

**Department of Agriculture, Trade and Consumer Protection
Division of Agricultural Development
Agricultural Development & Diversification Program (ADD)
Grant Project Final Report**

Contract Number: 21046

Grant Project Title: Wisconsin Home Harvest

Amount of Funding Awarded: \$26,000

Name of Principal Contact Person: Mary Tylka, Network Coordinator

Organization: Hidden Valley Mushroom Farm, S-270 Birchwood Road, Wisconsin Dells, WI 53965

Report Submitted on: January 21, 2008

(Note: The intent of the grant was to expand upon markets established in Wisconsin Home Harvest's first year of operation as a network of growers. Therefore, background information about the first year is included. **Grant report objectives and results** start on page seven. For the benefit of others involved in starting a local growers marketing effort, **"Evolution of a Growers Network"** starts on page sixteen.)



Local food systems support the economies of their communities, promote a cleaner environment and preserve the beauty of the agricultural countryside. Wisconsin Home Harvest is a network of southwest Wisconsin growers. The individual farmers in the network have been growing and selling high-quality produce for years and decided to join together to create a system to make their products more readily available to local restaurants, schools and grocers. Their coordinated efforts make ordering and delivery of high quality products easy and efficient and frees growers to concentrate on production.

Food grown in rural counties impacts more than the bottom line of the growers. The products also speak to the pride and identity of county residents. The vision of Wisconsin Home Harvest is to gather a variety of products from small farms, providing larger profits to these growers. In this way, the agricultural integrity of small farms as well as the scenic beauty of the area is preserved.

All trends indicate that markets are growing for locally-grown, sustainably-raised food and that consumers are interested in knowing the source of their food...or, more specifically, the face behind their food. **While local food infrastructures are being successfully built in urban areas around the country, Wisconsin Home Harvest is developing a model infrastructure for markets in a non-metropolitan, primarily rural county.**

Background Information 2005-2006

Wisconsin Home Harvest started as an alliance of growers located mostly in northern Sauk County. Recognizing an expanding market for foods grown locally without artificial fertilizers, herbicides and pesticides, these farms collaborated to combine their marketing efforts. Jay Salinas of the Wormfarm Institute, a non-profit organization dedicated to reintegrating culture and agriculture, served as network coordinator. Project leader was Paul Dietmann, Sauk County UW-Extension Agricultural Agent and collaborators were Dave Kosak, Mary Hasheider, Maury Gurgel, Ron Bula and other growers as they joined. Their initial purpose was to create a system to make foods more readily available to discerning chefs, especially in the Wisconsin Dells area. Patrons of the Dells often come from urban areas of Illinois and Minnesota where they had an awareness of and demand for high-quality food. Other local markets were targeted but the emphasis the first year was on Wisconsin Dells restaurants and eventually, grocery stores

and institutions such as schools and hospitals. Direct marketing to individuals through a CSA style “Market Basket” was also envisioned.

The social aspects of farming systems are increasingly important to the future of agriculture (and agricultural tourism) in this state. A newly formed Sauk County Food Security Coalition began meeting with the mission of linking the efforts and resources of diverse organizations to create a local, sustainable food system to ensure healthy, adequate and appropriate food for all people. Early members of the Coalition included commercial growers (through Wisconsin Home Harvest), community gardeners, social service agencies, schools, 4-H, a tribal nation, food pantries and restaurants in its network. The Coalition planned to add hospitals, farmers markets and grocery stores in upcoming years. These diverse partnerships within the community and beyond spoke to a new model of business for agriculture which could be replicated throughout the state thus adding to the economic vitality and social good for all residents of rural counties.

Wisconsin Home Harvest Mission Statement-Guiding Principles-Product Criteria

Mission Statement

Wisconsin Home Harvest is a local organization whose mission is to provide high quality, sustainably produced foods to area consumers.

Guiding Principles

We are going to use these to make decisions.

1. The farmer should receive a price for their product that is an accurate measure of their costs and labor.
2. The best way to get fair prices is to sell it as directly as possible to the consumer.
3. If farmers work together, they can offer sufficient supplies to satisfy the consumer’s need on a consistent basis.
4. Consumers should know where their food comes from, how it is produced and the real costs of raising food.
5. We do business based on trust among the producers and between producers and customers.
6. Maintaining our commitment to selling only high quality food products is central to our mission.
7. Sustainable farming practices are in the best interest of both the producers and the customer. The food they provide to the consumer is wholesome, nutritious, and safe, and contributes to clean water, healthy soil, and the well-being of the farmers who produce it.

