

Reaching Producer Agreements

Build your local produce program through mutual support

BY TRAVIS LUSK



One way Seward Co-op supports local farmers is through an annual CSA Fair. Above, Growing Lots Urban Farm at the 2013 CSA Fair.

Through good, honest practices, direct communication, and working to build lasting relationships, a local program can thrive in any cooperative grocery store. In the Twin Cities area, there are a lot of farms for co-ops to work with; but creating a meaningful local program can start with just one farmer.

Establishing a locally focused buying program in produce can help maintain a stable growing region and foster a stable produce department. Steady produce sales depend on stability. High prices and gaps in availability can threaten your customer base. Achieving stability and sustainability in produce requires working with your regional growers, helping them provide for your customers, and ensuring farmland remains productive and viable for the future.

Working with area growers is symbiotic; cooperatively, you can provide good food, serve the community, and share success. Productive growers generate a supply that meets demand, and stable prices and predictability can result

Working with area growers is symbiotic; cooperatively, you can provide good food, serve the community, and share success.

from cooperatives working directly with area providers.

Finding your growers

Knowing your market is essential to any produce decision. At any time of year, you need to be aware of what to offer and how much. Tracking sales and watching displays, noticing what people are buying and what you're stocking, keeping up on quality and peak seasons—all are terrific markers for managing sales and labor dollars.

Developing a local program is also about knowing your market. Seeking and working with growers in your region involves knowing what your customers want to buy and how

much you can sell. What products do well at your location? What products do you think you could create a market for? Fortunately, farmers are often concerned with the same questions and answers.

Finding growers to support your volume, price, and sustainability concerns can prove daunting. However, offering to build a lasting relationship with a farmer can also grant the coveted stable predictability the farmer craves.

If you don't have growers to work with, visit farmers markets. Near the city, many growers may be small, urban, or on rented land. Many may have found a willing market in small, neighborhood farmers markets. For some growers, finding additional outlets is necessary to sell enough product to cover operations. Do some legwork; ask around. Sometimes finding growers who want to sell to retail establishments requires cold calling and handshake introductions. If you already work with a few farmers, let them know you are looking to broaden your offerings. Some growers only want to grow certain things, but they may be



PHOTO BY KATIE HARRIS

Local grower Rufus Hauke of Keeywaydin Organics sampling recipes.

aware of farmers who are looking to market other crops.

Grower agreements

Once growers have been identified and introductions have passed into negotiations, it's best to remain steadfast in several, unshakable maxims: keep your word, plan ahead, communicate often, and work together. These principles will underlie any future grower agreement. Adhering to these principles builds relationships and solidifies reputations. Respectful and lenient communications with growers should always be the norm.

When you meet with farmers and document terms, you are conducting an agreement. Agreements are mutual understandings: an up-front communication about what you are going to buy, when you're going to buy it, and how much you need. Grower agreements clarify understandings and provide documentation for others in your co-op. Though seasons change and staffing may fluctuate, conducting and documenting agreements with growers will ensure transparency. They provide the framework around future conversations about what works well and what could improve. Agreements will also provide the grower with the primary components to begin planning a growing season.

If possible, grower agreements should be initiated in the fall or early winter. Timeliness is always a grower's concern, and conducting agreements early will allow the farmer to plan and purchase seed. Honor your grower's desire to purchase the right seed, and begin calculations ►

MEET THE CDS CONSULTANTS

Thane Joyal

*Helping Cooperative Boards
Achieve Excellence*



- 7+ years providing board development and support
- 15+ years of service on cooperative boards
- Carver Policy Governance® Academy graduate

Thane's services include:

- Cooperative Board Leadership Development (CBLD)
- Co-op governance coaching and training
- Retreat and meeting facilitation
- Bylaw revision support

ThaneJoyal@cdsconsulting.coop

—or—

315-380-4522

CDS Consulting Co-op



SOLUTIONS FOR COOPERATIVES

For a complete listing of our consultants,
visit **www.cdsconsulting.coop**



www.facebook.com/
CDSConsultingCoop

MEET THE CDS CONSULTANTS

Joel Kopischke

*Helping Cooperative Boards
Achieve Excellence*



- 14+ years of cooperative governance experience, 9 years at Outpost
- 25+ years in management and leadership
- Process and systems expertise

Joel's services include:

- Cooperative Board Leadership Development (CBLD)
- Co-op governance coaching and training
- Team-building and servant leadership
- Adopting and implementing Policy Governance®
- Myers-Briggs Type Indicator assessment and application

JoelKopischke@cdsconsulting.coop

—or—

414-803-6725

CDS Consulting Co-op



SOLUTIONS FOR COOPERATIVES

For a complete listing of our consultants,
visit **www.cdsconsulting.coop**



www.facebook.com/
CDSConsultingCoop

GO GO-GO!

