Farm Fresh Food Boxes Open New Markets for Farmers and Retailers, and Benefit Rural Economies

Marilyn Sitaker of The Evergreen State College

Jane Kolodinsky, Lisa Chase, Hans Estrin, Florence Becot and Lauren Greco, of University of Vermont; Erin Roche of Vermont Birth to Five

Diane Smith of Washington State University Extension, Skagit and Whatcom Counties

Julia E Van Soelen Kim of University of California, Cooperative Extension

Background

Recent trends disadvantage rural communities:

Big farms can sell larger volumes at lower prices to wholesalers—smaller farms can't compete (1).

Growth of national retail chains forcing smaller retailers out of business, particularly in rural areas.

Rural agricultural economies are weakened (2);

Rural consumers find it hard to access fresh, affordable healthy produce (3,4).

Direct sales can encourage intake of healthy foods *and* improve farm profitability:

Direct-to-consumer (DTC) includes Farmers' markets and CSAs.

- DTC may provide ***economic benefits*** to the wider community (6-11)
- DTC may ***enhance social ties*** between farmers and consumers (12-14).

However, DTC sales have drawbacks

1. Farmers' markets require transportation and staffing time; unsold produce may be wasted (15).

2. The up-front CSA subscription lowers farmer's risk and covers *operating expenses*-- but may not adequately cover *labor costs* (16).

3. In some areas, CSAs and farmers' markets have reached market saturation (5).

Overall, the economic returns from DTC sales are not well understood (11).

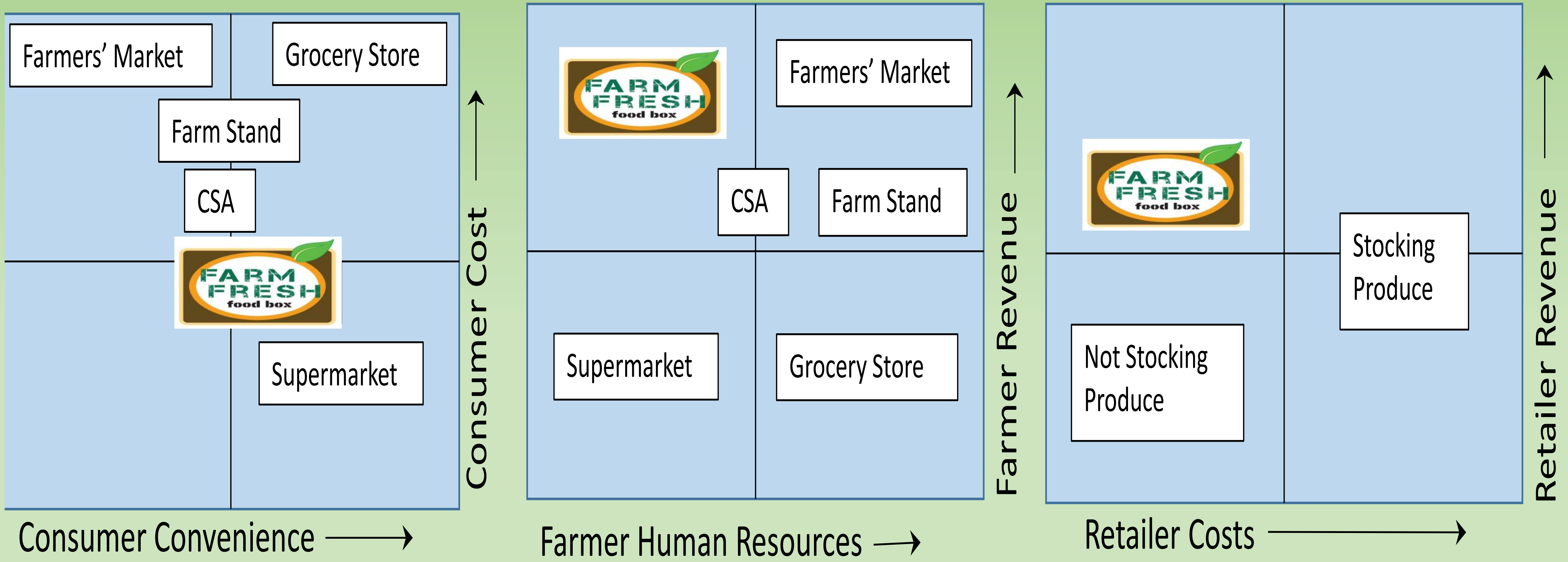
Farm Fresh Food Box (FFFB): a DTC alternative

