Sustainable Food Hub Development Strategies

(Image Source: University of Utah, 2019)

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Executive Summary

This report details ways of improving the efficiency of the Methow Valley FoodShed’s operations. The Methow Valley FoodShed is seeking to expand and improve upon its business so that it can further develop into an accessible and disaster-resilient local food system. This organization “helps to foster the growth of an abundant and resilient community food system by connecting people to local farms” (Methow Valley FoodShed, n.d.). There are a fluctuation of producers that currently sell through the FoodShed. Customers have the ability to order before midnight on Tuesdays, and then have the option to have their orders delivered on Thursday evenings, or get their items from a pick-up location after 9:00 am on Friday (Methow Valley FoodShed, n.d.).

The intention of this report is to further develop the FoodShed so that it can become an even more accessible local food system that reaches a larger portion of the community. Geographic location, land access, storage, and the absence of other food hubs are examples of the difficulties facing the FoodShed that are addressed in this report. The Methow Valley is a widespread rural area with limited options for land use, infrastructure, and transportation (Hamilton, personal communication, 2022). This means that finding pick-up locations that can adequately provide for the entire community is challenging; few locations have sufficient cold and dry storage. Moreover, there is no other food hub within the valley, which means that it takes a significant amount of advertising to make the community well aware of the FoodShed’s presence and the services it provides. The efficiency of the FoodShed’s distribution system can also be improved upon; this would encourage both farmer and customer participation in the FoodShed’s programs. This report analyzes the areas of the FoodShed that stakeholders have identified as top priorities. The following list is composed of the stakeholders who have helped to steer the direction of this project, as well as representatives from other food hubs who we have interviewed as part of our research.

- Casey Smith, BCS Livestock Owner/Operator
- Madelyn Hamilton, Methow Valley FoodShed Organizer, Mazama Store Produce Manager
- Joshua Porter, Sustainability Pathways Director
- Emma Hileman: Vermont Farmers Food Center, Program Director
- Lindsay Willemain, Executive Director, Hub on the Hill
- Emily Himelright, Admin / Finance, Linc Foods
- Emily Manke: Southwest Washington Food Hub Administrative Coordinator

The foundation of this report is an analysis of successful food hubs in the United States. We investigated these food hubs for the areas that stakeholders indicated should be prioritized. We examined how these other food hub models have overcome their hardships and which methods and systems they utilized to do so. These results were then compiled into a benchmarking system and used to serve as recommendations for the FoodShed to analyze. A benchmark is a table with a set of standards or subjects that are used to compare consistent qualities across examples of a given category; in this case, across food hubs. This research style results in collection of consistent data, which is crucial when researching many different models. By having a multitude of examples of different implementable systems, the FoodShed will have the resources to decide which of our proposed strategies would be the most helpful to them.
Food hub systems are built to be more sustainable than traditional methods of distributing food. They are a more resilient food model that supports local businesses, rather than relying on national and global shipping routes and far-away food producers. These food hubs also tend to support farmers who are utilizing farming practices that prioritize the health of the land more than companies who use industrial agricultural methods. Food hubs have strong relationships with farmers, which encourages fair compensation and fair usage of products. Food hubs also create a more direct route for producers, which results in a larger profit for producers; they enable farmers to distribute their goods to local residents without going through routes of large-scale distribution. Due to these sustainability practices, the Methow Valley FoodShed tackles a multitude of sustainability goals.

Five specific United Nations Sustainable Development Goals have a direct correlation to the FoodShed. They are: zero hunger, good health and wellbeing, sustainable cities and communities, and responsible consumption and production (United Nations, n.d.) By establishing a system of food distribution that is impervious to global supply chain collapse, the FoodShed ensures that the community will retain access to food which is a preventative measure against hunger. The FoodShed also works to provide the Methow Valley with wholesome, healthy foods, which is a pillar of general well-being and longterm good health. Distribution of locally-grown food cuts down on the cost and environmental impact of food transportation, meaning that when communities utilize their local food systems, they become more sustainable. By using regenerative agriculture practices such as rotational grazing, cover cropping, and minimizing tillage, the farms involved in the FoodShed produce their food in sustainable ways, thereby contributing to the goal of sustainable production and consumption.
**Key Term Definitions**

**Co-operatively owned:** “A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise” (International Cooperative Alliance, n.d.).

**Double Up Food Bucks:** “A healthy food incentive program that doubles the value of federal nutrition benefits (SNAP) spent at farmers’ markets, helping people buy local food while supporting our local farmers and economy. There is currently no limit to the match” (BRWIA, n.d.).

**EBT:** “Electronic Benefits Transfer (EBT) is an electronic system that allows a Supplemental Nutrition Assistance Program (SNAP) participant to pay for food using SNAP benefits. When a participant shops at a SNAP authorized retail store, their SNAP EBT account is debited to reimburse the store for food that was purchased” (USDA, 2022).

**Food Desert:** “Food deserts can be described as geographic areas where residents’ access to affordable, healthy food options (especially fresh fruits and vegetables) is restricted or nonexistent due to the absence of grocery stores within convenient traveling distance. For instance, according to a report prepared for Congress by the Economic Research Service of the US Department of Agriculture, about 2.3 million people (or 2.2 percent of all US households) live more than one mile away from a supermarket and do not own a car” (Food Empowerment Project, n.d.).

**Food Hub:** “A centrally located facility with a business management structure facilitating the aggregation, storage, processing, distribution, and/or marketing of locally/regionally produced food products.” By actively coordinating these activities along the value chain, food hubs are providing wider access to institutional and retail markets for small to mid-sized producers, and increasing access to fresh healthy food for consumers, including underserved areas and food deserts” (Barham, 201)

**Limited Liability Company (LLC):** “A business structure for private companies in the United States, one that combines aspects of partnerships and corporations. Limited liability companies benefit from the flexibility and flow-through taxation of partnerships and sole proprietorships while maintaining the limited liability status of corporations” (CFI Team, 2022).

