranged to determine who will grow which crops for the co-op. This system helps determine who is to dedicate field space to specific crops for the season. Other members can list those crops on the availability sheets. Depending on the sales for that period and the availability of product among members on the A list, their product may or may not be sold through the co-op.

Each grower has a pre-season meeting with the co-op manager. Together they look at production and sales data from the previous season and examine projected sales for the coming season. While this meeting helps producers with their plans for planting, there is no sales contract drawn between the co-op and its members. There are also no written contracts drawn between the co-op and its customers.

Co-op members pay an annual fee and a percentage of sales to cover the costs of sales, distribution, co-op labels and other essentials. HomeGrown Wisconsin is a closed cooperative. New members are added as the business expands. Growers agree to a non-competition clause upon joining the co-op. This protects the co-op from competing with its members in their individual direct marketing businesses.

In 2004, the co-op initiated a new marketing and sales effort in the Chicago area. They formed a Community-Supported Agriculture (CSA) consumer group to make their produce available to households in the Chicago area. The co-op offers 100 varieties of produce during the growing season. Boxes are filled at the co-op's warehouse with fruits, vegetables and herbs as well as a few fruit butters prepared by one farm that has orchards. A few deliveries also include some wild, foraged nuts or fruits and honey. The CSA offers deliveries to about 10 locations in the Greater Chicago area. Another feature for CSA members is on-farm activities and special events.

Like many businesses, the early years were critical in determining that the business would survive. The help and support of key chefs in Madison, Wisconsin and Chicago was key to the formation of the cooperative. Chefs recognize the value of high quality, locally-raised produce and helped build the brand for HomeGrown's farmers. Working together, they have created a

good match between the needs of the chefs and the products being raised by the farmers. The HomeGrown Wisconsin name now reflects a quality and type of product that means something to chefs who know it.

Also important was the patience of the producers in learning and adapting their production, packaging and delivery processes to standardized methods and ones that met the needs of their restaurant customers. Those who managed and marketed for the cooperative reached beyond their existing skills as producers of high quality organic fruits and vegetables to become excellent at customer relations, sales and extension of the HomeGrown Wisconsin brand and servicing the co-op's customers.

Key resources on branding

Building your brand.

<http://muextension.missouri.edu/explore/agguides/agecon/go0650.htm>

Why can't Vidalia onions be grown in Iowa?: Developing a branded agricultural product.

<http://www.card.iastate.edu/publications/DBS/PDFFiles/o2mbp3.pdf>

Key resources on forming a cooperative

Co-ops 101: An Introduction to Cooperatives

United States Department of Agriculture.

Rural Business Cooperative Service. Cooperative Information Report 55.

April 1997.

<http://www.rurdev.usda.gov/rbs/pub/cir55/c55text.pdf>

Collaborative marketing: A roadmap and resource guide for farmers. University of Minnesota Extension.

<http://www.extension.umn.edu/distribution/businessmanagement/DF7539.html>

Lessons learned with branding

Branding **locally-produced foods** is attractive in many markets. Food security concerns among consumers, fueled by media descriptions of contaminated foods, has the potential to put local farmers at an advantage in the marketplace. Backing up your brand with some measurable characteristic (like Hudson Valley Fresh farmers do with low somatic cell count on milk) is one way to make this point.

Branding **family farms and conserving agricultural landscapes** appeals to consumers who want to support to family farmers, an agricultural economy and landscape.

Reserve money for marketing your brand. Set aside money for travel, signage, sampling product and point of sale brochures. How important might it be to attend regional trade shows to get your brand name out there?

Represent your products directly. Even if you have a sales person, create opportunities for farmers to meet customers on a regular basis. In this niche of direct-from-farmers, consumers want to have a farmer's face in mind when they buy and serve the products. Getting to stores to offer samples for store customers is a good way to accomplish this---and to get useful feedback from customers.

Standards of quality in production, and enforcing those standards, is what maintains the brand's reputation. This is particularly important with a co-op where product is pooled. Buyers expect standardized product that meets their specifications. Maintaining the standards agreed upon builds confidence in that relationship between buyer and grower.

2. BRANDING WITH CERTIFICATION

Background

The importance of creating and promoting a brand can be further enhanced by any one of several types of certification. Where appropriate, a third-party certifying agent can help you extend your brand to emphasize a particular trait or set of traits. For example, certification from an organic certifying agent or from the Food Alliance (see description below or <http://www.foodalliance.org/>) are two ways to convey a certain set of production and processing characteristics that may be a good match for your values, business and brand.

Typically, a certifying agent is an independent, third party that has established certain standards. Producers interested in adding the label of that certifying agent to their own brand must conform to those standards. Each certifying agent operates differently, but typically farmers must adhere to specific practices and document those practices. An annual fee is paid to the agent and may cover the costs of the agent's inspections of the farm and a processing facility, if relevant.

Be sure to get to know any organizations in your region or beyond that convey a message that resonates with yours. Conduct some research on the Internet to get to know some of the certification options available to you.

CASE STUDIES

Wisconsin Potato and Vegetable Growers Association

‘Healthy Grown’ is an eco-label for potatoes grown by a group of Wisconsin producers. These growers, and the label they use for their potatoes, was created because they have adopted entirely new production methods that both reduce the pesticide toxicity of the soil and diminish health risks for birds, fish and other wildlife.

An eco-label is a label used for food products that are raised using distinctive production methods designed to minimize impact on the environment. Eco-labels are an easy cue to consumers who wish to express their values and concerns about the natural environment in the purchases that they make. In a sense, eco-labeling enables consumers the opportunity ‘to vote with their pocketbooks’ on food and food production issues. They use their money to buy products that are raised in an environmentally-friendly manner so that their food choices can benefit the environment.

Commercial, intensive potato production in the U.S. has historically relied heavily on the use of high-risk pesticides to overcome the diverse and persistent soil pests that prey on potatoes. The pesticides used pose threats both to human health and to the natural environment.

In 1996, U.S. Congress passed the Food Policy Protection Act in an effort to diminish health risks (for infants and children particularly) derived from pesticides. The Wisconsin Potato Growers saw that there would be a need to change their production methods, but the path to doing that was not clear until one grower from Stevens Point, Wisconsin, Nick Somers had the opportunity to sit on a conference panel with a staff person from the World Wildlife Fund-U.S. Each of them, potato grower and environmentalist, were talking about how to reduce dangerous pesticide use in food production. This encounter eventually resulted in a brand of Wisconsin potato that gave Wisconsin growers a national marketing advantage and left some Wisconsin soils and wildlife in a far healthier state than they had been for decades.