- **Farmers** offer weekly FFFB at participating retail sites that consumers can easily access. Box contents change throughout the season

- **Retailers** provide a drop-off point, in exchange for a nominal transaction fee. Participating retailers advertise via sandwich boards and flyers. In-store whiteboards detail the cost and weekly contents of the box.

- **Customers** pre-order a weekly FFFB at the retail site or on-line on a week-to-week basis for later pick-up. Customers can use SNAP/EBT.

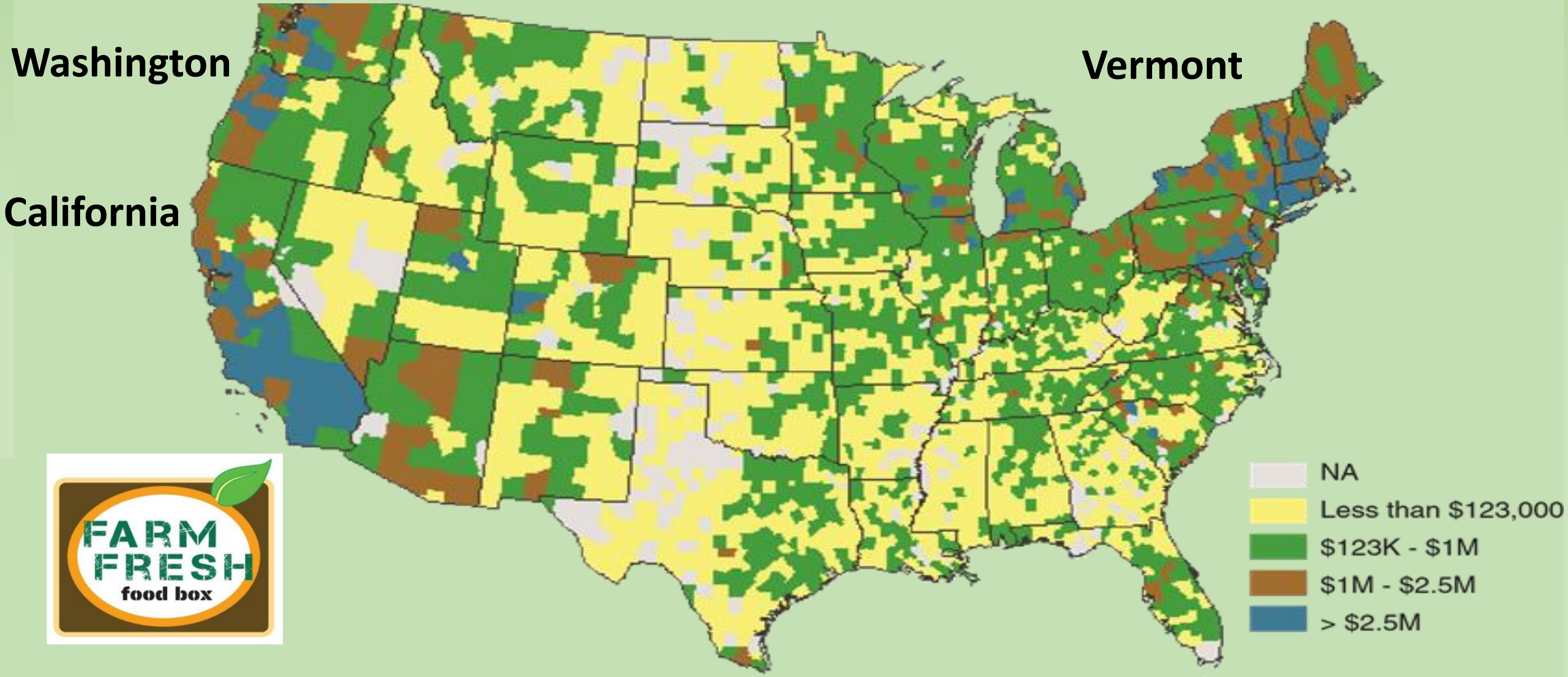
Advantages of FFFB for consumers, farmers and retailers