**Not-for-profit organization:** “Similar to a nonprofit, a not-for-profit organization (NFPO) is one that does not earn profit for its owners. All money earned through pursuing business activities or through donations goes right back into running the organization” (Heaslip, 2021).

**Non-profit organization:** “A nonprofit organization is one that qualifies for tax-exempt status by the IRS because its mission and purpose are to further a social cause and provide a public benefit” (Heaslip, 2021).

**Privately Owned:** “A Privately Held Company is a company that is wholly owned by individuals or corporations and does not offer equity interests in the company to investors in the form of stock shares traded on a public stock exchange” (CFI Team, 2022).
**Regenerative Agriculture:** “Farming and grazing practices that, among other benefits, reverse climate change by rebuilding soil organic matter and restoring degraded soil biodiversity – resulting in both carbon drawdown and improving the water cycle” (Regeneration International, n.d.).

**Sliding scale:** “everyone pays a similar percentage of their income for the same products or services. A wide range of payment options across the scale promotes broader accessibility while ensuring fair compensation to the producer” (Han, 2018).

**Supplemental Nutrition Assistance Program (SNAP)** - “SNAP provides nutrition benefits to supplement the food budget of needy families so they can purchase healthy food and move towards self-sufficiency” (USDA, 2021).

**Sustainability:** “The balance between the environment, equity, and economy” (UCLA Sustainability, n.d.).

(Methow Valley FoodShed, n.d.)
Introduction

Statement of Need

The Methow Valley FoodShed is a brand within BCS Livestock- an LLC that was created during the COVID-19 pandemic (Hamilton, personal communication, 2022). It is the first centralized food hub in the Methow Valley. Due to being a new start-up organization, there is a need to develop efficiency within the current system. The absence of other food hubs within the valley means there is no model that has been shown to work within the Methow Valley. A centralized food hub is important because it is a resilient food system that supports local farm businesses, which in turn provide healthy food to the community. Having a centralized marketplace is also an efficient model because it allows farmers to focus more on their farms instead of focusing on marketing and sales. The fluctuating number of farms currently participating in the Methow Valley FoodShed also utilize agricultural practices that steward the land. Many of the farms that sell through the FoodShed utilized regenerative farming practices that focus on rebuilding good soil systems so that the land can continue to produce and provide for the community.

[Photo credit: E. Linklater, Doubletree farm cows (a member of the FoodShed), 2022]
Project Goals

This report analyzes successful food hub models and the practices that have made them successful. We specifically target strategies for overcoming challenges that FoodShed stakeholders have identified as their highest priorities. We examine the operations of the other food hubs and identify strategies that would effectively transfer to the FoodShed. By being offered varied examples of successful practices that food hubs utilize, the Methow Valley FoodShed will be able to choose which practices they hope to implement. This will create a more efficient food system that can properly attend to its community’s needs while expanding its capabilities as a business.

Background Research

In recent years, food hub systems have been increasing in popularity and in quantity. Each food hub is completely different and ever-evolving which demonstrates that they are always researching and trialing new improvements. There are some food systems that have demonstrated standout strategies. These are the practices that we will analyze and report on.

The Methow Valley FoodShed is set up as such:

- The online portal is open to customers from Sunday to Tuesday night
- Farmers receive confirmed orders on Wednesday morning
- Farmers deliver their products to the FoodShed facility by Thursday at 4:00 PM
- The FoodShed delivers orders to homes and pick-up locations on Thursday and Friday
- Customers may pick up their orders after 9:00 AM on Friday

The Methow Valley FoodShed is incredibly important because it is the only centralized food market that sells exclusively from local vendors on a basis of more than one day per week. The Farmers Market is the only other food market that sells exclusively from local vendors. However, the Farmers Market functions for a three hours once weekly. Not all community members or local vendors are available on Saturday morning. The Methow Valley FoodShed fills this need within the community. Additionally, due to the geography of the valley and the business being in its early stages, there is a need for efficiency within the FoodShed’s operations.
Methodology

Introduction to Data Collection Methodologies and Their Purposes

We used benchmarking and interviewing as our primary methods of data collection. Our benchmarking consists of a set of topics and questions that each food hub will be analyzed for. Having these specific questions creates a consistent set of data that can easily be compared and compiled. Our research compares successful food hub models to one another so that we have a set of explicit and consistent standards that each food hub can be weighed against. Interviewing the people involved in the various food hubs enabled us to extract information that was unavailable on their websites, since many of the websites are nonexistent, underdeveloped, or do not contain the information we needed.

Specific Methodology Details

Benchmarking - The following predetermined benchmarking criteria were used to evaluate food hub systems as a method for gathering information and extracting possible methods for improving the Methow Valley FoodShed. Benchmarks were listed in order of priority, with A being the highest priority and E being the lowest. Benchmarks were prioritized based on the input that we received from the stakeholders of the FoodShed and observations of the FoodShed’s needs. We created a category of additional questions that would not serve as viable benchmarks but are valuable to delve into nonetheless as suggestions for the FoodShed to explore in the future. These are covered in our recommendations.

A- Marketing: How do these food hubs encourage customer participation? Which marketing strategies have demonstrably boosted credibility and professional reputation?

B- Equity: In what ways does each food hub make food accessible? How can the food be more accessible to customers (EBT, sliding door pricing, etc)?

C- Customer Distribution: How are products reaching customers?

D- Pricing: How do these food hubs set their prices? How is the food hub funded (type of business)? How can they afford to make prices more accessible?

E- Farmer Distribution: How are products getting to the centralized food hub location?

Interviews - Each interview was catered to further explore the findings from the benchmarking process related to the specific food hub in question. Interviews were conducted in the second phase of the project after benchmarking was used to evaluate a sufficient number of organizations. By benchmarking before interviewing, we were able to figure out what additional information we needed to get out of the interviews.
Results

The results portion is split into three sections. The first section provides an overview for each individual food hub that we have researched. These overviews will explain what the organization is, what its distribution model is, and brief summary of the individual practices or strategies that are unique to or have been incredibly helpful for the food hub. We were able to secure interviews for some of the food hubs. Interview details are embedded in the food hub descriptions.

