

# farm to plate

## NETWORK

### DEEP-DIVE SESSIONS

### 3. Connecting the Dots: Facilitating Opportunities and Matchmaking Across Vermont's Food System

How well balanced is the supply and demand of local food? How does it differ by product category (e.g., meat, vegetables, dairy)? Are additional connectors needed in the system to match supply and demand as it fluctuates? How do market signals currently get communicated between producers and consumers? What approaches might accelerate supply and demand "finding each other" in the market? Who facilitates market development now, and how do they do it?

**Facilitator:** Eric Deluca, Leverage Point Consulting, LLC

**Fishbowl Participants:**

Tara Kelly, [Rutland Area Farm and Food Link](#) (RAFFL)

Sam Fuller, [NOFA Vermont](#)

Jean Hamilton, [Black River Produce](#)

Peter Allison, [Farm to Institution New England](#)

Diane Imrie, [Fletcher Allen Health Care](#)

Abbey Willard, [VT Agency of Agriculture, Food & Markets](#)

Meghan Sheridan, [Vermont Fresh Network](#)

**This session should be of interest to the [Aggregation & Distribution Working Group](#), the [Technical Assistance for Producers and Processors Working Group](#), and the [Dairy Development Working Group](#).**

**Key questions:**

1. How do market signals currently get communicated between producers and consumers?
2. What approaches might accelerate supply and demand "finding each other" in the market?
3. Who facilitates market development now and how do they do it?
4. Does the balance of supply and demand differ by product category (meat, vegetables, dairy, value-added)?

**Notes:**

**RAFFL**—Interpreting/connecting people who want (or think they want) local food but have no idea how to connect

- 👉 Chef, food service person at school, someone throwing a party » how do I think about where to start engaging the local food movement?

- 🍷 Example: gift certificates to farmer's markets » farmers need to offer
- 🍷 Different values/needs of customers (why are they buying local food? What do they want?)
  - 🍷 We need to understand this and test out new marketplace(s)
- 🍷 Value chain facilitator: organization whose primary function is to make value chain connections, understand and shift market demand
  - 🍷 Not distributors, not purchasers, but being clear about what this role is is important

### **Black River Produce**

- 🍷 Distributors base their pricing on the value of services they're providing: there are costs associated with all costs along the supply chain
- 🍷 Margin is low: between what producers can afford to sell and what retailers are willing
  - 🍷 No fixed price for product or category » each is an individual negotiation that tries to optimize benefits

### **Vermont Fresh Network**

- 🍷 Using technology to improve "information flow" » who has what available and what do they want to sell
  - 🍷 Sharing and leveraging information between professionals (producers and purchasers)
  - 🍷 Not service providers
- 🍷 Technology can't take place of transparency and face-to-face relationships
  - 🍷 Can be used to augment times that face-to-face isn't possible
- 🍷 Culinary advisory group: producers can bring product, have it tested, get feedback about how to get the word out.

### **Hathaway Farms—how to decide what markets to pursue?**

- 🍷 People coming to corn maze asking about cows on the farm (wanted to take some home) » opened the question, "How do we start doing retail beef sales?"
- 🍷 People found us as much as we found them
- 🍷 Knocking on doors of restaurants that we want to be part of
- 🍷 Getting to the scale where we need to think about working with a distributor
  - 🍷 Vision of the farm: only production center, or expand distribution?

### Fletcher Allen Hospital

- 🍷 Purchasing considerations: safety, scale, cultural match (brand/values)
- 🍷 Value-added: are there ingredients that are not worth the risk?

### Ag Development Division, Agency of Ag—growing market access and making connections

- 🍷 What are the pros/cons of working with multinationals in realizing their goals?
- 🍷 Sodexo provides 34,000 meals a day through corporate kitchens and cafeterias » they came to us
- 🍷 We want to be a testing ground for seeing more local food purchased, developing models that can be replicated
- 🍷 The risk is perception; reality is that we have to take some of these risks in order to move the system forward

### NOFA Vermont—lessons from Europe

- 🍷 Visit to Italy: the myths of what we think about the “ideal” food system (all small-scale)
- 🍷 There are some things we can take from Europe that would be interesting to test out here (Parmesan cheesemakers feeding whey to pigs, for example)
- 🍷 Information-sharing/cultural exchanges » we can accelerate learning
- 🍷 “Culture of food” » traditions of cooking, sitting together, joy and respect tied to food
- 🍷 We haven't really figured out how to bring this here yet

### FINE

- 🍷 The narrative of the value chain does bring value to producers in the region
- 🍷 Farm-to-School grants: help driving purchasing in a market that may not otherwise do this on its own
- 🍷 Getting people to make commitments (institutions, in particular)
- 🍷 Fear of over-surveying people to get information!
- 🍷 Asking farmers to share a lot of financial information: when is it a good business decision for you to sell to the institutional market either directly or through a distributor?
- 🍷 Game simulation/exercise » groups of 8 farmers together to play the simulation

## Marketing mix for producers » depends on size and scale

- 👉 As service providers, we are a little removed from the decision-making
- 👉 Direct-to-consumer is often touted as the highest price, direct-to-restaurant next, then working with a distributor on wholesale? Where do institutions fall within this?
  - 👉 What is the price point different between an institution purchasing product and working through a distributor?
- 👉 Value that institutions can bring: pay bills on time(!), stamp of approval (safety), consistent purchasing year-round
  - 👉 Other factors than just price point
- 👉 We need to think of markets in terms of VALUE and VOLUME
  - 👉 Farmer's market: high value, low volume

