

farm to plate

NETWORK

DEEP-DIVE SESSIONS

2. The Balancing Act: Affordable Food, Livable Wages, + Business Viability

Americans are accustomed to cheap food: 6.4% of household income is spent on food, while other Western countries spend over 10%. At the same time, the complexity of Vermont's food system means that workers experience a wide variety of wages, safety risks, and working conditions. Farm labor and food worker wages, particularly in the retail sector, are typically low and lack benefits and paid sick leave. Some farms and food businesses earn very low margins, and many years are, at best, a break even proposition.

Since all of these realities exist simultaneously, how do farm and food system businesses provide good jobs, affordable products, and achieve financial success? How can consumers better understand the real price of our food? How do we ensure that those most in need have access to fresh, healthy food that they can afford, at stores where they frequently shop? While Vermont has an incredible network of charitable food organizations, is this sustainable over the long term?

What can be done to strengthen the bottom lines of farms and food businesses so that they can afford to pay better wages and benefits?

Facilitator: John Ryan, [Vermont Agriculture Development Program](#) / VSJF

Panelists:

Randy George, [Red Hen Bakery](#)

Steve Paddock, [Vermont Small Business Enterprise Center](#)

Hillary Martin, [Digger's Mirth Collective](#)

Katherine Sims, [Green Mountain Farm to School](#)

This session should be of interest to members of the [Food Access Cross-Cutting Team](#), [Labor Cross-Cutting Team](#), [Financing Cross-Cutting Team](#), [Aggregation & Distribution Working Group](#), and the [Education & Workforce Development Working Group](#).

Notes:

All four panelists have been challenged with balancing a viable business with providing livable wages and affordable food. Group participants included several business and farm owners. They shared their experiences:

Randy—Red Hen started 14 years ago as a wholesale bread company; stores and restaurants are still the core of our business, but 6 years ago we opened a retail store and café, adding significantly to our payroll. We now have about 40 employees. Randy believes in providing good sustenance, and without pricing it to be out of reach of your average working person. Adding luxury items to Red Hen's retail operation, like espresso and croissants, strengthened the business - to be more diverse in what we offer. We're involved in something that requires skilled labor, and we're a 24-hour operation, so we needed to attract a staff who wanted to stay - who were passionate about this work but could derive a good living from it too. Providing a place to have a career has allowed our business to be sustainable. Scale—being larger than most bakeries in Vermont—has helped.

Hillary—Digger’s Mirth is a farm located in the [Intervale](#), started 21 years ago when there were a lot fewer organic vegetable farms around, so we were able to secure markets and grown along with those markets. Five currently share farm ownership – and the risk. With five owners, only a small number are hired every year. With horizontal management structure, all owners are paid the same wage. For employees, we look for people with more experience and avoid farm newbies – we attract a more skilled base and try to compensate for that. Profit-sharing is offered to employees with us for five years or more. We’ve grown slowly and incrementally. Partly this is in thanks to shared equipment available to us at the Intervale. We’ve never capitalized beyond our means, which has kept the pressure off and has kept us nimble. Our farm set up a neighborhood market with low overhead expenses so that vendors can sell at wholesale prices to a low-income population. We put food where people are, and do that in low-cost and low-capital ways, so that we can keep our food affordable. All of us who are growing food are doing this because we care about providing food. We also do a [mobile market from a truck](#), driving around at the old north end neighborhood, which allows us to access people that don’t typically come to markets, for whatever number of reasons. It’s why we’re farming: To grow food for our neighbors.

Steve—VT-SBDC works with about 100 agriculture and food system businesses. I was a cattle farmer for 10 years, but lost a lot of sleep due to stress about cash flow. I often felt it was difficult not to have assistance, and so decided to become someone who offers business technical assistance to producers. Our work is primarily in the business viability area, and to a smaller extent to livable wages as our work benefits their livelihood too. We help producers find the business template that’s right for them, and then offer coaching and connection to resources along the way. People come to the work with passion, or skill, or knowledge that allows them the drive to create this product or service, but often they haven’t developed business management skills; we’re able to help them. If our reward, in a financial sense, is less, that can really take away the drive for some people.

Katherine—As a newcomer some years ago to the Northeast Kingdom, I was excited to have all this great local delicious food around, but then was shocked to see that many living there did not have access to this food. GMFTS was created to build a safe and secure food system for the Northeast Kingdom. Farm to School is one strategy to solve this problem, through school gardens, program leadership, education, a food hub, and a mobile farmers market. We don’t have a lot of solutions; we have a lot of lessons learned. A lot of our strategies focus on education: Kids, making healthy choices; food service staff, how to prepare this food; farmers, how to provide this food.