The second section will include our benchmark data table with raw data about the individual food hubs. This is data that we found through both online research and interviews. The table includes brief and concise details that are unique to each food hub.

The third section will include a table summarizing the trends we have noticed among the benchmarks. The trends are in bullet points so that the reader can quickly and easily understand the highlights of our research.

The Vermont Farmers Food Center (VFFC, n.d.) is a non-profit food hub serving the Rutland Region of Vermont and “relocalizing the food system through education, food access, and infrastructure” (VFFC, n.d.). Much of their marketing is hired out, which has enabled them to establish a professional and credible image. VFFC’s website is clear, accessible, and detailed, with in-depth pages about each service that they offer and each program that they facilitate. Their website was built using software from NationBuilder, a technology service for non-profits and other community organizations. Currently, VFFC uses a free website theme from NationBuilder, and they are hoping to upgrade to the paid version in the near future, which will further improve their website (Hileman, personal communication, 2022). They maintain a strong relationship with their local news sources, ensuring that information put out into the community regarding their services is relevant, accurate, and engaging. VFFC also reaches a widening audience through participation in the Everyone Eats program, a food relief program that distributes free meals made from locally grown ingredients (Hileman, personal communication, 2022).

VFFC provides equitable food access in the form of the Farmacy Project (VFFC, n.d.). The Farmacy partnered with local healthcare providers to get boxes of free fresh vegetables prescribed to members of the community. VFFC is in the process of getting approved to receive SNAP/EBT payments (Hileman, personal communication, 2022). They are piloting a sliding scale model with fundraiser dinners and they hope to apply a similar model to their product prices. Food
currently sold at prices set by farmers, with a small markup for the services provided by VFFC (Hileman, personal communication, 2022).

Distribution to customers is centered on VFFC’s campus (VFFC, n.d.). In the future, Farmer’s Hall will provide the space for a winter farmer’s market, which gets fresh local food to customers outside of the growing season. The Cowboy Building is the home of Everyone Eats and the VFFC online market (Hileman, personal communication, 2022). Everyone Eats meals are stored in three refrigerators on campus before being picked up by community organizations and distributed by local restaurants (Hileman, personal communication, 2022). Pickup for online orders is hosted weekly. VFFC is also working on establishing a temperature-controlled food storage facility on campus, as well as a new distribution space for food storage, aggregation, and exporting. They have received a grant for a distribution vehicle, which may allow them to deliver online orders to customers. The vehicle will also be used to pick food up from farms so that farmers no longer have to deliver to VFFC. The Farmacy program has delivery drivers on a volunteer basis (Hileman, personal communication, 2022).

[Section photo credit (VFFC, n.d.)]

The Hub on the Hill is a non-profit food hub system in the town of Essex in rural upstate New York. Their mission is to “support and strengthen” their local food system (The Hub On The Hill, n.d.). The Hub provides a convenient and easy way for farmers to sell to the local population, and they provide discounts for those who need them, making fresh local food accessible to a large portion of the populace. They also partner with local businesses and organizations to expand the accessibility of locally grown food. The organization was founded in 2015 via the local Grange. Since then, it has expanded to provide a myriad of services including food delivery covering 2100 miles per week up and down the state of New York, commercial kitchen rental, and temperature-controlled food storage or producers distributing their goods. The Hub also has a website where individual consumers and wholesalers can place orders. They offer delivery to individuals, restaurants, grocers, and institutions throughout New York State. In addition to delivery services, the Hub has a physical location in Essex. Their market provides easy access to local food in a town otherwise lacking a grocery store (The Hub On The Hill, n.d.).

[Section photo credit (The Hub On The Hill, n.d.)]
LINC Foods is a cooperatively owned food hub in Spokane, WA with a mission of providing the Inland Northwest with “a robust local food system and a vibrant ecosystem” (LINC Foods, n.d.). Their prices are set by the farmers, and a small markup is added for LINC’s services (Himelright, personal communication, 2022). The small markup is 40% for retail and 25% for wholesale (Himelright, personal communication, 2022). They have a multifaceted marketing strategy with a well-developed, aesthetically pleasing, and easy-to-read website; they also have an active social media presence in the form of Facebook and Instagram accounts linked on the website and advertisements in the free local newspaper and on two free local radio stations. On the website, there is a detailed page for every program that they run. Many of them have explicit step-by-step instructions for how the service works, or FAQ sections explaining the process by which to acquire food through the program. Because LINC is so active in the Spokane community, they are frequently in the local news, and these stories are compiled on a page on their website, which lends them significant credibility as an organization. They currently have about 400 subscribers to their CSA box and roughly a dozen entities buying wholesale from them (Himelright, personal communication, 2022).

LINC is working on expanding their operations to include more concentrated efforts with regard to equity. They are in the process of applying to be eligible to receive SNAP payments, and they are working on opening a pickup site in a lower-income neighborhood of Spokane (Himelright, personal communication, 2022). They have also been involved in a pandemic emergency food response effort with We Feed WA under the Washington State Department of Agriculture (Himelright, personal communication, 2022).

Customers select a pick up location when they place an order with LINC’s online market. LINC does delivery, but only to restaurants, businesses, and institutions; individual retail customers must pick up their orders (Himelright, personal communication, 2022). Farmers must deliver their food to LINC’s warehouse in Spokane in order for it to be distributed. Because Spokane is the urban center for such a large geographic area, it would not be feasible for LINC to go to each farm and pick up produce. The warehouse is in a central and accessible location within Spokane and there are two days a week when they accept deliveries. The number of delivery days sometimes increases during periods of high demand, such as holidays. LINC will pick up from

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farmers on rare occasions, but only under special circumstances. To combat the hindrance of the delivery requirement for farmers, LINC sets an order minimum and farmers only deliver to their warehouse for orders that meet or exceed that minimum. The delivery minimum also fluctuates with gas prices to make sure it is financially reasonable for farmers to invest the time and effort to get their foods to LINC (Himelright, personal communication, 2022).