‘Healthy Grown’, the new potato brand, came about through a unique cooperative effort among the Wisconsin Potato and Vegetable Growers Association, the World Wildlife Fund-U.S. and the University of Wisconsin. The collaborative effort was initiated in 1996 and was known as the Wisconsin Eco-Potato Project. The project was supported principally by federal grants and had four major thrusts:

1. Develop and facilitate the adoption of bio-intensive Integrated Pest Management (IPM) methods to be adopted by farmers;

2. Implement selected practices of wildlife management to reduce wildlife health and environmental risks;
3. Create the means to quantitatively measure adoption of IPM techniques in production; and
4. Create market incentives for the potatoes that were produced with these IPM methods.

Equally important was conducting these efforts in a way to ensure the economic viability of the farms that were involved with the program. Some IPM practices are more expensive than conventional production methods. Project researchers helped the growers to develop budgets for adoption and implementation of IPM techniques that they could manage financially.

Additionally, partners such as the International Crane Foundation and other conservation organizations were engaged to help design farming systems that were compatible with healthy wildlife habitats.

Growers involved with the project adhere to a series of practices that meet biointensive IPM (bioIPM) standards. They conduct regular ‘scouting’ and pest management assessments of their farms and complete regular and detailed record-keeping of the chemicals they use. They must segregate ‘Healthy Grown’ potatoes from conventional ones during harvest and storage, and they must practice approved methods of soil and water management on their land.

Potato growers also must agree to have their farms and fields assessed by a third party certifier. Inspections and evaluation of production systems are carried out by the third party certification agency, Protected Harvest. Protected Harvest is an independent, non-profit organization charged with promoting and certifying the use of sustainable farming practices. Protected Harvest quantitatively measures the effectiveness of the adoption of IPM techniques. Protected Harvest uses a point system to evaluate adherence to sustainable practices.

Growers’ farms must meet certain minimum certification standards in order to use the ‘Healthy Grown’ label on their potatoes. Once they achieve certification approval, growers involved are awarded the use of the World Wildlife Fund panda label for use on their packaging. The World Wildlife Fund logo on food is a strong statement that the growing methods used are friendly to the natural environment.

To date, 10,000 acres in Wisconsin have been certified under the ‘Wisconsin Healthy Grown Potatoes™’ Program. Through the program in Wisconsin,

farmers have been able to diminish the use of toxic pesticides by 54%. 'HealthyGrown' potatoes are being marketed in retail stores throughout the Midwest and eastern U.S.

The successes achieved in Wisconsin with 'Healthy Grown' potatoes have led Protected Harvest to replicate the model for use with other growers and crops. They are currently working on a sustainably-raised tomato with a group of farmers near Sacramento, California. They are looking at the possibility of future programs targeted at strawberry, plum and nectarine producers.

Columbia Plateau Producers and Shepherd's Grain Label

How does a group of farmers from the Inland Northwest, a region in the northwestern U.S. known for monocrop commodity wheat production, come to market a certified, sustainably-raised, identity-preserved flour called 'Shepherd's Grain'?

The sixteen farm families involved, from a three-state area, previously produced commodity wheat. Their wheat was good quality, and was raised as cheaply as possible. Most of it was sold to distributors and exported, undistinguished from other wheat on the market.

The transition began with two farmers, Karl Kupers and Fred Fleming. Both men began changes on their farms back in 1995, experimenting with diversifying production to include other crops in addition to wheat. Karl Kupers started with a perennial crop. Kupers was impressed with the positive changes in the soil's water infiltration and the decline in weeds. Kupers transferred to a farming system based on diversification of crops and no-till agriculture. Fleming had been experimenting with changes in the traditional monocrop wheat system also and the two were of like minds. They felt strongly that diversified, no-till farming was better for their soils and the natural environment. They eventually pooled forces and founded the Columbia Plateau Producers.

Kupers and Fleming explored alternative crops in an effort to decide which to commercialize. While crops other than wheat were important to their agricultural systems, wheat was what the region was known for. They decided it would be far easier to produce and process wheat than other products. But they sought a wheat system that didn't require tilling the soil—and one that would result in a unique, marketable product. They grew several varieties of wheat over a few seasons, each time taking them to an artisan baker in Portland for testing. Each of the varieties had a high level of gluten, a characteristic that is excellent for baking bread. The baker identified two wheat varieties that worked well for baking, and those are the varieties that distinguish Shepherd's Grain flour today.

Kupers and Fleming attracted other farmers with similar concerns about the environment and a desire to produce a product with their own label. All the farms involved have diminished the amount of chemicals they use in farming, work to offer fair and safe working conditions for farm laborers and protect wildlife habitat on their farms. The group works with the Food Alliance to certify their farms and product.

The Food Alliance is non-profit organization that offers third-party certification to producers and processors who comply with a series of environmental and socially-responsible practices. Among the standards producers must comply with include: practices in support of conservation of soil and water, protection of wildlife habitat, humane treatment of farm animals, safe and fair working conditions for farm workers, and use of crop varieties that are not genetically engineered. The Food Alliance provides oversight and evaluation of farms to assure adherence to their standards. In return, producers can use the Food Alliance label on products that meet their standards. The Food Alliance further supports producers that carry their label by promoting their certification program with retailers, wholesale food businesses and food service buyers.

Instead of having to fight their way to break into the market with Shepherd's Grain flour, this group of farmers has found an open door when they approach the right buyers. The businesses they sell their flour to recognize the value of a high-gluten, specialized flour raised by farmers who are so devoted to environmental and social responsibility that they have certified their farms with the Food Alliance. The Food Alliance label provides additional value to the group's own brand, assuring consumers and others that an independent certifier recognizes these characteristics. The distinction of this product, combined with the connection to the Food Alliance, offers entrance into a whole new set of markets for these farmers.