The group broke into pairs and threes to react to what we just heard. Some thoughts:

- 👉 Using community gardens and neighborhood markets to meet the need of culturally-appropriate and ethnic vegetables for immigrant populations.
- 👉 Many of the symptoms we see of a failing system are part of larger systems. We need to be tackling these larger systemic issues. These issues (health care, poverty, non-livable wages, etc) are all connected.
- 👉 Other countries focus culturally on quality food, like in Italy where they spend 2 times as much on food as the U.S. A place where food is the heart of the culture – it can happen here, and then the apparent paradoxes here diminish. A systemic values change can accomplish this (instead of spending money on food we’re spending it on health care, child care, etc.)
- 👉 Including perks for employees, or indirect benefits like flexibility on health care or child care, can help to meet some of these objectives.
- 👉 Buy Food Not Crap – we buy a lot of junk. This program allows you to buy good food as a gift for someone.
- 👉 Universal Healthcare decouples healthcare from employment, which is a benefit for seasonal employees. It’s more than just wages – its consistency of work – and these employees can afford to come back.

Benjy (from [Skinny Pancake](#)): Planning ahead to work with local food is an important tactic. Planning with the farmer for a product that is consistent in quality and is clean, which reduces labor on our end. When dealing with non-local food from national distributors, we negotiate for the best price because we want to keep our money to do other things with it – pay employees, buy local food. We’re very flexible, we offer paid time off for

hourly employees, and we look for any way to provide benefits that don't cost us money, like brokering with the neighboring sailing center so our staff can use the kayaks. If you don't have the money, you can't do it. Is there a way we can reduce our employees costs as a long-term employment solution, rather than promoting them up the ladder since there are limits to this? For example, is there a way I can help with homeownership for employees so they're saving on rent? The vast majority of restaurants don't offer health insurance, and if we're hit with a large tax many of us will fold.

The group broke into new pairs and threes to discuss what each of us can do to address these issues. Some ideas were:

- 👉 The capacity for generosity is the way through - to share that
- 👉 The idea of pay-as-much-as-you-want model of cafes and restaurants - this has been done, and some pay more because they can afford to be more generous, while others can more easily access food and pay what they can afford. This seems to have been worked and be viable, but perhaps because it's a novelty?

Some remaining thoughts from the group:

- 👉 The role of intermediaries: helping to connect non- and for-profits to reduce cost by making the most of resources we have through sharing
- 👉 Establishing the bottom line that food is a human right could shift how we invest our resources, and VT is in position to take leadership in that
- 👉 We need to diversify our tactics and include economic incentives because, while we're all in this room because we want to be in this conversation, there are many people who are not a part of this conversation. New tactics and incentives can bring these people into the conversation.
- 👉 Many business plans include social missions, but implementing these is another thing
- 👉 Moving in your business life from putting money in to capital to finally being able to put it into wages.
- 👉 Telling businesses who are already trying to good that they aren't doing enough isn't helpful. Patience with these businesses is important.
- 👉 Lines of communication can be opened and relationships built to broaden this conversation from just the economics to overcome inaccurate perceptions or mis-communications between groups that could be or are working together. Some of the barriers are perception.
- 👉 Often those who want to do what they want - grow food, raising animals, etc - look at doing that work as making a financial sacrifice. Many are leaving the industry because there is this perception that you can't afford to be in it - don't make enough money, can't take sick days or vacations, can't save for child's education or retirement. People have to be able to do what they want to do - it shouldn't be impossible
- 👉 The disparity between the kind of living that can be made by actually producing something versus working to provide an intangible service
- 👉 Recognizing that currently we are paying our farmers, who are highly skilled at many things and more so than any fortune-500 exec, less than 20-somethings - this is where we're at, and where do we want to go?

Themes:

- 👉 Including products with higher profits
- 👉 Keeping capital costs down allows more flexibility
- 👉 Satisfaction with doing what we're doing / passionate about the product or service
- 👉 Food access is based in the mission
- 👉 The role of intention in getting to where you want to go
- 👉 To imagine that profit is the enemy is to misunderstand the issue - helping a business to be profitable, especially those that have an intention to do good by the people
- 👉 Price a product to match markets - even the same product sold in different markets

- 🍏 An equitable playing field
- 🍏 Do you change the policy or target high-end markets, or both, to fund the financial shortfall that can come from making food accessible and affordable?
- 🍏 It makes good business sense (leads to retaining workers, growing business, etc)
- 🍏 Recognizing where we're at, and compared to where we want to go
- 🍏 From the perspective of someone from a southern New England city, there appears to be an insatiable appetite for regionally-produced food. It's a regional journey, and the key is raising the ride for everyone. A majority of the consumers in NE live in the southern states.
- 🍏 Scale hasn't been discussed much. Feeding Boston, versus a small farm with a few acres and one employee. The small farm can fill a truck three times a week and that would be all their food; not all farms want to be 30 acres (large); but there is an opportunity to gain efficiency of scale and sell food to Boston, but also be able to provide affordable food locally.

Takeaway Messages:

- 🍏 **There is no single solution for any of this, nor a right scale, nor a right way to do this. But there is an intention to balance these things more optimally, and we all have something we can do. Celebrate that thing we have in common, and see what you can do.**
- 🍏 **Should we showcase best practices (i.e., develop case studies) in HR, in balancing profitability and wages.**
- 🍏 **How to build a career out of each of these jobs; even if they are lower paying at first.**
- 🍏 **Time for a new focus on wages.**