Approach

FFFB is a multi-state, integrated collaboration between Cooperative Extension and Researchers

Total DTC Sales by County, 2012



Source: USDA Economic Research Service, data from Census of Agriculture, 2012.

Extension Objectives

- Develop an innovative, low-risk market channel for 2-4 farmers in each of three geographic areas;
- Create opportunities for 4-6 retailers in each site to provide local products at no-risk, that will result in associated sales;
- Provide rural consumers with access to healthy foods at affordable prices in an accessible, convenient, and “comfortable” location, with little perceived risk;
- Determine best practices in the FFFB approach, and disseminate information widely to producers and retailers in rural communities.

Research Objectives

- Assess the market potential for the FFFB in rural communities in three geographically areas;
- Measure economic impact of FFFB project returns to farmers and retailers and the regional economy;
- Measure acceptability and use of FFFB among consumers;
- Compare benefits and barriers of FFFB project to farmers, retailers and consumers with the benefits and barriers of other direct sales approaches, namely farmers’ markets and traditional CSAs.

Pre-Season

Extension
- Engages Retailers & Farmers
- Provides FFFB Materials

Farmers
- Get FFFB boxes and stickers
- Demographic Survey!

Retailers
- Get Flyers, Sandwich boards white boards, order pads
- Trained on the Weekly Tracker by research team
- Demographic Survey!

During Growing Season

Extension & Research
- Ongoing technical support/data collection

Farmers
- Tells retailer weekly box contents
- Stuffs customer survey in box
- Packs boxes & delivers to store

Retailers
- Display promotional materials
- Takes orders, collects payments
- Relays weekly orders to farmer
- Distributes boxes

Post-Season

Extension & Research
- Supports data collection
- Pays participant stipends

Farmers
- Participates in post-season interviews with researchers

Retailers
- Participates in post-season interviews with researchers
- Gets 10% of box sales from FFFB extension team

