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

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

Total DTC Sales by County, 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!

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

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
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
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.”
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

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Bibliography and References Cited


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

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