

Sustainable Ag Council - Summary Report
Local Food Sales: Food Co-ops and Country Stores

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Scope of Work

The "Wealth of the Land" report describes Vermont's diverse agricultural base, and growing direct sale market worth \$9.5 million in 2002. However, among the 2006 Vermonter poll findings was that 22% of respondents said that local foods should be more readily available. Increasing opportunities to find local food in other retail outlets year-round may be part of the solution. In 2006, the Council identified consumer co-ops and independent country stores as targets for further research in Vermont's local food market. The 2007 research goals are:

1. Measure the contribution to the local food market in Vermont by consumer co-ops and Vermont Alliance of Independent Country Stores (VAICS);
2. Identify the reasons for, and barriers to sourcing locally;
3. Identify the types of local products that are being sourced
4. Identify areas in the state that had a dearth of local food outlets, and identify those areas that might be clusters of the local food market.

The definition of "local food" was based on Vermont's definitions of local and native: within 30 miles of the store AND/OR within the state.

Summary of Findings:

- 67 co-op surveys were completed and returned;
- 14 VAICS surveys were completed and returned.

Co-ops

An estimate of \$4 Million is contributed by all **VT co-ops** to the **VT local food market**, based on large, medium, and small co-ops' average percent locally sourced: (see table 1)

**For comparison, the VT SAC Report Summary from 2006 reported that the state's total in *direct* sales of local food – including all CSA farms, farmer's markets, and farm stands – in VT was \$9.5 million, as reported by the 2002 Census of Agriculture.

An estimate of the \$22 Million is contributed by **all northeastern co-ops**: (see table 1)
On Average, co-ops in the northeast source a little over 16% of their food products from local producers and regional distributors, and source from 40 farms.

Reasons for sourcing locally: (see table 5)

The strongest reasons were environmental and relationships with producers.

Barriers to sourcing locally: (see table 6)

The greatest barriers to sourcing locally were the supply of local goods and distribution and infrastructure. The least problematic were consumer demand and the quality of goods. Other barriers mentioned by respondents included the short growing season, vendor co-ordination, marketing, and vendor selection.

VAICS

14 out of 50 VAICS surveys were completed and returned (28% response rate).

VAICS members reported sourcing between 1-5% of their inventory from local sources

Reasons for sourcing locally: (see table 8, also)

The strongest reason for sourcing locally was the relationship with producers, followed by the quality of local products and demand for local food. Political and environmental reasons the least important. Further reasons mentioned by respondents included freshness and reciprocity with vendors.

Barriers to sourcing locally: (see table 9)

Distribution and logistics proved to be the biggest barrier, followed by quality and consumer demand – unlike what co-op managers reported. Further barriers mentioned by respondents included excessive state regulations and regulation compliance, scheduling deliveries, locating sources, and inconsistent billing procedures (becoming time-consuming).

Vermont Local Food Distribution Map

While no statistical analysis has yet been completed, by looking at the map two trends appear to emerge: consumer co-ops are present where other local food venues also exist; and some areas of the state appear to lack both direct local food sale options and consumer co-ops, most notably the Northeast Kingdom, and Bennington County.

The next step is to correlate the relative location of each co-op to the mean centers of local food activity (as calculated by the program ArcInfo), and to demographics including population density, median income, land-use, and business distribution.

Recommendations and future studies

Recommendation:

- Each co-op or country store should report what it is searching for in terms of local foods, as well as it's criteria in terms of packaging, infrastructure limitations, and distribution requirements to a central overseer/ distributor (NOFA, VFN, the Co-operative Grocer, a new entity, etc).
- Formal networks should be created among co-ops of each state and within the region for sharing information with regards to sourcing locally. While the scale may vary among the different co-ops, they all seem to be affected by the same distribution barriers.
- Linking with VAICS may represent a new area of expansion for sales from local farms and farm products.
- Continue efforts to reestablish local and regional canning and preserving businesses. Many farmers are adopting season-extending methods, but preserving local foods for year-round consumption may result in an increase in local production.

Future studies:

- As distribution appears to be the key barrier, feasibility studies of small-scale distribution run by farmers, run by local consumer co-ops, or run by 3rd party distributors could be fruitful.

Table 1. Vermont consumer co-op by ranking size: average percent sourced locally, average number of farms sourced from, contribution to the local food market.

Co-op size	Number	Average Local Purchase (percent)	Average Local Farms	Contribution to Local Food Market
Small (<\$1.2 million in sales)	8	18	69	\$141,454 - \$222,454 *
Medium (<\$8.5 million in sales)	4	19	51	\$873,651**
Large (>\$8.5 million in sales)	1	35	200+	\$2, 975, 000***
VT Total	13	24	93.3	\$3,990,105 - \$4,071,105
NE Total	67	16.78	40.67	\$22,015,000 - \$22,295.000****

Small VT co-ops purchase an average of 18% of their food products from local sources, source from an average of 69 farms each, and contribute between \$141,454* and \$222,454* to the local food market annually.

Medium VT co-ops purchase an average of 19% of their food products from local sources, source form an average of 51 farms, and contribute \$873,651** to the local food market annually.

Large VT co-ops purchase an average of 35% of their food products from local sources, source from an average of 200+ farms, and contribute \$2, 975, 000*** to the local food market annually.

Table 4. Number and percent of co-ops by rank.

Rank	Number of Co-ops	Percent of Sample
Small (<\$1.2 million)	35	52.2
Medium (<8.5 million)	23	34.3
Large (>8.5 million)	9	13.4

Vermont Alliance of Independent Country Stores (VAICS)

There are 50 registered VAICS members; 14 responded to the survey (28% response rate).

Table 8. VAICS reasons for sourcing locally, percent of respondents by answer; mean response, and standard deviation.

Reason	1 v. weak	2 weak	3 neutral	4 strong	5 v. strong	Mean response	Standard Deviation
Consumer demand	0	21.4	7.1	42.9	28.6	3.79	1.12
Quality of local products	0	0	33.3	41.7	25	3.92	0.79
Supply of local products	23.1	0	15.4	30.8	30.8	3.46	1.56
Relationship with producers	0	0	30.8	38.5	30.8	4.00	0.82
Cost of local products	15.4	23.1	30.8	15.4	15.4	2.92	1.32
Ethical reasons	15.4	15.4	23.1	30.8	15.4	3.15	1.13
Political reasons	61.5	0	7.7	23.1	7.7	2.15	1.57
Environmental reasons	46.2	0	23.1	15.4	15.4	2.54	1.61

The principal message here is that the respondents have noted that there is consumer demand for local products. The strongest reason for sourcing locally was the relationship with producers, followed by the quality of local products and demand for local food. Political and environmental reasons the least important.

Table 9. VAICS barriers to sourcing locally, percent of respondents by answer.

Barrier	1 not at all	2 not	3 neutral	4 strong	5 v. strong	Mean	Standard Deviation
Consumer demand	53.8	30.8	15.4	0	0	3.79	1.12
Quality of local products	25.0	33.3	41.7	0	0	3.92	0.79
Supply of local products	0	33.3	16.7	33.3	16.7	3.46	1.56
Distribution and logistics	20	20	20	20	20	4.00	0.82
Cost of local products	0	38.5	15.4	7.7	38.5	2.92	1.32
Multiple vendors	16.7	41.7	16.7	8.3	16.7	3.15	1.13