Product Criteria

1. All the products have to be produced in the region in which we say they are produced.
2. All products must be produced by the network members.
3. The products have to be produced under sustainable farming practices. Sustainable practices can differ from farm to farm.
4. Livestock must be raised in healthy and humane living conditions and the fresh air, space to move about freely and be able to engage in normal animal activity,

Wisconsin Home Harvest Marketing Communications Outline-Summer, 2005

With input gathered at grower meetings, Mary Hasheider of Galena Marketing and Communications developed the following initial outline for the network. Besides her professional work, Mary is a small-scale farmer with a passion for locally produced foods.

Observations

The success of this grower-created alliance depends on two key factors – having enough growers to supply the demand for locally grown, sustainable food and finding committed customers to buy the product. Key to this is awareness of Wisconsin Home Harvest and the ease with which each can access the alliance to fill grower and customer needs.

Marketing needs to be addressed both internally (with growers) and externally (with customers). Basically, Wisconsin Home Harvest is “selling” both an idea (the importance of a local food system and use of sustainable growing practices) and a product (food grown by local farmers using sustainable agricultural practices).

Marketing and Communications Strategies

Goal:

Foster and support the growing demand for locally grown, sustainably raised vegetables, fruit and other value-added products in the Sauk County area. On behalf of growers, capitalize on this demand through the marketing efforts of Wisconsin Home Harvest’s alliance of growers.

Objectives

- Develop a strong image and messaging to speak to Wisconsin Home Harvest’s role in and benefit to the marketplace and community.
- Develop and reinforce relationships with local growers interested in supplying food products to Wisconsin Home Harvest.
- Position Wisconsin Home Harvest as supplier of choice to Wisconsin Dells-area restaurants.

Strategies

- Utilize marketing and communications tools to raise awareness of and clearly communicate the benefits of Wisconsin Home Harvest's product lines to potential growers and customers.
- Utilize contacts in existing grower networks to secure initial product suppliers.
- Use direct communications to provide restaurants and their customers with information about how and why Wisconsin Home Harvest supports a viable local food system and how this improves the quality of food served.

Marketing Tactics for "Getting Started"

Product and Pricing

Contact growers previously interested in collaborative marketing efforts.

Obtain a list of sustainable farms in Sauk County for the purpose of targeting a larger growing market.

Identify advantages of grower participation in Wisconsin Home Harvest.

Determine from interested growers: product availability (type, quantity and growing schedule—present and future plans); pricing; delivery preferences; previous marketing relationships.

Identify overall product attributes of locally grown food (features and benefits) and individual grower attributes such as growing practices, product profile and farm biographical information.

Determine any other factors affecting grower participation such as access to assembly point, overlap of product offerings and/or pre-existing customer relationships or product liability issues. Address competitive pricing, product consistency and labeling/packaging.

Develop a uniform method for profit margin for marketing products to customers. Develop streamlined ordering process. Develop billing procedures and follow-up.

Placement and Promotion

Survey marketplace to determine needs and trends. Start by meeting with restaurants previously identified as interested in locally grown food. Determine the following: their needs/interests concerning locally grown food; ordering, packaging and payment preferences; general likes and dislikes about product sources; current grower relationships.

Develop distribution method to assure product quality (freshness) and delivery timeliness.

Obtain a list of restaurants and groceries to target in the Dells area.

Succinctly language mission and goals of Wisconsin Home Harvest and communicate benefits of buying from the local grower alliance.

Contact the Wisconsin Dells Chamber of Commerce with information to promote the concept and ideals of Wisconsin Home Harvest and its importance to tourism.

Develop communication and education outreach plan. Define positioning statement and create graphic identity system.

Promote Wisconsin Home Harvest through one-on-one selling, advertising, public relations and sales promotion.

Communications Tactics (Examples)

Create print materials (table tops for restaurants, inserts for restaurant and grocery ads, brochures, promo spots suitable to “drop in” to print media or for radio spots, etc.) to promote Wisconsin Home Harvest through its customers. Individualize efforts according to restaurant interests.

Develop advertisements for print media, both locally and in targeted urban areas.