A distinctive marketing characteristic of Shepherd's Grain has to do with how they conduct their sales. Their wholesale marketing focuses on relationships. They seek out buyers who are willing to create a personal connection. They strengthen these connections by getting buyers out to visit the farms, ride on the equipment and meet the farm families. This type of personal relationship assures a sustainable business for all parties. In describing their brand of marketing, Kupers explains the difference between a supply chain and a value chain in getting product to consumers. **Supply chains, warns Kupers, can be broken on pennies. A value chain is forged by a personal relationship, and so it is sustainable.**

According to Kupers, the group conducts itself like a cooperative, but they operate as a Limited Liability Corporation (LLC). All producers who choose to be are owners of the business. The 16 farms that produce wheat for

Shepherd's Grain flour are all family farms. All of them use sustainable farming methods featuring no-till agriculture to protect the soil from erosion. Each bag of flour can be traced back to the farm and field from which the grain came.

Their pricing system is far removed from the commodity market as well. They calculate their costs of production and add a reasonable margin (minus farm subsidies). This sets the price for the year. All parties along the chain, distributors and buyers, know the price.

Currently wholesale bread and pastry bakers account for 90% of Shepherd's Grain sales today. They have just launched a co-branded retail line of flour. Hotlips Pizza (<http://www.hotlipspizza.com/about/index.html>), a chain of pizza shops in the Portland, Oregon area that also focuses on sustainable food production and business management, features Shepherd's Grain in their pizza crusts. HearthBread Bake House Bakery, in Spokane, Washington, has developed a line of breads that feature Shepherd's Grain flour. Breads produced with locally-raised grains disappeared from the region long ago, but now Shepherd's Grain has brought them back.

Key resources on certification

The Food Alliance. <http://www.foodalliance.org/>

Protected Harvest. <http://www.protectedharvest.org/>

Organic Certification. Organic farm certification and the national program. <http://attra.ncat.org/attra-pub/summaries/organcert.html>

USDA: The National Organic Program.
<http://www.ams.usda.gov/nop/indexNet.htm>

Key resources on eco-labels

The Consumer's Union Guide to Eco-Labels:
http://www.eco-labels.org/good_ecolabel.cfm

The European Union Eco-Label home page:
http://ec.europa.eu/environment/ecolabel/index_en.htm

Key resources on value chains and values-based marketing

What is a value chain? Iowa State University.
<http://www.valuechains.org/valuechain.html>

Value chain guidebook. Agriculture and Food Council of Alberta. Alberta, Canada. <http://www.nova-institut.de/ra-attach/16606/vcguide.pdf>

Values-based food supply chains: Strategies for agri-food enterprises-of-the-middle. <http://www.agofthemiddle.org/papers/valuechain.pdf>

Lessons learned with branding + certification

A third party certifier strengthens a brand. While a brand alone can be very powerful, third party certifiers are meant to be objective and unbiased assessments of a producer's adherence to specific standards of production and resource management.

Eco-labels attract a set of consumers that might otherwise pay no attention to a particular brand. While labels can convey important information to consumers, it is also possible to overload them with information. A third party certifier can represent a certain set of issues, taking care of many of the decisions about what information to convey on the label.

Certifiers can help producers make connections to market and distribution opportunities. While not all certification agents play this role, increasingly the organizations that provide certification are playing the role of intermediary in helping to market the products and producers they certify.

There is a growing movement in favor of values-based supply chains. As described in the case study for Shepherd's Grain, a value chain emphasizes relationships between people and companies in getting product to market and conducting the necessary business to get it there. These relationships are based on trust, confidence and a constant flow of information. Business decisions are made in such a way so that all parties involved are assured an adequate profit margin.

3. PURPOSEFUL PARTNERING

Background

As discussed above, among the challenges faced by farmers and others when conducting business outside of the conventional commodity and industrial agricultural system is the need to create infrastructure in order to conduct business. Within the conventional agricultural system, production assistance, technology, transportation, loans and many other essentials are readily available. But in value-added or niche production, very little, if any,

of that infrastructure exists.

In many cases, the players involved have re-created systems that are parallel to conventional ones for production, processing, transport—and for the other tasks essential to carrying out value-added business.

In other cases, the parties involved have taken the opportunity to be creative in the development of infrastructure for alternative agriculture. Unexpected partners have emerged and been sought out to help farmers and assist in getting product marketed and transported. Innovative solutions to old and new problems have emerged, often from surprising places.

Below are two examples of creative and non-conventional solutions to common problems that producers encounter when trying to meet new markets.

CASE STUDIES

Edelweiss Graziers Cooperative.

Edelweiss Creamery (<http://www.edelweisscreamery.com/>) is a small cheese factory in Green County, in southern Wisconsin. Bruce Workman, a highly experienced Wisconsin Master Cheesemaker, founded Edelweiss Creamery in 2002. He had owned and made cheese for several Wisconsin cheese companies in his career. Bruce fulfilled a dream he had had for years: he bought one of the state's smallest cheese factories that had closed down. He completely refurbished the building and facilities, replaced the equipment and brought the factory back into production.

In the meantime, a group of three Wisconsin dairy farm families dedicated to management-intensive rotational grazing (graziers) were looking for ways to feature their specialty milk in a new product. As they examined a variety of business opportunities, they sought the advice of Bruce Workman and Jeff Wideman, another Wisconsin Master Cheesemaker from Green County.

The group of farmers eventually decided to enter into a partnership; they formed the Edelweiss Graziers' Cooperative (<http://www.edelweissgraziers.com/>). The Edelweiss Graziers' Cooperative now owns the cheese factory. Bruce, the cheesemaker, owns the equipment and is hired by the cooperative to process their milk into cheese. Two new milk silos were purchased to assure segregation of the grazed milk.

Bruce produces a set of cheeses for the co-op that are marketed with the 'Edelweiss Graziers' Cooperative' label. These cheeses have added value for multiple reasons: They are produced exclusively from the milk of cows that have grazed on pasture, so they feature distinctive flavor, color and texture

profiles; the cheeses are made with grazed milk; and they are hand-made, artisanal cheeses. Additionally, since Bruce is a Wisconsin Master Cheesemaker, the cheese labels carry the Wisconsin Master Cheesemaker mark, particularly attractive to chefs. They are marketed in channels that feature artisanal and specialty cheeses, bringing a better price for the farmers and the cheesemaker. Bruce Workman also continues with his own business, making cheeses with his own label, Edelweiss Creamery, and markets those cheeses through his own channels.