100% FARMER+OWNED



PACHAMAMA COFFEE COOPERATIVE
100% ORGANIC, FAIRTRADE & FARMER-OWNED

What's At The Core Of



Once Again Nut Butter?

- #1 Selling Organic Tahini**
- #1 Selling Organic Sunflower Butter**
- #1 Selling Organic Roasted Cashew Butter**
- #1 in Social Responsibility**
- #1 in Food Safety**

Established in 1976 and still independently owned.

All Organic
Once Again Nut
and Seed Butters
are Non-GMO



We spread integrity.™



A Heritage of Trust; a Reputation of Quality.

Once Again Nut Butter Collective, Inc. 12 S. State St. P.O. Box 429 Nunda, NY 14517-0429
Phone: (888) 800-8075 Email: info@onceagainnutbutter.com Website: www.onceagainnutbutter.com

◀ by agreeing to speak about the upcoming season well before the new calendar year begins.

Grower Agreements should cover and document these basics:

What you need: Let growers know what you can sell. From staples to specialty items, farmers may be interested in growing a variety of market favorites or heirloom standouts. Knowing what your department can sell will help you tell farmers what they can grow.

How much you can move: Sophisticated POS systems or old-fashioned ledger reckoning can yield valuable and accurate data on product movement. If you're aware of what you've sold, you should be able to predict how much you can sell in an upcoming season.

Delivery schedules: Farmer time and retail time are not the same. Find out how often your grower can deliver. Sticking to a delivery schedule will help you plan, manage inventory, and reduce loss. Regular deliveries will help keep the product looking good, and that will keep the co-op and the grower looking good. If you're concerned about your labor budget, clarify who unloads the delivery.

Post-harvest practices: Be clear about what needs to come in washed, appropriate bunch sizes, pre-prep requirements, proper containers, and proper packing. "Retail Ready" may have a different meaning for your grower. Communicating how produce is packed and prepared post-harvest will save labor, reduce loss, and help you sell more product.

Quality: "Quality" means if you wouldn't buy it, no one else will. Make sure farmers understand that most customers shop with their eyes. Things have to look good. Let farmers know deliveries will be checked for accuracy and quality. Weigh, count, and check orders. Do it while the farmer's still there, so you can share positive feedback and clarify what quality means in a retail setting. Giving your grower this feedback will save time, may improve post-harvesting methods and help you work with each other. When you can, work with them to move things. If they want to offer a price break, pass it on to your customers.

Payment and credits: Set payment and credit terms. Pay on time. Discuss how credit requests will work, but don't use credit requests to control overbuying. Stand behind your orders, order appropriately, and be specific about why credit is being requested.

Beginnings and endings: It's important to know when seasons are beginning and ending. Ensure you get notice so you can clear out inventory or secure inventory.

Promotions: Pamphlets, photographs, newsletters, and in-store appearances are ways for your growers to tell their story. They are also good ways for your co-op to tell its story. Help your growers market and merchandise. Ask them to commit to



PHOTO BY ALLISON MEYER

Just Local in-store demo, 2013.

a couple store visits during the year to do a demo. Help them develop point-of-purchase material or marketing elements for the store. Social media is also important. Co-ops are in the middle: help your growers connect with the people who buy what they've grown.

Pricing

Rely on growers to say how much they need for a product. A good farmer will know how much goes into production and what they need in return. Most farmers are also aware of market prices. Letting farmers dictate prices is to your benefit: a relationship builder that relies on farmers sharing what they need in order to continue being farmers.

If asked, share market-price information. When the opportunity presents itself and sales show it, suggest farmers can charge more for a high-quality product. Farmers aren't used to being told they should charge more. Hearing such a suggestion can fortify a grower-to-retailer relationship.

Remain transparent about your pricing strategy and what you're going to charge. Let your growers know how you arrive at retail prices. If a farmer wants to work with you and lower prices in a time of abundance, pass the lower price on to your customers.

Most farmers don't want to haggle about prices, and most produce departments want to price products according to what the market will bear. If you're getting good quality produce from your grower, stick to the prices the grower sets. If you notice their pricing is out of line with the market price, gather evidence and share the feedback.

Telling the story

Most importantly, co-ops need to tell their story through their providers. Most customers shop for good quality products and exceptional service. Once you are clear with your community about why supporting your area's growers is important, your customers will support your local program. Staff farm tours, in-store demos, and marketing materials that highlight your growers and your co-op are all sure means for getting more people in touch with the people who grow their food.

Building up your local growers helps them remain productive. Like a good produce manager, farmers are also concerned with quality, service, and systems. Keep your word, plan ahead, communicate often, and work collaboratively. Together, you can provide good food to your community.

Keep your policymakers in the know

with a subscription to the Cooperative Grocer for each of your board members.

Take advantage of our discounted rate for multiple copies sent to the same co-op address.

See page 3 for a subscription form.

Cooperative Grocer
FOR RETAILERS AND COOPERATORS