Use public relations to promote activities of local growers and of the grower alliance both in local print and in areas from which tourists will come to visit Wisconsin Dells, such as Madison, Chicago and Minneapolis.

Contact schools and the local hospital with print materials and outreach capabilities, emphasizing the easy accessibility of reasonably-priced, home-grown foods.

Next Steps

Business plan for self-supporting organization.

Marketing plan to further develop service and expand grower and customer base.

System to “verify” growing practices.

Public outreach: education aspects.

Wisconsin Home Harvest Summary- 2005

(from Emerging Agricultural Markets grant report by Paul Dietmann)

In its first year, Wisconsin Home Harvest focused its marketing efforts on several restaurants in the Wisconsin Dells tourism area. Direct marketing to restaurants is part of an emerging trend. Direct marketing to restaurants in the rural communities in which the growers live is another new market and largely untapped.

In April 2005, a meeting was held with a small group of growers who were interested in marketing through Wisconsin Home Harvest. One of the growers, Jay Salinas, agreed to serve as manager in 2005 to help launch marketing efforts. (Initial efforts to form a group began in 2004.)

In May 2005, Jay Salinas, Mary Hasheider and Paul Dietmann conducted personal interviews with chefs at several Wisconsin Dells restaurants and an upscale spa. All were potential customers for Wisconsin Home Harvest. Information gathered at the chef meetings included:

- Needs/Interests including products for which they had the greatest need
- Food characteristics / features that were important to them
- Ordering/Specifications/Packaging/Pricing/Payment considerations
- Current local grower relationships

Jay Salinas, as network coordinator, did a tremendous job building relationship with many chefs in Wisconsin Dells and other municipalities, and was responsible for sales of approximately \$6,000. Jay helped the network move in a direction that was much more promising by developing strong, loyal markets with locally owned restaurants outside of the Dells. He also found ways to extend the marketing season well beyond the growing season by offering a more diverse mix of products than simply fruit and vegetables. This was exciting because it created better, more profitable opportunities for the growers and could serve as a model for other networks in other parts of the state that don't happen to have a huge tourist draw like the Dells. The network was optimistic that sales could double or even triple in 2006.

Wisconsin Home Harvest Expansion of Markets – 2006- 2007

(from Agricultural Development & Diversification grant proposal)

Wisconsin Home Harvest proposes to expand upon markets established in its first year of operation as a network of growers.

ADD Grant Objectives

Evaluate existing and future market and supply potential, determine customer interest and define how to bring these resources together to grow sales for Wisconsin Home Harvest products.

Research will be conducted to determine categories of institutional and retail outlets available, evaluate market supply feasibility, identify the fastest outlets to endorse a relationship and audit opinions of current customers and potential customers to create a brand position. This information will support and enhance current sales efforts as well as form a basis for the business and marketing plans.

Develop strong messaging to speak to Wisconsin Home Harvest's role in and benefit to the marketplace and community.

Marketing and communication tools will be developed starting with a visual identity system which will be used on business forms, product labels and printed materials to promote Wisconsin Home Harvest with and through its customers.

Develop and reinforce relationships with local growers interested in supplying food products to Wisconsin Home Harvest and customers wishing to purchase those products.

One of the largest impediments cited by restaurant and institutional representatives to buying locally is the inefficiency and uncertainty of dealing with a variety of individual producers. Wisconsin Home Harvest will continue to streamline the process of ordering and receiving diverse products for its customers to enhance sales efforts on a regular basis. The network will formalize its own internal accounting functions to accommodate increased sales and capture information for growers to plug into their production schedules for future years.

Develop and implement a public education and outreach effort sharing results at conferences, to service organizations and other producer groups.

As the network's scope of markets increases, sharing the quantitative and qualitative experiences will provide valuable information to others interested in forming a local food system.

Anticipated Project Results and Expected Economic Impact

If current trends continue of the increased consumption of sustainably-raised foods and a shift toward eating locally and seasonally, sales will generate significant income for growers/producers. Through development of local markets, and collaboration with other grower networks with access to high demand/low supply markets in Madison, Milwaukee and Chicago in 2006, Wisconsin Home Harvest will be able to triple or quadruple network sales once those links are fully developed.

In its first growing season, Wisconsin Home Harvest started with five growers and ended the season with nine growers/producers. The network generated about \$6,000 in sales as of the end of the fall growing season—primarily from four months of produce sales.