This creative business arrangement and purchase of the cheese factory by the co-op is a return to a very traditional Wisconsin cheese business model. From as far back as the 1850s, dairy farmers in Wisconsin (and elsewhere) have formed producer cooperatives to pool their milk. They would cooperatively build and own a cheese factory and hire a cheesemaker, either someone from Europe or someone completing an apprenticeship in another cheese factory. In this traditional business arrangement (that still exists among many dairy co-ops in Wisconsin today) cheesemakers often purchase their own equipment and convert the co-op's milk into cheese for the market. The new Edelweiss Graziers Cooperative has returned to this model.

This new ownership of the cheese factory enables the debt burden (incurred in the purchase and renovation of the cheese factory) to be shared by the three farmer/members of the cooperative. And this group of dairy graziers was able to enter the world of artisanal cheese production without having to become cheesemakers.

Frontera Farmer Foundation.

Chef Rick Bayless and his wife, Deann Bayless, own two restaurants in Chicago: Frontera Grill and Topolobampo. The restaurants feature authentic Mexican cuisine. They use, when possible, fresh ingredients produced in the Upper Midwest and are committed to working with and buying directly from farmers in the region.

Rick Bayless is a celebrity chef engaged in a variety of activities. In addition to owning two nationally-recognized restaurants, Bayless also hosts a television series on Mexican cuisine. He sells a line of salsas and other Mexican food through retail stores. Bayless is a founding board member of Chefs Collaborative, a national organization of chefs devoted to promoting and featuring locally-raised and seasonal products. Bayless frequently visits farmers in the region and speaks at farmers' meetings and other food-related events and festivals.

Years ago, in an effort to source local, organic produce for his restaurants, Rick Bayless approached Odessa Piper, chef and then proprietress of L'Etoile Restaurant in Madison, Wisconsin. Piper's excellent relationship

with Wisconsin farmers made the introduction easy for Bayless.

Bayless has since developed strong friendships and business relations with many farmers in the region. In some cases, he contracts with farmers for specialized produce each season. Such relationships enable producers to have a reliable market for value-added products like the varieties of high-end, specialty produce needed by Frontera Grill and Topolobampo. This guaranteed market for fine produce helps farmers with planning production, budgeting and planting each spring. Bayless has introduced farmers from the region to other chefs in Chicago, enabling them to expand their markets and increase their volume of production. This combined volume of sales makes it financially feasible for farmers to ship product into the city of Chicago since several restaurants are buying. In fact, the relationship that developed years ago between Wisconsin farmers and Chicago chefs was a big help to the group of farmers who created **HomeGrown Wisconsin**, a cooperative of organic producer growers and who market to restaurants in Chicago (see **Branding Distinctions**, above).

In 2003, one of the Wisconsin family farmers from whom Bayless had been buying produce approached him with a request. The farm's business was going so well that they were in need of expensive new equipment to continue to meet the demand for their products. Frontera Grill was an important customer for the farm so they approached Bayless for a loan to help out, short-term, with the expenses. Not only did Bayless provide the loan, he agreed to allow the farm to pay back the loan in produce through the next season.

The Baylesses and restaurant staff saw this kind of support to local farms as a good investment. They were able to float the loan, and simultaneously assure their good source of product. The following year they granted a second no-interest loan to another farm and the loan principle was repaid with goat meat.

Inspired by the financial benefits to farmers and the advantages offered to the restaurants in assuring sources of fine quality, locally-produced foods, Bayless and his team went even further. They decided to find a way to make cash available to local farmers who typically cannot gain access to conventional sources of financing.

The Baylesses and their team founded Frontera Farmer Foundation, a non-profit organization that provides grants to farmers serving the Chicago area. Grants are targeted to help farmers address specific challenges or to take advantage of important business opportunities. These are grants, not loans, and so do not need to be paid back. Grants are for a maximum of \$12,000.

The foundation is managed in-house at the restaurants, but an independent

board (unrelated to either restaurant) makes the decisions about grant awards. The grants are based on need and on demonstrated business capabilities.

In order to raise more money for the grant program, they initiated a special fundraiser. One day a year, in June, they shut down the restaurants to regular business and run three separate fundraising events. In the afternoon, they clear out the furniture and set up a farmers' market for vendors to sell their produce. Buyers pay admission to attend and buy at the market. There is live music, drinks and food. They close down the restaurant from 3:00-5:00 PM. Then they host a \$135/person dinner, which fills the restaurant and has earned the foundation as much as \$40,000 in one evening. Farmers are introduced and honored. The final fundraiser of the day is a silent auction of donated goods, including a dinner with the Baylesses at their house for a \$10,000 donation. Another unique item auctioned is a space on the annual trip to Mexico. (The Baylesses close down the restaurants for a week each year and visit a different region of Mexico with their staff to sample and get to know authentic, regional Mexican cuisine.) That one brings in \$20,000 for the foundation and local farmers. Other sources of funding include donations from long-time customers of the restaurants and some sponsors who defray some of the costs for running the fundraisers.

In 2006, the Frontera Farmer Foundation had 20 grant applications from farmers; 13 grants were awarded. Twelve grants were awarded in 2005. In the first three years of the program, the foundation awarded \$300,000 in grants to local farmers. In addition to making funds available for agriculture projects on farms in the region, the fundraising events also serve to attract the attention of a wider market of chefs to the producers with whom the Baylesses work.

Resources on purposeful partnering & creative funding

New Seasons Market.

<http://www.newseasonsmarket.com/dynamicContent.aspx?loc=14&subloc=1&menuId=11&mc=OC>

Building Better Rural Places.

<http://www.attra.org/guide/resource.pdf>

Lessons learned from purposeful partnering

You don't have to do everything yourself. There are many creative ways to develop partnerships with people that benefit all parties involved. Often farmers who break out into direct marketing are hesitant to share those hard-

earned profits with contractors. Seek out partners with complementary skills and contacts so that your partnership actually helps both parties to solve the challenges your businesses face.

Partners can add value. Sometimes forging a new business relationship or taking on a partner can actually add new value to a product. The Edelweiss Dairy Graziers Co-op added even more value to their grazed cheese products by partnering with a Wisconsin Master Cheesemaker and a partner who already knew the world of artisanal cheese marketing.

Look ‘outside the box’. Small farmers are often closed out of conventional sources of money and other infrastructure necessary to do business. Seek out new, innovative opportunities. The Frontera Foundation example demonstrates that distinctive, high quality products can be so important to chefs that they may be willing to invest in the producers’ infrastructure (advance money for farm expenses) and receive product in payment of the loans. This idea emerged from seeking creative solutions (‘outside the box’) and taking the chance by asking for the loan.

