

**Farm Fresh Food Boxes:
A marketing innovation linking farmers to rural retailers, that benefits local economies**

**A report for the 2017-2018 North East Regional Center Planning Grant:
Impacts of Successful Extension and Outreach Programs**

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Action Indicator #8: Number of Farm and Retail Businesses Making Changes in Marketing or Business Management

Definition: For Farm Fresh Food Boxes (F3B), Action Indicator #8 is defined as the number of farmers and rural retailers who, as a result of Extension outreach, coaching, and technical support, implemented F3B, and used the F3B recordkeeping system to track weekly sales and collateral sales.

In addition to quantitative measures, we described the context in which change occurred by summarizing answers to the following questions from annual Farmer and Retailer interviews:

- “Why did you decide to adopt this new marketing innovation (F3B)?”
- “How did consumers react to the marketing materials you used?”

Quantitative Results: A total of 6 farms and 6 retailers in California, Vermont and Washington made changes to marketing and business management in order to implement the F3B in 2018. In California, a single farm partnered with three stores, while in Vermont and Washington the farm:store ratio was one-to-one. Table 1 shows the change in F3B locations between 2017 and 2018 seasons. Washington retained the same three farmers and one retailer from 2017, and added two new retailers.

Table 1. Change in F3B from 2017-2018

Number implementing F3B	California	Vermont	Washington State
Farmers	1	2	0
Retailers	3	2	2

Qualitative Results: Table 2 shows the various motivations farmers stated for implementing F3B. Opening new markets and providing healthy food to the local community were key reasons mentioned by farmers across all states. In Vermont, exploring how lessons learned from F3B could be applied to the existing CSA business was a motivator. WA farmers said having a trusted Extension agent, and retailers they already respected influenced their decision. Trialability—the ease with which an innovation could be adopted, was also important as in the case of a Washington farmer would found a retailer conveniently located on the farmer’s established travel route.

Table 2. Farmer Motivations for implementing F3B

Farmer Motivation	Sample quotes
Expand Customer Base	<p>"I thought it was a great idea to reach out to more people within the community and to be able to provide food for a wider group of people." (CA Farm 1).</p> <p>"...it seemed like the food box program would be a really good opportunity to reach a new customer base" (VT Farm 6)</p>
Expand to new location	<p>"...my main interest was to access a new customer base that was like where the store is and in that neighborhood, and to get our name out more in [rural location]." (VT Farm 5)</p>
Provide healthy food regionally	<p>"...the reason that I want to grow food and how I envision the food system is one where people who are farming in a given locality are focused on feeding, first and foremost, the people who live closest to them." (WA Farm 2)</p>
Explore modification to the CSA model.	<p>"... it's to try a different approach to subscription sales, in that way; to see if there's anything about that, about the food box...that we could apply to our CSA." (VT Farm 5)</p>
Trusted Extension Agent	<p>"Oh, Extension talked me into it... [she] is a pretty enthusiastic person, and, you know, she said, 'You should really try this. You should try this,' and I said, 'Sure, why not?' you know? It was also a significant factor that the people that she was interested in pairing me with [two nearby stores]..." (WA Farm 2)</p>
Support Extension research on new DTC strategies	<p>"You know, if an [local] research extension person reaches out to me and wants to do an experiment -- I'm going to probably say yes! (WA Farm 4)</p>
Retail partner characteristics	<p>"...[the retailer sells]cigarettes and the booze and the scratch tickets and whatever else that you would find at a corner mart...[but also sells] canned goods, and bread and you know, cheese—like actual food, you know?" (WA Farm 2)</p> <p>"Extension and I met and there was a new retailer who we were excited about because they're on a really busy thoroughfare." (WA Farm 4)</p>
Trialability	<p>"It was fun without adding too much, if anything else, to my plate...So it made financial sense in this particular situation." (WA Farm 2)</p> <p>"...we don't live on our farm, we commute about 20 minutes...And this is a little Mexican store, and it's on our route... So for us, it was like well, it is not out of our way." (WA Farm 4)</p>

As shown in Table 3, retailers were motivated to implement F3B in hopes of expanding their customer base and distinguishing themselves from competitors by including local products and new products. Additionally, retailers were motivated by social values such as support for local farmers and local food systems.