Outcome Measures and Analysis

Pre-Season

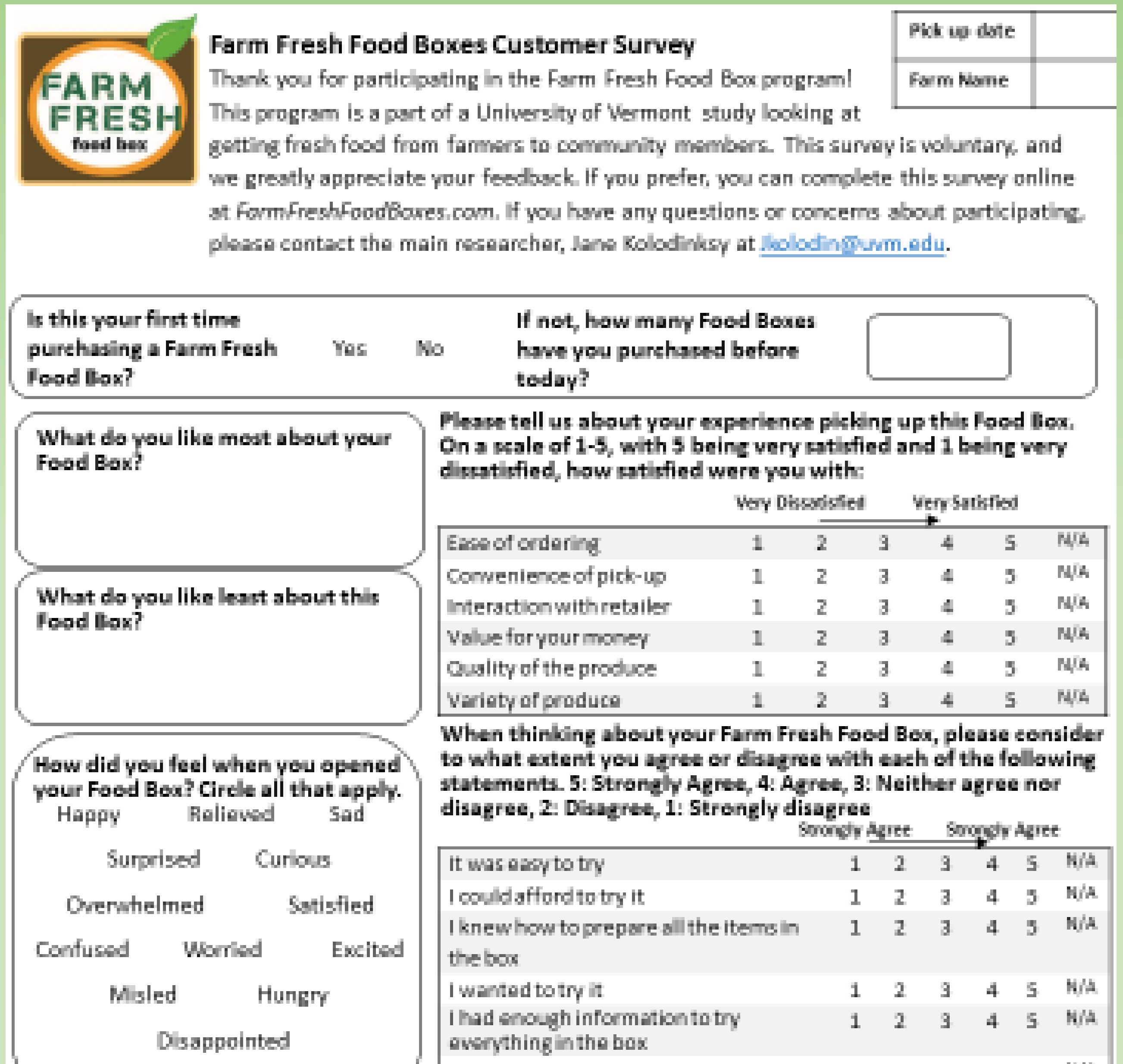
- *Pre-season FFFB Roster*
- *Demographic Survey, farmers & retailers*

During the Growing Season

- *Weekly Tracking Form*
- *Weekly Customer Survey*

Post-Season

- *Qualitative Interview, farmers & retailers*



FARM FRESH food box

Farm Fresh Food Boxes Customer Survey

Pick up date	
Farm Name	

Thank you for participating in the Farm Fresh Food Box program! This program is a part of a University of Vermont study looking at getting fresh food from farmers to community members. This survey is voluntary, and we greatly appreciate your feedback. If you prefer, you can complete this survey online at *FarmFreshFoodBoxes.com*. If you have any questions or concerns about participating, please contact the main researcher, Jane Kolodinksy at jkolodin@uvm.edu.

Is this your first time purchasing a Farm Fresh Food Box? Yes No

If not, how many Food Boxes have you purchased before today?

What do you like most about your Food Box?

What do you like least about this Food Box?

How did you feel when you opened your Food Box? Circle all that apply.