Seek partners interested in forming value chains. Value chains are based on relationships that are concerned with the long-term sustainability of the businesses involved in the chain--from farmer to consumer (see above). Edelweiss Graziers Cooperative is an example of how producers, a processor and investors entered into a cooperative relationship that shares the costs of the operation and puts each into a lower risk situation.

4. INNOVATIVE DISTRIBUTION SOLUTIONS

Background

Like some of the other challenges addressed here, the issues of consolidation and transportation arise because inadequate infrastructure exists for products that are outside mainstream industrial agricultural production. Conventional trucking operations tend to service large-scale manufacturers of food and other products. For a small-scale producer or cooperative, much of the infrastructure available to get product to market is out of their reach.

The most commonly used alternatives available to smaller scale and non-conventional food producers are:

1. Cooperatively pool product with others to make volume adequate to access more conventional infrastructure;
2. Pursue less-than-truckload (LTL) service providers to transport product; and
3. Create your own distribution network.

There are also other challenges related to the logistics of consolidation and

transportation: Can schedules be matched to meet customers' demands? Can the trucking service offer adequate care for perishable products? Is it affordable? Considering all of these and other options requires a tremendous effort and expense on the part of producers. Most producers work hard to educate themselves about logistics and transportation, organize with others to aggregate and transport product, identify available services and compare costs to determine which, if any of the available options, is financially feasible.

Below are two solutions to the consolidation and transportation bottleneck that emerged independently in two different regions of the U.S. In both cases, the solutions described were created by innovators in natural foods grocery cooperatives, not by growers.

CASE STUDIES

Co-op Partners Warehouse

In 1999, in an effort to bring the best fruit and vegetables to the Wedge Community Co-op store in Minneapolis, Minnesota, the store's produce manager, Edward Brown, launched a unique and innovative initiative. The co-op created its own warehouse and distribution system for organic produce.

Brown had long been a proponent of local buying and worked hard to establish direct contact with producers around the U.S. that provided the co-op with fresh fruits and vegetables. Edward knew most of the producers personally. He visited them in Minnesota and surrounding states, on the West Coast and elsewhere. He understood the challenges faced by producers and regularly kept the co-op's member/customers informed about the farms, the products and the people that supplied the Wedge's produce department.

In order to maintain high standards for produce offered at the Wedge, Brown had increasingly cut out distributors and worked directly with producers around the country. Produce sales at the co-op steadily increased, the need for storage space became greater and space got tight. In order to assure fresh and fast delivery of product to the Wedge's produce department, as needed, they sought a nearby, off-site warehouse for storage. At the time, the warehouse he used in the Twin Cities was owned by a cooperatively-owned organic distributor, Roots & Fruits. For several years, the Wedge leased this space to store produce.

As Brown and colleagues at the Wedge saw the growth of other retail stores that were beginning to offer natural and organic foods, they recognized the need for the Wedge and other natural foods cooperative groceries to build

even more on their strengths. For the Wedge, one of those strengths was the co-op's high quality produce and its close connection to farmers who supplied the Wedge with vegetables and fruits.

In order to build on that strength, and to help other natural foods cooperative groceries in the region to thrive, the Wedge founded the Co-op Partners Warehouse (CPW) in 1999. Its mission was to help the Wedge's produce department flourish and to offer the best quality and widest selection of organic produce available in the Upper Midwest. Creating CPW allowed the Wedge to meet these objectives for its own store and to assist other natural foods co-op groceries in building high quality produce departments as well.

Today, Co-op Partners Warehouse operates out of a warehouse facility with 45,000 square feet of storage space. In the fiscal year ending June 2006, the warehouse sold more than \$12 million of produce. CPW functions as a department of the Wedge Co-op, but also serves about 100 other customers, principally in five states. The majority of their deliveries are in Minnesota and Wisconsin, with some going to Iowa, Michigan, Illinois and North Dakota.

Of the 100 customers served by Co-op Partners Warehouse, about 95% are retail stores, mostly cooperatives. They have an increasing number of restaurant customers. Most of these are independent, chef-owned establishments that specialize in locally-raised, in-season products and feature organic produce. Some restaurants have approached CPW to help them source better quality or unique products that the chefs are not able to source from their conventional distributors. A small number of CPW customers are independent groceries that are not cooperatives.

Most of the products handled by Co-op Partners Warehouse are organic vegetables and fruits. The non-organic produce they sell tends to be from land that is transitioning to organic. They also carry certain products that are difficult to source from organic producers. In addition to produce, they handle a variety of dairy products from multiple sources and regions of the country. In sourcing cheese, they concentrate on local producers, with raw milk and organic products being preferred, but not exclusively.

For transportation, Co-op Partners Warehouse owns a few trucks, and leases others, but typically uses common carriers for out-of-state shipping. Their trucking operation picks up some product within a limited distance of the Twin Cities, but most producers deliver to them.

CPW also has a drop shipping program that has worked well for producers and their customers and for CPW as well. For example, CPW works with selected organic meat producers. They do not take on purchase and sale of

meats, but they use their distribution system to deliver them. Producers receive meat orders directly from their customers. Producers deliver the meat and the paperwork to the warehouse. CPW delivers the meat. CPW bills the producer for the delivery—a fee they can pass on to the customer—or not. Drop shipping is done with selected producers of other foods as well. The drop shipping system enables producers and their customers to take advantage of the CPW distribution system while allowing the warehouse to stick to their own product lines.

As a business, Co-op Partners Warehouse has also launched a few unique programs that provide additional income for the warehouse. In one case, the National Co-op Grocers Association developed a deli program for natural foods cooperative groceries that features a series of salads made with natural ingredients. Because of the distribution system already in place at Co-op Partners Warehouse, it became the logical business to run the program. Five-pound deli tubs of a variety of natural salads are sold through Co-op Partners Warehouse to its customers.

Another program was developed from a popular signature cookie produced by the Wedge. The co-op worked with a local bakery to come up with a frozen, pre-cut, portioned cookie dough with natural ingredients. Co-ops buy the frozen dough from Co-op Partners Warehouse and can bake the dough and sell fresh-baked cookies in their stores.