Table 3. Retailer Motivations for implementing F3B

Retailer Motivation	Sample quotes
Expand customer base	"I said, welcome [to the F3B concept], because anything that you add, especially [to attract] different community, you know, the American versus Hispanic, so I want to get the most customers I get." (WA Retailer 5)
Competitive differentiation	"But, yeah, just something a little bit different that we can offer our customers." WA Retailer 6)
Support for local farmers	"I have been a member of their CSA personally for 16 years now or something, so pretty much do anything I can to support them," (CA Retailer 1)
Store Mission	"Our mission is to help the communities, and that includes creating a local food web. And, one of our goals is to ...[link] the community to local food however we can, whether it's through the cafe or through the grocery area, or through classes" (CA Retailer 3)
Carry Local products	"...because we wanted to have local products and we wanted to work with a local farm that was doing it, so we thought it was a good match." (VT Retailer 6)
Trialability	"You know, for us, it's a really pretty easy thing to do. It doesn't really take much of our time or effort..." (WA Retailer)

Table 4 shows customers' opinions of F3B, according to retailers. All retailers report that customer response was positive, even enthusiastic, with specific comments about the quality, freshness, and variety of F3B contents. Several retailers mentioned that they knew F3B customers liked it because they made further F3B purchases. However, one CA retailer said that price (value for the money) was a barrier to repeat business for some customers.

Table 4. Customer Opinion of F3B (Retailer’s perceptions)

Customer Opinion	Sample quotes
Customers like the F3B	<p>“There were some people that were really enthused about them and they came back.” (CA Retailer 1)</p> <p>“For the most part, everyone was pleased with how they came together. I think they put a good amount of food in there, and it was always like very fresh.” (CA Retailer 3)</p> <p>“Oh, they were very happy. I mean, you know, first time they went like, ‘Oh, that's what I get? Great!" And they were just excited with each time that was different produce. You know, it was like, ‘Oh, great. I've got some of those.’ And they were very happy with it. You know, it's super fresh too, so they loved it.” (VT Retailer 6)</p> <p>“Yeah, they were always pretty positive. The produce was always really good quality and, you know, a lot of people commented on that, how good it was, and that there's always, you know, good stuff in the boxes. But I think they always pretty much felt like it was a pretty good value, also.” (WA Retailer 2)</p> <p>“Well they said it's about the fresh, about the product on time. ..what they [were] expecting is what they have, or probably better than what they was thinking on it. And they excited when they pick up, ‘Oh, it's fresh, cold, and it's beautiful.” (WA retailer 3)</p>
F3B too expensive	<p>“I suspect a lot of people that didn't come back...[because customers] looked at it and thought, ‘Well, that is not 30 bucks worth of produce!’ "(CA Retailer 1)</p>

Action Indicator #11: *Number of Volunteer Hours*

Definition: The number of hours devoted by non-extension Staff to the program spent on implementation of F3B. Data to measure this indicator came from compiled responses to the question, “As a result of F3B, has there been an increase in unpaid labor hours for yourself or family members, or increased labor hours of volunteers?” which was asked during the annual farmer and retailer interviews.

Quantitative Results: Per extension staff in CA, WA, and VT, F3B farmers tend to pay themselves out of the farm’s earnings rather than on an hourly basis. Thus, they may not receive extra compensation for additional hours spent to complete their daily tasks. However, F3B farmers in all states reported that this extra work was negligible compared to the 2017 baseline (Table 5). For this project there were no stores that had unpaid staff. However, F3B retailers in California, Vermont and Washington stated that

implementing F3B had a minimal impact on paid staff compared to the 2017 baseline. In both cases, compensation from the net sales of farm boxes likely covered additional labor time needed to implement F3B.

Table 5. Change in Volunteer Hours, 2017-2018*

Indicator	California	Vermont	Washington State
Increase in unpaid farmer or farm volunteer labor hours	2-3 hour increase in farmer’s own unpaid labor over the course of the season	VT farmers noted an increase, which Extension later estimated to be on par with that of California farmers.	12 hours increase in farmers’ own unpaid labor over the course of the season
Increase in unpaid retailer or store volunteer labor hours	[NOTE for ALL retailers in ALL states: None had unpaid workers. All retailers said their staff seamlessly incorporated F3B tasks into their typical workday.]		

*In the context of F3B, this indicator is challenging because labor law requires all non-family workers to be paid. In some regions, increased enforcement of labor laws has made many farmers wary of using volunteers on their farms.

Impact Indicator #18: *Number of Firms Retained*

Definition: Recent trends, including tendency of rural residents to shop big box stores in large urban centers, threatens the viability of small rural stores. Implementing F3B may counter these trends, helping farms and small rural stores survive by increasing their competitiveness. In addition to measuring number of participating farms and stores retained from 2017-2018, we also wanted to also capture the impact of Extension staff assisting businesses to implement a new product and marketing strategies that could enhance their competitiveness.

To assess how interaction with Extension agents strengthened businesses, we asked the following questions during the Farmer and Retailer Interviews:

- “In [Month, Year] you were asked to participate in F3B by your local Extension agent, [name]. Since that time, do you think your business has become stronger and more competitive with larger farms in your region [for farmers] or with grocery stores and supermarkets in neighboring cities [for rural retailers]?”
- “Has participation in F3B provided ideas or skills that were useful in enhancing your competitiveness? If so, what were they?”

Quantitative Results: As shown in Table 6, there were 6 farms and 8 stores that implemented F3B in 2017 that were still in business at the close of 2018.