Farm Fresh to You is a CSA box program that began in 1992 (Farm Fresh To You, n.d.). Kathleen Barsotti, co-founder of Capay Farms “expanded the traditional CSA model and added the innovation and convenience of home their family farm into offering a CSA box program with delivery services” (Farm Fresh To You, n.d.). Farm Fresh to You is currently privately owned by Barsotti’s three sons. The business has expanded to offer a multitude of CSA boxes that are delivered to many areas of California. This was possible because Capay Farms has an additional plot in Southern California and because they have partnered with other local farms.

The long history of the business, its well-established website, the transparent origins of its farm, educational tours, and the educational recipe materials that come with each CSA box have helped to establish its credibility. EBT/SNAP is not available on their website but they have a donate-a-box program that everyone, including nonmembers, can purchase. Additionally, the cost of delivery is automatically included in their box prices which creates a seamless experience (Farm Fresh To You, n.d.).
Okanogan Producers Marketing Association was created in 2006 by five organic fruit farms in Okanogan County (OPMA, n.d.). They believe that by “sharing resources, equipment, knowledge, expertise, marketing and sales” they can offer customers more collectively than as individual farms (OPMA, n.d.). They deliver wholesale to many different facilities throughout the state such as co-ops, grocery stores, other farms, and schools. They work with distributors such as Pacific Coast Harvest and other food hubs such as Viva Farms and Southwest Washington Food Hub. Their distribution occurs five days a week and orders can be placed through multiple options (call, email, online, text).

[Section photo credit (OPMA, n.d.)]

Southwest Washington Food Hub is a cooperatively-owned food hub in Thurston County that began in 2019 (SW Washington Food Hub, n.d.). They currently work with around thirty producers and many of these farmers work within every facet of the food hub. They believe that by “providing access to multiple producers, [they] can build a more consistent and broader range of products for local consumers, further driving market interest, and creating a sustainable local food system” (SW Washington Food Hub, n.d.).

Southwest Washington Food Hub has one vehicle that is used to pick up products from their farms on Tuesday and then delivered on Wednesday. They mainly sell and deliver wholesale to multiple facilities. Their online marketplace allows organizations to choose their products from Thursday to Saturday and then have them delivered on Wednesday. Customers are encouraged to shop wholesale with a one hundred dollar minimum order for most locations. They also offer a
direct-to-consumer monthly CSA box (Local Farm Box) that encompasses products ranging from produce, dairy, and meats. This box option is picked up by customers at their warehouse which is conveniently located, further encouraging pick-up by customers (Manke, personal communication, 2022). They were awarded an ARP grant that allows them to deliver boxes to local organizations and a WSDA grant that funds providing produce for local school facilities. The Southwest Washington Food Hub also constantly works toward other food relief programs such as their Direct to Food Banks program in which farmers were able to sell their products directly to the food bank. All of these payment options are alternatives to a lack of EBT or SNAP payment (Manke, personal communication, 2022). They also partner with larger food hubs as a way of introducing more products into their inventory which is critical when providing wholesale deliveries to the schools and districts they partner with (Manke, personal communication, 2022).

[Section photo credit (SW Washington Food Hub, n.d.)]

Viva Farms is a non-profit Farm Business, Incubator, and Training Program located in Skagit County Washington working to “empower aspiring and limited-resource farmers by providing bilingual training in holistic organic farming practices, as well as access to land, infrastructure, equipment, marketing, and capital” (Viva Farms, n.d.). As part of this program, farmers have access to Viva’s well-established CSA program. Vivas CSA boxes “include a wide variety of seasonal organic vegetables and berries, as well as recipes, cooking tips, and instructional videos to help you use products with which you might not be familiar” (Viva Farms, n.d.). Pickup locations include regions from Seattle to Bellingham and prices are provided on a sliding scale with a
High Country Food Hub is a not-for-profit food hub that is run by Blue Ridge Women in Agriculture in Boone, North Carolina. There are currently eighty-three producers who are all within one hundred miles of the food hub (High Country Food Hub, n.d.). High Country Food Hub hopes to provide their farms with marketing and sales support so their income increases and they can focus on the important work of growing and producing high quality food” (High Country Food Hub, n.d.).

They offer weekly, biweekly, and monthly subscription boxes through their online marketplace that is open from Thursday to Monday night. Customers then have the option to pick up their boxes on Wednesday or Thursday based on the pickup location they chose. All producers receive a list of confirmed orders on Tuesday morning and they must drop off products the following morning. All orders that are not picked-up by Friday are donated to hunger relief organizations. There is also a Local Food As Medicine which is their food access program that is funded by grants- these grants help to pay producers. Both EBT and SNAP payment options are available along with gift certificates. There is also a recurring donations option on their online marketplace. Their ability to allow pick-up locations is made through their access to walk-in coolers and walk-in freezers. Additionally, a recent partnership with Sysco made it possible to purchase an 18’ ft refrigerator trailer that is utilized for additional cold storage. These additions have reduced their reliance on physical and stagnant storage spaces. These factors have also brought in one thousand more customers in 2020 which is a five-fold increase (High Country Food Hub, n.d.).

[Section photo credit (High Country Food Hub, n.d.)]