La Montanita Co-op Natural Foods Market

In Albuquerque, New Mexico, a city where Whole Foods and other national supermarket chains continue to proliferate, La Montanita still claims enough space in the market to have four successful co-op stores in Albuquerque and Santa Fe. What is it that enables this cooperative to compete against the big chains? One key to the co-op's success is its delivery of quality goods and its connection to locally-produced food. Member surveys affirm this as La Montanita's market advantage over other retail stores. Steady growth in sale of locally-produced goods is the solid evidence. In 2003, 16% of the co-op's sales were of locally-produced foods; a year later it had grown to 18; and by 2005, 20% of total sales were from locally-produced goods.

But a huge bottleneck for getting local produce to market is distribution. Farmers everywhere face the challenges of identifying or creating infrastructure to get their product to market and devoting their limited resources toward doing so. So what is La Montanita doing that is different?

The directors and management of La Montanita have come up with a creative solution to addressing this distribution bottleneck. They are so sure

that this is their ticket to the future in the face of competition from other retail stores moving into the organic and natural foods sector that they have gone through a strategic planning exercise and created a long-term plan focused on growing the regional food system.

While increased sale of locally-produced goods is their target goal, La Montanita recognizes that local farmers don't currently grow an adequate volume of goods to supply all of what the co-op wants to source locally. They also recognize that it will take time for the locally-produced foods in their stores to cover the costs of the distribution system they have launched. So they have taken on a multifaceted strategy:

1. **Create a distribution network.**
2. **Stimulate the production of regionally-produced goods.**
3. **Complement local purchases with product from beyond their local 'foodshed'** and distribute it to other retail stores (not just their own).
4. **Run a campaign for local branding and public education** directed at consumers that builds demand for locally-produced goods.

In June of 2006, La Montanita initiated the first step of a two-year plan. The co-op leased a truck that picks up product both locally and regionally, allowing for economies of scale in transport for many local, small producers. A warehouse serves as the distribution node and storage site for the products that they work with. The eventual goal of the co-op is to use the truck to move local product to serve the needs of their current and future stores. However, since the local supply currently is inadequate to cover the costs of the distribution system, La Montanita transports a wide range of products sourced regionally. These tend to be products that the co-op has purchased in the past and has relied on other distributors to transport. Now La Montanita distributes these products to their four stores and to other retail stores in the area.

In order to expand production regionally to eventually meet their goal of sourcing 50% of their produce locally, La Montanita will hire a full-time Enterprise Development Manager. The production manager will work with producers to purchase their goods, coordinate with the store management and with those operating the logistics part of the distribution system for the co-op. This manager's responsibilities include: making local production meet the demand for specific products, working with producers to expand the diversity of products and helping producers scale-up production to meet the growing market created. The co-op's branding and education campaign with help create this new demand.

The branding and education campaign, directed at the public and also

designed to train store employees, emphasizes the value of purchasing locally-produced goods: freshness, commitment to local farmers and agricultural land use, and the logic and advantages of making choices that minimize transportation when making food selections in the store. Participating growers use the co-op's 'Beneficial' Eco-Label emphasizing the

shared principles among those involved while still recognizing the unique characteristics of each farm.

Key resources on distribution

Distribution manual for specialty agricultural ventures.

<http://www.cadefarms.org/pdf/cadepub004a.pdf>

Wholesaling, distributing and retailing links.

<http://www.agmrc.org/agmrc/business/operatingbusiness/wholesaledistributionlinks.htm>

Lessons learned in innovative distribution solutions

Farmers don't have to solve all the problems themselves. In most food systems, farmers face a full set of challenges that include: Producing food, finding, negotiating with and servicing the market(s), getting product to market (and more). Here are two examples of natural foods cooperatives that have recognized the multiple challenges faced by farmers and have stepped in to offer distribution services that are in the interests of all parties involved. They have found ways to offer transportation assistance while assuring the autonomy of farmers and meeting the produce needs of their stores in a way that works financially for the farmers, the co-op and consumers.

New solutions address new problems. As small and mid-sized supermarkets sell out or go under, there are fewer available wholesale markets for local farmers. Most large-scale corporate chain stores are vertically integrated with their own centralized buying programs and warehouses. Others exclude small producers by volume required or limit in-store buyers' abilities to buy from outside the chain warehouse. Both co-ops described above had always provided their communities with locally-produced goods, but creating distribution systems to assure a supply of locally-produced goods now offers new sales opportunities to producers who face the challenge of getting their product to market. Both of these cases are innovative examples of creating needed infrastructure to support food systems that are alternatives to mainstream industrial production.

Seeing the 'big picture' in innovation helps problem-solving. Some solutions are bigger and more holistic than we initially think. Sourcing new

local produce is a bigger problem than just getting farmers to grow and deliver more. La Montanita recognizes the need to create a more holistic, longer-range program that incorporates local buying, stimulating local production and creating demand for those locally-sourced products.

5. MAKING LINKS IN THE CHAIN

Background

There are a growing number of intermediary organizations in the U.S. and elsewhere that support farmers in their marketing efforts. Intermediary organizations, in this case, are groups that help facilitate one or more activities that connect the links in the chain between farm and table. The two cases described below examine two different initiatives, both of which operate as non-profit organizations.

CASE STUDIES

Red Tomato

Red Tomato is a non-profit organization based in Canton, Massachusetts, in suburban Boston. The organization's mission is to make the connection between family farmers using sustainable methods of agriculture and retail stores and other customers who want to buy sustainably-raised products in the northeastern U.S.

Red Tomato accomplishes its mission by working all along the supply chain. They do the following:

1. Work with farmers to plan production that meets market demands, to secure fair prices for their goods and to get their product to market.
2. Work with farmers and scientists to develop production protocols that meet ecological standards.
3. Develop packaging and branding materials to communicate their messages to consumers.
4. Make connections with retail stores and chains.
5. Coordinate orders and oversee distribution of product.
6. Educate the public about family farmers and the type of production standards used by farmers to assure safe, healthy and high quality produce.

The vision behind Red Tomato's efforts is to test the viability of an alternative food system model in the real-world marketplace. That alternative system is one where small family farms raise high quality produce under conditions that are ecologically sound. They further seek to build a system where there are adequate consumers interested in these

products so that the system is economically viable.