## As producer/grower » what kind of life do you want? (quality of life question)

- 👉 Farmer's markets: opportunity to build consumers, but significant time commitment in terms of getting to
- 👉 Wholesale markets and institutions: less customers, less need for direct interaction/engagement

## High price doesn't mean high margin of profit » significant time and cost to sell at farmer's market

- 👉 A lot of small start-ups don't fully understand this
- 👉 How are service providers helping producers see the pros/cons of different marketplaces?
  - 👉 Facilitating producers talking through this
- 👉 There are a lot of new businesses in the region focused only on direct retail
- 👉 One institution is not the same as the other: different hospitals have different purchasing needs, and are different in terms of what they are willing to pay
- 👉 Working with a distributor removes this decision-making from the producer
- 👉 For the most part, institutions are purchasing through distributors (even though some are doing direct purchasing)
- 👉 2 different pricing conversations: producer with distributor, distributor with buyers
- 👉 Helpful to unpack numbers: where is there real bottom-line value?
  - 👉 You play a role in the value chain when there is value
- 👉 Going to the wholesale market isn't an all or nothing prospect
  - 👉 You don't need to give up retail in order to get into the wholesale market

- 🍷 Value chain vs. values chain (outcome, health of an ecosystem)
  - 👉 Transparency in the marketplace: distributors being able to tell the story of why they're charging what they're charging, economic benefits of paying a little more for certain products
- 🍷 What in the long run might better serve producers? Working with smaller, local institutions on direct purchasing
  - 👉 Are we shooting ourselves in the foot by working with large multinationals like Sodexo who may not share the same values about
- 🍷 Using contracts as the leverage point for driving increased local purchasing and focusing food service management priorities
  - 👉 Be willing to work with people who are willing to work with you
- 🍷 Is local enough, or do you need a farm identity?
  - 👉 Depends on the purchasing context

#### **Online markets as an outlet? » this is much more transparent**

- 🍷 But totally different shopping experience for customers
- 🍷 Unless customers know the farm/farmers, hard to capture the value because the relationship isn't there

#### **Values are completely different in the institutional market » there is no "all"**

- 🍷 What each organization or entity prioritizes is individual
- 🍷 Fletcher Allen: we choose because of quality and farm practices, not just because of "local"
  - 👉 Institutions are willing to pay more when they capture the value at the back end
- 🍷 Emphasis should be on diversified market channels, as many outlets as they can
  - 👉 Producer businesses need to start with their goals/values

#### **Aggregation of food service purchasers to find out what they want » facilitation of this conversation to communicate to growers what the opportunities are**

- 🍷 Relationships are great, but they still depend on professionalism and efficiency
  - 👉 These are business decisions, not altruistic decisions
- 🍷 Producers know best what's happening on the ground, but statewide orgs have the ability to provide information that can help producers access diverse markets and align with statewide goals
- 🍷 Information technology vs. relationships
  - 👉 What online information would actually add value? (stories, data)

👉 These platforms are being developed, but would be helpful to know where the gaps are?

### 3 questions » diagnostic tool that can apply whether it's the state food system, or a particular food business

👉 What is the stage of development? (of the food business, or of the food system)

👉 Technical assistance for business development, access to capital

👉 What are the market channels?

👉 What is the scale?

### Ending questions:

👉 When are myths helpful, and when are they not helpful?

👉 Are we bringing more people to the marketplace, or are we trying to get people already in the marketplace to bring more?

👉 Need to invest more effort in helping consumers how they can influence supply chains beyond farmer's markets

👉 How do you provide enough information (numbers) to farmers to help them make decisions about what markets are appropriate, or to what extent do you leave this up to the competitive marketplace to sort out?

👉 Consider the term local and what this will mean in 5-10 years? What will the production required be to fill the growth of markets (especially given the NE Food Vision)?

### Flipchart Notes:

#### What is a supply chain?

👉 The sequence of processes involved in the production and distribution of a specific product.

👉 In general, the supply chain includes multiple companies such as producers, processors, and retailers.

👉 Supply chains include every company that comes into contact with a particular product.

👉 A system of organizations, people, activities, information, and resources involved in moving a product or service from supplier to customer

👉 The sum of the many food production, manufacturing, and marketing links from farm to table.

👉 Those links include equipment dealers, seed suppliers, food processors, distributors, and even government regulators.

👉 Anonymous, interchangeable parts; an apple is an apple...

**What is a value chain?**

- 🍏 Triple-bottom-line consumer and business values are pivotal building and leveraging relationships with others
- 🍏 The term Food Value Chain is a permutation of the food supply chain.
- 🍏 The difference is in the relationships between each link in the chain:
- 🍏 In food value chains, people, places, and practices matter.
- 🍏 Business relationships along the chain tend to become more collaborative than purely transactional
- 🍏 The term comes from "values-based food supply chain"

**Questions:**

- 🍏 Does the balance between the supply & demand differ by product category (meat, vegetables, dairy, value-added, etc.)?
- 🍏 Are additional connectors needed in the system to match supply and demand as it fluctuates?
- 🍏 How do market signals currently get communicated between producers and consumers?
- 🍏 What approaches might accelerate supply and demand "finding each other" in the market?
- 🍏 Who facilitates market development now, and how do they do it?