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<thead>
<tr>
<th>Trends Identified in Research Results</th>
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<tbody>
<tr>
<td><strong>A - Marketing</strong></td>
</tr>
<tr>
<td>- User-friendly websites</td>
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<tr>
<td>- Active social media</td>
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<tr>
<td>- Community presence and appearances</td>
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<tr>
<td>- Educational recipe materials</td>
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<tr>
<td><strong>B - Equity</strong></td>
</tr>
<tr>
<td>- Accessible location</td>
</tr>
<tr>
<td>- SNAP/EBT payment options</td>
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<tr>
<td>- Other equity programs supplemental to EBT/SNAP</td>
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<tr>
<td>- Sliding scales</td>
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<tr>
<td>- Programs for local organizations (food banks, schools, etc)</td>
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<tr>
<td>- Donation purchase features</td>
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<tr>
<td><strong>C - Customer Distribution</strong></td>
</tr>
<tr>
<td>- Online marketplace open a couple of days</td>
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<tr>
<td>- Distinct day for wholesale delivery</td>
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<tr>
<td>- Distinct day for pick-up for retail customers</td>
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<td>- Grant funded vehicle</td>
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<tr>
<td>- Volunteer delivery drivers</td>
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<tr>
<td>- Multiple pick-up locations</td>
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<tr>
<td>- Subscription options</td>
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<tr>
<td>- Encouraged to pick-up neighbors orders</td>
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<tr>
<td><strong>D - Pricing</strong></td>
</tr>
<tr>
<td>- Delivery incorporated in prices</td>
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<tr>
<td>- Producers help set prices</td>
</tr>
<tr>
<td>- Varied markup between wholesale and retail</td>
</tr>
<tr>
<td><strong>E - Farmer Distribution/Participation</strong></td>
</tr>
<tr>
<td>- Producers drop products at a central facility</td>
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<tr>
<td>- Drop-off day is a day before delivery/pick-up day</td>
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<tr>
<td>- Product pick-up vehicle used by food hub</td>
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<tr>
<td>- Order minimums that fluctuate with gas prices</td>
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<tr>
<td>- Specific time and day for drop-offs</td>
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<tr>
<td>- Food hubs serve as an additional marketplace for farmers</td>
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<td>- Cold and dry storage at central facility</td>
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**Recommendations**

The following recommendations are be organized by benchmark. Each section incorporates recommendations that have potential to be helpful to the Methow Valley FoodShed with regard to that benchmark.

**Marketing**

The strategies found within the marketing benchmark that we feel would be most applicable to the FoodShed include the development of a user-friendly website, positive community presence, active social media, and distribution of supplemental information such as educational materials and recipes.

We have observed that clear, independent and comprehensive websites allow current and potential customers to learn more about the food hub. Food hubs such as Farm Fresh To You include ‘About Us’ sections on their websites that allow for concise and accurate presentation of information such as food hub history, operations, and values (Farm Fresh To You, n.d.). Although only available to non-profit and not-for-profit organizations, a larger-scale resource we recommend the FoodShed examine is the website building software provided by NationBuilder as a way to access resources and insight from website development experts (Hileman, personal communication, 2022). In addition to increased professional web design, unlike the Foodshed's current online store service, software such as NationBuilder would open up the opportunity to become eligible to accept SNAP/EBT payments.

As suggested by a representative of the Vermont Farmers Food Center, building positive rapport with local news sources such as the paper and radio station is a great way to build a credible reputation as being integrated into the community (Hileman, personal communication, 2022).

We also received the suggestion from LINC foods to consider advertising in places accessed by most of the community such as mass distributed free paper or the local radio station (Himelright, personal communication, 2022). Because some customers may be less familiar with certain products available for sale, some food hubs like Viva Farms make a point to provide supplemental information, educational materials, and recipes to make buying new products more approachable to a wider range of customers (Viva Farms, n.d.).

The final marketing suggestion we have concluded from our research is the importance of maintaining an active social media presence. A strong social media presence across multiple platforms can serve as a method of providing supplemental material, direct product marketing, and operational transparency.

**Equity**

Equitable service is essential to reaching the maximum customer base for the FoodShed. By making FoodShed programs more equitable, a more significant portion of the Methow Valley’s population will have the means to participate in building a sustainable local food system. This should also serve to increase farmer profits by ensuring that the maximum number of interested participants have the means to buy from the FoodShed. Additionally, food hubs tend to play an important role in community health and resiliency because they provide access to local food which is more resistant to supply chain issues.
We found that many of our example food hubs have deliberately placed distribution centers in locations that are accessible relative to the rest of the area they serve. LINC foods are in the process of opening up a new pickup location, which was chosen for its proximity to a lower-income neighborhood (Himelright, personal communication, 2022). The Methow Valley FoodShed should consider what regions of the valley have untapped potential in terms of possible customers and look into options for pickup facilities in those locations. Places that are underserved are where FoodShed pick-up options should be the first priority.

Equitable payment options will increase the number of customers capable of buying from the FoodShed. EBT is the most popular option for making prices equitable. Some food hubs, like Viva Farms in Burlington, WA, are already able to accept payments with EBT (Viva Farms, n.d.). Many others are in the process of getting approved to accept EBT payments. We found through our research that this is a long and difficult process, and food hubs are often rejected several times (Himelright, personal communication, 2022). We recommend that the FoodShed start this process sooner rather than later. In the meantime, there are methods of equitable pricing used by food hubs while they wait for EBT approval. Viva Farms uses a sliding scale to price their food items (Viva Farms, n.d.), and VFFC is actively piloting a sliding scale model, which they hope to extend to their online market (Hileman, personal communication, 2022). The Methow Valley’s widening wealth gap would lend itself well to this method of equitable pricing; those who can afford to pay extra will enable those with lesser means to gain access to the same local foods. Another option for equitable pricing is to include a donation option at online checkout. Some food hubs allow customers to pay for an extra item or subscription box when they place their own order (SW Washington Food Hub, n.d.).

Customer Distribution

Distributing purchased foods to customers in an efficient and accessible manner is important to gaining and retaining customers. The food hubs we investigated have found a myriad of ways to get purchased food items to as many customers as possible without placing too much of the distribution responsibility on farmers.