Red Tomato was founded by Michael Rozyne who was one of the founders of Equal Exchange, the oldest and largest fair trade company in the U.S. Equal Exchange is a cooperative that markets a brand of coffee that brings fair prices to coffee growers in the Third World. After ten years with Equal Exchange, Rozyne founded Red Tomato, in part, to bring the principles of fair trade to farmers in the U.S. He now works with a staff of seven people at Red Tomato to work with New England farmers and farmers in the southern U.S., through the Federation of Southern Cooperatives.

Key to the strategy of Red Tomato is the creation of a system that effectively forms the infrastructural linkages from farmer to consumer. Their team works on several critical challenges at multiple points along the chain from farmer to consumer.

1) **Working with farmers.** Red Tomato works with farmers on product selection, product certification and branding. Identification of products in demand is facilitated by their research on the marketplace and good relations with retail buyers. They work to assure that farmers can produce the products in demand with characteristics that meets the standards of appropriate buyers. The Red Tomato team works with farmers to help develop, package and ship products that meet the standards of the market they have identified. Such connections and assistance from this intermediary organization help fill key gaps in marketing and distribution that farmers face when scaling up.

The logistics of sale and distribution of products are arranged in cooperation with Red Tomato staff. Farmers are paid a pre-negotiated amount for products. The price is set by negotiation among all parties---farmers, buyers and Red Tomato. Red Tomato staff help farmers price their goods in a way that brings a fair price for products, based on cost of production and a reasonable profit. Red Tomato's role here assures that prices are realistic for the market the farmers target and that pricing is transparent all along the chain.

Red Tomato also identifies customers for the products and arranges the logistics of transportation. Once an order is placed, Red Tomato staff contact farmers to notify them of the order, indicating the amount of product, specifics of the type of product wanted (for example the varieties of apple ordered) and the date for delivery. The farmers prepare and pack orders. A truck comes to the farm to pick up the order. The truck may be owned by Red Tomato, by one of the growers, or may be contracted from a third party by Red Tomato. The product is delivered to the retail warehouse and is then distributed by the company that purchases it.

2) **Market connection.** The Red Tomato team has established relationships with trade buyers in the region. They are able to make connections with retail chains and other stores to build a market for the products that local farmers produce. Among the retail stores in the Boston area that buy their goods are Whole Foods, Trader Joe's and Harvest Co-op. Red Tomato produce is distributed throughout much of New England: in Massachusetts, Vermont, New Hampshire and into the surrounding states of New York, Delaware and Connecticut. They sell primarily to retail stores, though they do have some restaurant and institutional customers. Some product is sent to retail warehouses where it is distributed more broadly.

3) **Branding and consumer campaign.** Produce marketed through Red Tomato is sold with the Red Tomato label. The Red Tomato brand is distinguished by a combination of characteristics: quality, family-farm sourced, ecologically grown and fair trade. Quality produce results from sourcing products locally and thus fruits and vegetables are very fresh. Red Tomato claims to ripen food 'on the vine' and thus can feature crop varieties that are bred for flavor (rather than for long travels to market or long shelf life). The fair trade emphasis comes from the organization's mission to keep local family farms in business.

One campaign run by Red Tomato is for sale of Eco-Apple brand. Eco-Apples are distinguished by the use of an advanced Integrated Pest Management (IPM) production system. A cooperative effort among growers, the IPM Institute of North America, and a group of university researchers, this team has developed a production protocol for the northeastern U.S., where it is challenging to grow apples organically on large scale. This advanced IPM protocol is based on sustainable farming methods that are reviewed annually. Farms are certified as adhering to the protocol by an independent, third-party certifying agent, the IPM Institute of North America. The certification assures retail and wholesale buyers and consumers that the apples are sustainably-raised to protect human health and the natural environment.

The Red Tomato brand is built, in part, through attractive graphic imagery that conveys several key characteristics of Red Tomato products: 1) Farmers have environmentally-friendly production standards; 2) Farmers are willing and able to take the care to produce very high quality and good tasting produce; and 3) Those producing the food are farmers from New England (the region where the food is marketed) who own small-scale, family farms. Brand identity is expressed mainly through labels as well as with point of sale materials such as signs and brochures. All signage has images of producers with colorful and attractive pictures of products.

Other Red Tomato programs include marketing of romaine lettuce, peaches, strawberries, and raspberries in New England from the region's farmers.

Another initiative involves the Federation of Southern Cooperatives and a group of African-American farmers in an effort to build a regional brand in the southern U.S.

An important part of Red Tomato's efforts is making the sale of regionally-raised produce a viable business. However, a considerably more holistic and long-term program is required to make this visionary alternative food system model functional. Additional monetary inputs are needed to cover the costs of making connections with retailers, working with growers, developing and implementing IPM standards and the time, expertise and other resources associated with branding and the campaigns for different food products. These efforts are funded, in part, by several federal and foundation grants and some private donations.

New Hampshire Farm to Restaurant Connection

This initiative is a collaborative effort among a group of organizations, businesses, state agencies and individuals in New Hampshire. Their efforts are aimed at connecting New Hampshire restaurants with the state's growers so that high quality products raised by the state's farmers are purchased and used in New Hampshire restaurants. The collaboration is meant to benefit all parties involved: the state's farmers, restaurants, residents and visitors to the state. It is also aimed at preserving the state's rural communities and agricultural landscapes. About 200 farmers participate in the program, from throughout the state.

The group began organizing efforts in 2003 and now exists as a standing committee of New Hampshire Made (www.nhmade.com), an association that promotes and markets goods and services with a New Hampshire brand. While much of their work has been carried out by volunteers, the group has been successful in attracting some grant money to cover the costs of selected activities.

The New Hampshire Farm to Restaurant Connection has launched several projects that address their mission:

1. Conducted a survey of chefs to determine the foods that they use and would like to purchase;
2. Led the state in organizing a series of promotional 'Growers Dinners' at restaurants.
3. Examined distribution channels to facilitate the purchase and transport of farmers' foods to the restaurants;

4. Developed a brochure available throughout the state and launched a website (<http://nhfarmtorestaurant.com/>) to communicate about the effort.
5. Have conducted workshops at the past two annual New Hampshire Farm and Forest Expositions (<http://www.nhfarmandforestexpo.org>) to make further connections between growers and chefs.