Happy Relieved Sad

Surprised Curious

Overwhelmed Satisfied

Confused Worried Excited

Misled Hungry

Disappointed

Please tell us about your experience picking up this Food Box. On a scale of 1-5, with 5 being very satisfied and 1 being very dissatisfied, how satisfied were you with:

Very Dissatisfied → Very Satisfied

Ease of ordering	1	2	3	4	5	N/A
Convenience of pick-up	1	2	3	4	5	N/A
Interaction with retailer	1	2	3	4	5	N/A
Value for your money	1	2	3	4	5	N/A
Quality of the produce	1	2	3	4	5	N/A
Variety of produce	1	2	3	4	5	N/A

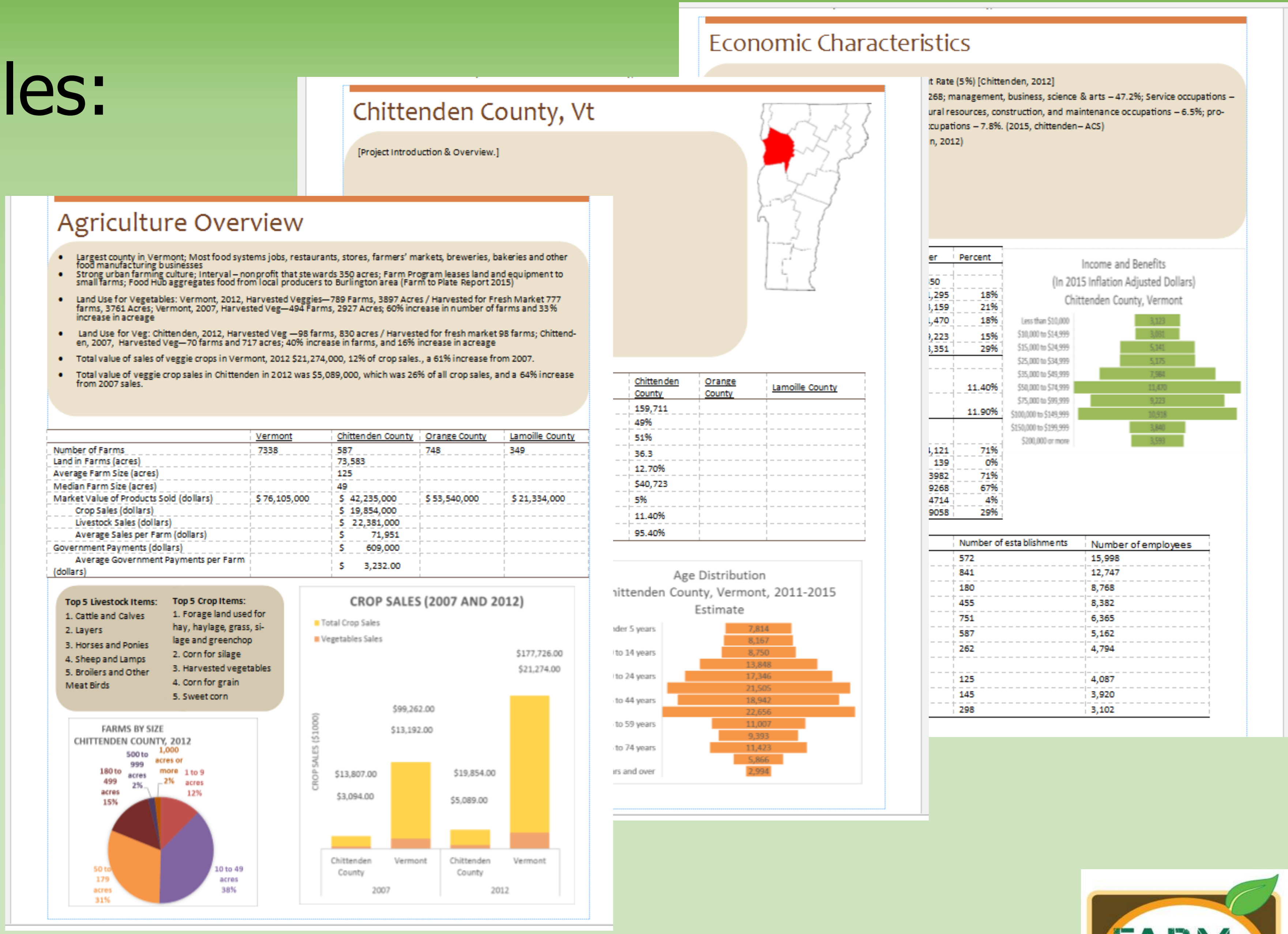
When thinking about your Farm Fresh Food Box, please consider to what extent you agree or disagree with each of the following statements. 5: Strongly Agree, 4: Agree, 3: Neither agree nor disagree, 2: Disagree, 1: Strongly disagree