There are several facets to managing the customer distribution process of an online market. In order to allow behind-the-scenes coordination by farmers and distributors, many food hubs only have their online marketplace open for a couple of days a week. This is a good strategy to continue because it frees up other days of the week to prepare and coordinate food transportation. High Country Food Hub, among others, has distinct days of the week when customers can pick up their orders from a set location (High Country Food Hub, n.d.). This works for a lot of customers, but having a delivery service is a way to make a food hub more accessible to customers who cannot fit the weekly pickup date into their schedules. Having multiple pickup locations is also helpful for customer distribution; people have to drive shorter distances and spend less time traveling to pick up their orders. High Country Food Hub encourages customers to coordinate with neighbors if their neighbors are unable to make the pickup time (High Country Food Hub, n.d.). Having options for delivery gives a massive boost to distribution efficiency. VFFC has a team of volunteer delivery drivers for one of their programs (Hileman, personal communication, 2022). This is a viable option for testing out a delivery system and can serve as a temporary system while permanent paid positions are coordinated. Moreover, it might be beneficial to look into mobile pick-up locations that can also serve as additional storage spaces—such as what High Country Food Hub does with their refrigerated trailer that they
received with their Sysco partnership (High Country Food Hub, n.d.). This might be a good option in the Methow Valley that has limited land access with adequate cold storage. This would also reduce the need to own the land being used. Having a mobile pick-up vehicle could also help with trialing the locations that can be utilized and served the most- there’d be no need to commit to a location.

### Pricing

To ensure farmers receive the profit they deserve for their products we have found many food hubs choose to have individual producers heavily involved in the negotiation of prices or in some cases they are completely in control of setting their own prices (SW Washington Food Hub, n.d.). Many food hubs add a small markup to the prices set by farmers to cover the cost of the food hub services. It is important when setting prices to be intentional in finding an equilibrium between equitable prices for the producer and the customer to provide a system that fits the communities needs as a whole.

When it comes to decisions around delivery fees we discovered varying strategies between food hubs. Some food hubs such as Farm Fresh to You choose to incorporate delivery fees directly into their prices, while hubs like High Country Food Hub that only charge an additional delivery fee for orders out of the farther satellite locations. Incorporating fees into prices can be beneficial in that it gives the customer a clear final price while separating fees can provide more transparency into the reasoning behind the pricing.

Another pricing strategy that can help increase the number of products sold is offering reduced prices for buying in wholesale quantities (Himelright, personal communication, 2022). By encouraging customers to buy in larger quantities, farmers can reduce transportation costs by delivering larger product batches to the central hub (Himelright, personal communication, 2022).

### Farmer Distribution

With regards to farmer distribution, there are a couple of trends among the food hubs that were already being implemented by the Methow Valley FoodShed. For example, many of these food hubs are given a list of orders a few days before deliveries or pick-ups occur. They are then required to drop off their products at the hub’s central location. This model creates a consistent and manageable deadline for farmers who have to drive to the central hub facility. This model is very similar to how the Methow Valley FoodShed currently functions. Some food hubs pick up products from the farmers themselves. Southwest Washington Food Hub spends Wednesdays driving to each farm with a single vehicle and collecting the products that were sold that week (Manke, personal communication, 2022). These items are then picked up by retail customers from one central facility (Manke, personal communication, 2022). By driving to each farm, they are making it easier for their producers to make deadlines (Manke, personal communication, 2022). If the FoodShed’s producers are having a difficult time making delivery deadlines, the FoodShed can acquire the products from the farm locations directly. This would require a centralized vehicle that would be dedicated to the FoodShed. Vermont Farmers Food Center received a grant that allowed them to purchase a vehicle (Hileman, personal communication, 2022). High Country Food Hub was able to purchase a refrigerated truck due to its partnership with Sysco (High Country Food Hub, n.d.). Even if the FoodShed decides to continue having farmers deliver their products to a central facility, having a refrigerated truck, or a vehicle with ample refrigerator space, would allow for multiple additional distribution resources. This truck

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could be utilized as a mobile pick-up location, wholesale deliveries, or allow for geographical delivery expansion. It could be beneficial to look into grants or partnerships that could allow for such an endeavor.

Additionally, LINC Foods makes the distribution system more accessible for their farmers by fluctuating product prices based on gas prices (Himelright, personal communication, 2022). Since LINC Food’s delivers to such an expansive region, by compensating their farmers their food hub model is made more accessible. Moreover, another trend is how food hubs, such as SouthWest Washington Food Hub utilizes their main facility as a pick-up location (Manke, personal communication, 2022). This makes it easier on them because they don't have to find other pick-up locations that would require additional maintenance and machinery. This alternative, however, requires sufficient cold storage.

**Additional Recommendations**

The following will be an analysis of areas that our research showed were not prominent enough for benchmarking, but are important to discuss nonetheless. These details are also important when tracking success. Since the Methow Valley FoodShed is a young establishment, it is important to know how to measure its progress and achievements, and to know which aspects to begin tracking in the coming years. This information will also be helpful when analyzing which areas of their distribution are working well. Firstly, we think it is important that orders are tracked and compared over the FoodShed’s lifespan. Some food hubs, such as Southwest Washington Food Hub, track their success based on quantities of each product that was bought (Manke, personal communication, 2022). This is effective because they mainly focus on wholesales. However, when it comes to their monthly CSA boxes that target retail customers, they measure success based on the number of orders that are received. The Methow Valley Foodshed sells directly to customers, although some of the products listed are sold in large quantities (Methow Valley FoodShed, n.d.). It may be helpful to track this metric using both of the aforementioned methods.

Additionally, analyzing where their delivery customers are ordering from might be helpful. Distribution of customers that are often ordering for delivery can be an indication of the geographic locations that aren’t being fulfilled by the FoodShed’s pick-up locations. Moreover, knowing which areas of the valley are not utilizing the FoodShed for their dietary needs can also be an indication of which people can or cannot afford to buy from the FoodShed. These metrics can become incredibly valuable when considering payment models that are more equitable-models that are often used by the food hubs that were analyzed for this report.
Monitoring and Evaluation

The following examples can be utilized by the Methow Valley FoodShed to evaluate whether the above recommendations are helping to progress the business. Firstly, we recommend that the Methow Valley FoodShed establish a more prominent presence within the community by methods such as stories in local papers, advertising on radio stations, participation in community events, and marketing strategically placed throughout the valley. Furthermore, they should have an online presence that is separate from BCS Livestock. Many food hubs have websites unaffiliated with farms, with social media like Facebook and Instagram to supplement. These endeavors often create more transparency within their customers which can encourage sales participation. Most of these online presences have metrics integrated into their platform which can be helpful indicators of whether there is a significant influx of customers. These platforms also allow the community to share content, which is another way of measuring success because it indicates that the community is engaging with the food hub’s content and therefore more likely to purchase from the Methow Valley FoodShed.