The survey of chefs that was conducted by the group went to hundreds of chefs and restaurateurs in the state, principally at independently-owned restaurants. The survey focused on determining the amount of food restaurants bought from local sources and what types of products they sought for the future. These data helped the state's farmers' market association to plan sales activities. The survey also helped the group to identify restaurants that would be willing to host special events.

The group has also published a directory of producers and a schedule of farmers' markets in the state to further facilitate purchase of locally-raised ingredients by restaurants and individuals.

Perhaps the most widely known program organized by the group is a series of dinners known as the New Hampshire Growers' Dinners. These are dinners hosted by restaurants that participate in the New Hampshire Farm to Restaurant Connection. The 'Growers Dinners' have enabled the group to gain visibility in the state and beyond. In 2006, their third year organizing these events, five dinners and a breakfast took place. The group initiated 'Growers Dinners' using the model of wine dinners that are conducted in wine-growing regions of the U.S. to promote both producers of wines and the restaurants that serve them.

"Growers' Dinners' are hosted by restaurants that typically buy foods from New Hampshire farmers. An effort is made to assure that both big and small restaurants participate. The restaurants selected are also chosen in a way to assure a fair geographical distribution of sites in an effort to feature both restaurants and farms from different regions of the state. Restaurants arrange the events so that the farmers and their products are featured at each meal. The names of the farms and products are featured prominently on specially-prepared menus and menu boards. In some cases, farmers are introduced and have the chance to talk about their farms and products. Each event receives a lot of press. The typical 'Growers' Dinner' has been sold out.

When the New Hampshire Farm to Restaurant Connection got started, the organizers had to work to recruit a few chefs who understood the importance of their efforts and were willing to participate. Now, after three years, the program has received enough press that chefs are contacting the

organizers, wanting to participate. In other cases, when chefs are contacted, they already know all about the program and want to take part.

Press coverage resulting from a high profile award propelled the New Hampshire Farm to Restaurant Connection into a new level of popularity in late 2006. *New Hampshire Magazine* recognized the New Hampshire Farm to Restaurant Connection by awarding them with the 'Best of New Hampshire 2006' in a category called 'Perfect Partnerships'. Press has been good for the farmers and restaurants involved as well as for the program itself. One 'Growers Dinner' included interviews on public radio with participants in the program. The chef interviewed on the radio program commended a local cheesemaker with such enthusiasm that her cheese is now well known in the region and sales are far easier.

Secondary impacts of this initiative include the fact that the press and visibility of fine New Hampshire-grown foods have an impact on the general public. The public has frequent opportunities to see and taste the meats, vegetables, fruits, cheeses and other specialty items grown in the state while dining at local restaurants. This is likely to stimulate growth in sales for local producers as well. The group's directory of growers and farmers' markets will help New Hampshire residents find the products they taste in restaurants.

The groups cites several major benefits from its efforts:

1. Strengthening of farm businesses and agricultural communities;
2. Educating restaurant personnel and the general public about the diversity of high-quality products available from New Hampshire growers;
3. Strengthening the state's character by building the image of a distinctive landscape and a unique indigenous food culture and food supply;
4. More readily available fresh, nutritious and healthy foods produced in the state;
5. Promoting the state's restaurants.

Another important accomplishment of the group addresses one of the biggest bottlenecks faced by growers: getting product to the customer. Chefs have very limited time, and often limited resources, to put toward sourcing fresh ingredients. The organizers of New Hampshire Farm to Restaurant Connection, in recognizing the need to help chefs and restaurateurs address this problem, approached the United Parcel Service (UPS). With some discussion and deliberation, the organizers were able to negotiate a special contract for delivery of farmers' products to restaurants. UPS has made it possible for growers to pool their shipping costs into one account to build a volume of business with UPS and secure deep discounts

for shipping their goods within New England for overnight delivery (see <http://www.nhmade.com/upsform.cfm>). Furthermore, UPS agreed to pool all the accounts of the 700 members of New Hampshire Made to achieve an even greater volume discount for New Hampshire producers shipping through UPS.

For example, a farmer can drop off the iced and boxed product at 4:00 PM one afternoon and a chef, 200 miles away, receives the shipment the next day. Cost for the shipping? Discounts can be up to 33% of normal shipping costs if enough producers are using the program that week. Discounts are credited to each farmer in their monthly UPS bill.

Chefs take full advantage of this service. They can decide early in the week on a special weekend menu, call the farmers to place an order. The farmer harvests, and packages the product for shipping and it arrives to the restaurant the next day.

Some other groups that make links in the chain:

Culinary Alliance of Santa Cruz County. <http://culinarysantacruz.com/>.

Research, Education, Action, and Policy on Food Group (REAP). Madison, Wisconsin. <http://www.reapfoodgroup.org/index.html>.

Food routes. <http://www.foodroutes.org/>

Lessons learned in making links in the chain

Cooperation doesn't require a cooperative legal structure. In both cases illustrated above, a non-profit organization is the legal structure for organizing the players involved. In the New Hampshire example, the non-profit entity serves the function of a collective voice. Benefits are accrued to all parties though not all parties have a monetary 'take' from the activities completed.

Linking can take several forms. In the case of Red Tomato, most of the necessary links are carefully orchestrated by the organization, working in cooperation with farmers and other partners. The New Hampshire Farm to Restaurant Connection, on the other hand, addresses many of the same links with a much more loosely coordinated structure. The group's directory makes contact information available, and then the restaurants make selections and place orders on their own. Both systems work. Each accomplishes the needed tasks under their individual circumstances.

Independently-owned restaurants can compete with chains by featuring locally-sourced ingredients. In New Hampshire and across the country, independently owned restaurants and retail stores are finding that featuring locally grown ingredients on their menus is one way to counter the onslaught of national chain restaurants like Applebee's, Chili's and Denny's. Here are two types of circumstances where intermediary organizations facilitate the relationships.

Conclusion

As farmers reach outside of the conventional and industrial agricultural system, they discover a whole range of products to sell and approaches to marketing directly. This study has sought to identify and describe a selection of particularly innovative strategies used by some producers that have resulted in profitable businesses.

For each case described in this study, the combination of individual players, legal structures, products, target markets, strategies, goals, limitations and challenges are unique. Likewise, for individual farmers or producer cooperatives that read this report, the circumstances will vary. The intent of this report was to describe a set of strategies and their outcomes, offering adequate detail, so that producers elsewhere could learn and be inspired by these efforts.