Strongly Agree → Strongly Agree

It was easy to try	1	2	3	4	5	N/A
I could afford to try it	1	2	3	4	5	N/A
I knew how to prepare all the items in the box	1	2	3	4	5	N/A
I wanted to try it	1	2	3	4	5	N/A
I had enough information to try everything in the box	1	2	3	4	5	N/A

Community Profiles:

- List of profile elements created
- Data sources identified for intervention sites in each state (WA, VT, WA)
- Template created and mock up for one pilot site county



Initial Findings

Preliminary Results:

- Two farmer/retailer pairs were identified as test sites for the Vermont pilot
- Overall, 16 boxes sold during a five week period in Fall 2016.
- At least 2 customers purchased boxes multiple times

Retailer/Farmer Feedback:

Retailers

One retailer found running credit cards onerous

Didn't generate new customers -but confident it will do so in future.

Customers were happy /excited about the boxes

Farmers

Incorporating FFFB along side CSA packing is easy

Both farmers were grateful for Extension's initial outreach to retailers

Farmers may be more motivated to "make it work"

"[FFFB] is a good way to connect with community, to bring in customers, and connect people with the farm".

FARM FRESH food box

Lessons learned:

Process:

Establish clear expectations for all participants

Plan logistics, monitor and provide support as needed

Communication:

Determine best manner and frequency to talk to each person in the project.

Marketing:

Publicize FFFB to create “buzz” prior to launch

Offer several sizes and include recipes in the box

Lessons learned, cont.

Reduce respondent burden

Review data elements, to eliminate non-essential variables

Revise tracking form so that it is collected only once, at the beginning of the season

Customer surveys

Develop mechanism to follow up with customers who don’t fill out paper surveys.

Email surveys may pose several challenges.

Project team: Investigators

Jane Kolodinsky
Principal Investigator
University of Vermont
Center for Rural Studies

Lisa Chase
Co-Investigator
University of Vermont
Cooperative Extension

Hans Estrin
University of Vermont
Cooperative Extension

Florence Becot
University of Vermont
Center for Rural Studies

Marilyn Sitaker
Co-Project Director
The Evergreen State College
Ecological Agriculture and Food Systems

Julia E. Van Soelen
Co-Investigator
University of California
Cooperative Extension

Diane Smith
Washington State University
Extension, Skagit and Whatcom Counties

Lauren Greco
University of Vermont
Center for Rural Studies

FARM FRESH food box

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Example of DTCs that have been shown to benefit farm profitability and community economics (11).

Author (year)	Returns to producers	Increase in Employment	Increase in Gross Output	Increase in Personal Income
Hughes, 2008	Not reported	119 jobs, (82 net)	$2.4M (net $1.1M)	$0.7M (net $0.2M)
Henneberry, 2009	Not reported	113 jobs	$6M	$2.2M
Otto, 2010	$29M in direct sales, 55,000 visitors	576 jobs	$59.6M	$17.8M
McCarthy, 2001	$550K in direct sales for vendors	Not reported	$450K in enhanced sales for local businesses.	Not reported
Meyers, 2001	Annual revenues of $192,030	Not Reported	$966K in enhanced sales for local businesses.	Not reported

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Marilyn Sitaker, MPH
Ecological Agriculture and Food Systems
The Evergreen State College

(206) 395-7501
sitakerm@evergreen.edu

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