With regards to equity, one of the recommendations was to implement equity-oriented pricing programs to supplement the strenuous process of acquiring SNAP/EBT payments. Once a similar program has been established, the success of this program can be measured by the lack or abundance of customers that chose to utilize this feature. If there is a noticeable increase in participation in this program, then this is an indication of success, whereas if nobody is utilizing this program, then the program has not been successful. The other food hubs we evaluated have found ways to remain profitable while improving their equity. This is often done through sliding door pricing or donation programs. If the FoodShed is still able to compensate their farmers for their products with the addition of equity-based programs, then this is also an indication of success.

Customer distribution is a topic with a myriad of different options that could make the process more efficient. Firstly, we recommended offering more pick-up locations, specifically in areas that aren’t currently served. If orders for those pick-up locations rise rapidly, it will indicate a successful endeavor. If delivery orders rise tremendously in those areas, it might be helpful to have volunteer drivers who could help ensure everyone’s order is delivered on time. Moreover, encouraging neighbors to pick up each other’s orders could also be helpful. All of these methods can help make the distribution system more efficient. Some of these methods, such as increased pick-up locations and volunteer delivery drivers, could allow for more storage that can withstand an increase in customers.

The pricing benchmark recommendations are based on the type of services the FoodShed will provide in the future. If there is an intention to eventually sell wholesale- something that has brought in profitability and stability for farmers and some food hubs, there should be a different markup embedded in the pricing (Manke, personal communication, 2022). For example, we recommend that the markup up retail orders be slightly higher because wholesale deliveries do not require as much mileage per quantity of food. Moreover, if delivery continues to be utilized, we recommend that delivery prices be embedded into the cost of products. These specific recommendations are delivered with the intention of ensuring that farmers are making enough money regardless of the distribution methods the food hub chooses to utilize. If the food hub continues to be able to pay their farmers even with the added flux of different prices, then they are being successful.
With regards to farmer distribution, we recommended a way of minimizing the burden of distribution on farmers, which can lower barriers and increase farmer participation. This method can also be helpful in ensuring that orders are packaged and ready in a timely manner. Our recommendation encompasses having the FoodShed pick up their farmer's products themselves. This ensures that there is sufficient time to package all orders while also being helpful to the farmers themselves. Success will be indicated by an increase in the consistency and quantity of farms participating in the FoodShed.

**Conclusion**

The Methow Valley FoodShed is the only food vendor within the valley that sells exclusively local products on a consistent basis. Not all individuals have access to purchasing or selling their goods in person on a once-weekly basis, as required by the Farmers’ Market. Food hubs are resilient food systems because they directly contribute to the community and often work with farmers that consider the health of the environment. These, among other reasons, make the Methow Valley FoodShed a sustainable alternative business that provides for the health and resiliency of the community while supporting many producers and farmers. However, this food hub has challenges when it comes to making their model efficient and accessible to everyone. One of the complications is simply the nature of the geographical and economic standing of the valley. Food hubs often have multiple pick-up locations that are not the easiest to find in an area that is so expansive and where land availability is limited.

This report has compiled a list of successful food hubs throughout the nation that have overcome challenges similar to those of the FoodShed. There are multiple models that have the potential to improve upon the efficiency of the FoodShed while making their business more equitable and expandable. Recommendations such as having accessible pricing programs, a prominent community presence, and methods of distribution that are convenient for both farmers and customers will lead to a local food hub that can excel at meeting the needs of the community.

We have also included resources about ways to track the success of our proposed strategies so that the FoodShed can measure whether they are expanding and becoming a more prominent figure within the community. The methods of tracking will also ensure that their producers are benefiting from the FoodShed, which will in turn encourage more farmer participation. By having a large number of farmers participating, the FoodShed will be able to reliably provide for more of its customers’ needs.

We hope this report will be a helpful tool for the Methow Valley FoodShed as they consider their approach to expanding and improving upon their current operations.
References


*Sustainable Food Hub Development Strategies* 25
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M. Hamilton, FoodShed, personal communication, July 27, 2022
E. Hileman, VFFC, personal communication, August 03, 2022
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E Manke, SW WA Food Hub, personal communication, August 12, 2022
J. Porter, Sustainability Pathways WWU, personal communication, July 2022
## Appendix

### Food Hub Benchmarking

<table>
<thead>
<tr>
<th>High Country Food Hub (High Country Food Hub, n.d.)</th>
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<tbody>
<tr>
<td><strong>A: Marketing</strong></td>
<td><strong>B: Equity</strong></td>
</tr>
<tr>
<td>- Weekly, biweekly, and monthly subscription</td>
<td>- Accepts SNAP.</td>
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<tr>
<td>options on itemized basis. Gift certificates</td>
<td>- Options for customers to make recurring</td>
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<tr>
<td>available.</td>
<td>donations.</td>
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<tr>
<td>- Since April 2020, demand jumped five-fold and</td>
<td>- Orders that customers don’t pick up are</td>
</tr>
<tr>
<td>has held steady as of Dec 2020.</td>
<td>donated to a hunger relief organization.</td>
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<td>- A partnership with Sysco secured an 18 ft</td>
<td>- Local Food As Medicine program:</td>
</tr>
<tr>
<td>refrigerated trailer used as additional cold</td>
<td>Community organizations are encouraged to</td>
</tr>
<tr>
<td>storage.</td>
<td>provide products to their recipients.</td>
</tr>
<tr>
<td>- 1,000 new customers in 2020 (as of Dec 2020)</td>
<td>- Encourages organizations that support</td>
</tr>
<tr>
<td>serving 350 weekly customers</td>
<td>minority groups to participate.</td>
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<tr>
<td>- Only sells products that are grown or</td>
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<tr>
<td>produced within a 100-mile radius of the hub.</td>
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<thead>
<tr>
<th>Vermont Farmers Food Center (VFFC, n.d.)</th>
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<tbody>
<tr>
<td><strong>A: Marketing</strong></td>
<td><strong>B: Equity</strong></td>
</tr>
<tr>
<td>- Active Facebook and Instagram accounts. Clear,</td>
<td>- Farmacy Project works with local</td>
</tr>
<tr>
<td>accessible, detailed website.</td>
<td>healthcare providers to get free fresh</td>
</tr>
<tr>
<td>- Hires out for marketing.</td>
<td>vegetables to community members.</td>
</tr>
<tr>
<td>- Uses NationBuilder for their website. Looking</td>
<td>- Everyone Eats program distributes free</td>
</tr>
<tr>
<td>to improve website with paid service.</td>
<td>meals via local restaurants.</td>
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<tr>
<td>- Increases community engagement through</td>
<td>- Applying to be eligible to receive SNAP/EBT</td>
</tr>
<tr>
<td>Everyone Eats program.</td>
<td>payments.</td>
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<tr>
<td>- Maintains strong relationship with local</td>
<td>- Pilotring sliding scale model with</td>
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<tr>
<td>reporter.</td>
<td>fundraiser dinners.</td>
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*Sustainable Food Hub Development Strategies 27*
### Sustainable Food Hub Development Strategies