Table 6. F3B Business Retention from 2017-2018

Number of F3B Firms Retained	California	Vermont	Washington State	Total
Farmers	1	2	3	6
Retailers	3	2	3	8

Qualitative Results: Aside from two WA farmers, most producers felt that implementing F3B helped strengthen their business. Farmers attributed this to increased exposure that selling F3B in a new setting gave them, and the fact that they were able to attract new customers who would then seek them out through other direct to consumer venues (Table 7). Retailers were more cautious in their evaluation; three stated that F3B, after one season of implementation, had not noticeably strengthened their business. One Washington retailer said that their bakery/convenience store was unique and not in competition with other stores. Two retailers spoke to the potential of the F3B model to attract new business due to the quality of the product and its novelty (Table 8).

Table 7. Increased Competitiveness: Farmer Perceptions

Mechanism	Sample Quotes
Increased exposure	“Well, it's maybe given us a little bit more exposure, and...that's what business means to us, is connecting with more people. ... we've been in business for 35 years or something with vegetables. So, you know, it's just holding that and strengthening it, maybe (CA Farm 1)
Attract new customers	“Yeah, yeah, I would say yes, it contributed to it. More people got our produce that I know have never purchased it or, you know, maybe they go to the food co-op... I think that will help me continue to attract more people for fruit, you know, as I advertise my berries.” (WA Farm 4) “I mean, maybe, a little bit, since we gained more customers for our other market channels.” (VT Farm 5)

Table 8. Increased Competitiveness: Retailer Perceptions

Mechanism	California
Novelty	“Well, I think, you know, it maybe added a little something that other people don't have, but I'm not sure overall if they really... I don't think we were all set in getting a lot more customers that used to shop at other stores. You know, we're kind of a little bit isolated, so I'm not sure that that really, you know, would make much of a difference.” (WA Retailer 4)
Product value	“I think it is a great program, again, because it's a really good value and it's consistent and it's easy. So I feel like yeah, hypothetically if we had continued to do the food box for a year or two years and it really had time to catch on, I feel like it would've been competitive with the other grocery stores.” (VT Retailer 7)

Impact Indicator #19: Number of Jobs Retained

Definition: The number of existing jobs in firms which were at risk of being moved or eliminated that were protected by actions taken with critical input from Extension programs.

Though it is difficult to estimate how many jobs were saved by implementing F3B, we attempted to assess this in a qualitative manner by including the following questions in the annual Farmer and Retailer interviews:

- “As a result of F3B, have you hired any new staff? Increased the labor hours of existing staff?”
- “Has implementation of F3B enabled you to maintain current staffing levels—in other words, retain the staff you already have?”

Quantitative Findings: As shown in Table 9, below, none of the farms or stores reported hiring new staff or increasing their labor hours as part of F3B implementation.

Table 9. Indicator change from 2017-2018

Indicator	California	Washington State	Vermont
New staff hired/labor hours increased due to F3B implementation -- Farm	Farm 1: None	Farm 2, Farm 3, Farm 4: None	Farm 5, Farm 6: None
New staff hired/labor hours increased due to F3B implementation -- Store	Retailer 1, Retailer 2, Retailer 3: None	Retailer 4, Retailer 5, Retailer 6: None	Retailer 7, Retailer 8: None

Qualitative Findings:

None of the F3B farms and rural stores in CA, VT or WA described hiring new staff or noted an increase in labor hours as a result of F3B implementation during the 2018 season. Similarly, retailers reported no new staff hired. Retailers said the amount of labor hours devoted to taking F3B orders, processing payments, and handling deliveries was negligible because only a modest number of boxes were sold weekly. Retailers did not find transactions to be burdensome in terms of staff time.

Table 10. F3B Impact on Hiring and Staff Retention

Respondent Group	Sample Quotes
Farmers	“No [new staff hired]...No [increased staff time], because we don't take the orders.” (WA Farm 3) “We did not have to take on any new staff as a result” (VT Farm 6)
Retailers	“We are not busy enough that we couldn't fit all of this in in the available time we had.... There was time writing stuff down, and following up with people, so yeah, but again, it was all within our available slack time.” (CA Retailer 1) “It just took us longer to implement the program than we would have wanted because...we then had to train our staff to get the boxes in the system and figure out how to charge them and everything....You know, we scheduled a special meeting and got everyone together, which we also incorporated other training into. ...tracking was increased but only slightly. It wasn't like a huge burden. But yeah, the few little details that they're supposed to pay attention to and then reminding them that they need to, and then like that extra time of just like recording and putting things where they need to go” (CA Retailer 2). “...we did have one person that was new during that time, and, you know, it was like a two-minute conversation of how it [F3B] works, and that's about it.” (WA Retailer 4) “[regarding additional burden due to F3B] Except to the processing on the credit cards, none.” (WA Retailer 5) “No [new staff hires], because we only had six or eight boxes top end. It wasn't like this massive amount.” (WA Retailer 6)