**Okanogan Producers Marketing Association (OPMA, n.d.)**

A: Marketing
- One of the oldest food hubs in Washington.
- Distribute products through other food hubs such as LINC and Viva Farms, their products are sold at well-known grocery stores.

B: Equity
- Participates in Farm to School and Hunger Relief programs.

C: Customer Distribution
- Delivers wholesale directly and through other food hubs.

D: Pricing
- No Data Found

E: Farmer Distribution
- No Data Found

**Farm Fresh to You (Farm Fresh To You, n.d.)**

A: Marketing
- Well-documented and established website.
- Transparent origins of their family farm that expanded into Farm Fresh to You in 1992.
- CSA box delivery was created in Work alongside numerous local farms throughout the state.
- Ordering a CSA box requires being a member.
- Offers educational materials about how to use their produce.

B: Equity
- Established a donate-a-box program that non members can participate in.
- Established school promo codes that raise funds for school when customers utilize the codes.

C: Customer Distribution
- CSA boxes are delivered between 8:00 PM-8:00 AM.
- Customers can order at different intervals based on their location.
- Delivery available to most of California.

D: Pricing
- The cost of delivery is automatically included in subscription prices.

E: Farmer Distribution
- No Data Found

**LINC Foods (LINC Foods, n.d.)**

A: Marketing
- Well-developed website. FAQ section for LINC box.
- News publications posted on website.
- Active social media accounts linked on the website.
- Photos of workers and operations on website.
- Advertises via free local paper and radio stations.
- Currently have 400 people subscribed to their CSA box, which is the highest that number has ever been.
- About a dozen entities purchasing food wholesale from LINC.

B: Equity
- Applying to accept SNAP/EBT payments.
- Involved in pandemic emergency food response with We Feed WA.
- Working to open pickup site in lower income community.

C: Customer Distribution
- Online market with various pickup locations.
- Delivers wholesale to restaurants, businesses, and institutions.
- LINC box: farm to table subscription box with seasonal produce.

D: Pricing
- Prices set by farmers, small markup for LINC service.

E: Farmer Distribution
- Warehouse in central and accessible location where farmers can drop off their food two days a week.
- Number of intake days per week is sometimes increased during periods of high demand.
- Sets order minimums that fluctuate with gas prices.
### Viva Farms (Viva Farms, n.d.)

<table>
<thead>
<tr>
<th>A: Marketing</th>
<th>B: Equity</th>
<th>C: Customer Distribution</th>
<th>D: Pricing</th>
<th>E: Farmer Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Transparent about how their farm system works. - CSA boxes come with educational recipe materials.</td>
<td>- Has a sliding scale system. - Reduced prices for SNAP eligible customers.</td>
<td>- Many pickup locations from Seattle to Bellingham. - Provides CSA boxes. - Incubator farms all exist on adjacent land, minimizing farmer distribution.</td>
<td>- No Data Found -</td>
<td>- No Data Found -</td>
</tr>
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</table>

### SW Washington Food Hub (SW Washington Food Hub, n.d.)

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<thead>
<tr>
<th>A: Marketing</th>
<th>B: Equity</th>
<th>C: Customer Distribution</th>
<th>D: Pricing</th>
<th>E: Farmer Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Works with dozens of local farms. All farms are linked on their website with access to the farms’ history, practices, and contact information. - All products are linked to the farm they came from.</td>
<td>- WSDA grant allowed their distribution of food to a high school and school district. - The American Rescue Plan (ARP) funds the Food Security Box Program. - Participated in Direct to Food Banks Program which allows farms sell their produce to food banks.</td>
<td>- Pickup and delivery is offered in wholesale to hospitals, and various counties in Washington. - Selling directly to customers is an option but with price limitations. - Online marketplace is open from Thursday to Saturday, products are delivered on Wednesday. - Monthly Local Farm Box program with a multitude of products.</td>
<td>- Encourages farmers to create “direct customer relationships”. - Farmers “negotiate their own” prices.</td>
<td>- No Data Found -</td>
</tr>
</tbody>
</table>

### The Hub on the Hill (The Hub On The Hill, n.d.)

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<thead>
<tr>
<th>A: Marketing</th>
<th>B: Equity</th>
<th>C: Customer Distribution</th>
<th>D: Pricing</th>
<th>E: Farmer Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Offers co-packing and product development services for farmers.</td>
<td>- No Data Found -</td>
<td>- Deliveries over 2100 miles per week up and down New York state. - Sells to individual customers via online market. - Sells to businesses via wholesale accounts. - Self-serve market open daily, serves as both grocery store and community space. - Market offers delivery and pickup services.</td>
<td>- No Data Found -</td>
<td>- Streamlines farmer goods into local businesses by selling wholesale. - Provides frozen, cold, and dry storage facilities.</td>
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</tbody>
</table>