Several growers opted to forego the vehicle cost and time commitment in traveling to the Madison farmers' market and instead focused on delivery through local channels. For one grower, this led to savings of \$1,650 in travel and 20 day's worth of time during the harvest season.

Based on 2005 restaurant surveys, the network began growing micro-greens year round and is current selling these for \$2.00 per ounce. Potatoes, honey, meat, eggs and cheese are still being marketed through early spring 2006. Several growers have included hoop houses in their 2006 plans which will provide a longer season to market to established commercial customers.

From a social outreach perspective (which has economic implications as well), one grower alone contributed over 1,000 pounds of produce to a community food pantry. As the commercial part of the local food security coalition and the youth renewal gardens initiative, network members have provided employment for high school youth who have been trained as growers and marketers as part of their own school/community garden projects. This is an example of the commercial/social services partnership Wisconsin Home Harvest's network also provides. The economic benefit is providing fresh produce to an underserved population and creating local part time jobs for the 24 youth trained over the past two years.

The network has a modest fund of retained earnings and will start the season with two additional producers (mushrooms and chicken/eggs). A reciprocal agreement with Rainbow Farmers Cooperative (Growing Power) in Milwaukee has been established which will generate additional sales for year-round products such as cheese, meat and preserves with estimated sales of \$15,000 once the infrastructure is in place. The network has also been invited to be part of the South Madison Farmers' Market for the 2006 season, a project supported by a grant from the Project for Public Spaces, Inc., and the Kellogg Foundation. This is estimated to yield another \$3-5,000 in sales.

Actual Project Results

Objective: Evaluate existing and future market and supply potential, determine customer interest and define how to bring these resources together to grow sales for Wisconsin Home Harvest products.

The objectives of the market research project were to:

1. Conduct a feasibility study to determine the level of interest among institutional and retail outlets to utilize sustainably-raised vegetables, fruits, meats, cheese and other value-added, locally-grown products.
2. Identify the key drivers for why these organizations would use/purchase locally grown products, or determine issues, concerns and obstacles to why they would be reluctant to or would not use/purchase locally-grown products.

Executive Summary Conclusion:

Based on feedback from the market research, there is interest and opportunity to position and sell sustainably raised, locally-grown products with the potential grocer, restaurant and school market segments. In order to accomplish this, it will be critical to:

1. Clearly define sustainably-raised, locally-grown products and be sure to state the benefits to potential customers of utilizing these products
 - Helps support the local economy (helps all businesses grow together)
 - Better quality/fresher products
 - Better nutritional value and tastier products

- Know how and where the products were raised
- Provides opportunity to build a relationship with the grower
- 2. Proactively alleviate concerns that businesses would have in purchasing sustainably-raised, locally-grown products
 - Provide a simple, easy ordering process and consistent product delivery
 - Provide consistent, quality products
 - Ensure that farm operations (production and packaging) are sanitary
 - Be price competitive
 - Ensure sufficient product supply to meet customer demand
- 3. Meet the needs and demands that businesses have of their current suppliers
- 4. Be aware of and target the specific factors that influence purchasing decisions specifically by type of business

SEE ATTACHMENT TO THIS DOCUMENT FOR FULL MARKET RESEARCH REPORT.

Study conducted by ABG, Indianapolis, IN www.abginc.com (Electronic copies of the report are available by emailing: mhasheider@galenarocks.com)

Objective: Develop strong messaging to speak to Wisconsin Home Harvest's role in and benefit to the marketplace and community.

A visual identity system was developed for use on business forms, product labels and printed materials to promote Wisconsin Home Harvest with and through its customers.



Logo: Black & White Version



Logo: Color Version

Message development...the following key benefits were defined and communicated:

- Growers (network, sustainable growing practices)*
- Heightened visibility of their products
 - More stable price
 - Increased income
 - More stable marketing venues
 - More time to focus on growing

Customers (local food, sustainably raised)

- Fresh, flavorful food
- Food generally higher quality
- Know how food is produced
- Food system supports local farmers and economy

The market research study confirmed the validity of these messages:

- Fresh and quality products were the greatest overall influencers in deciding which supplier to use
- Knowing how products are raised and by whom was important to respondents
- All respondents saw the value in maintaining the agricultural integrity of local small-scale farms
- Most restaurants and grocers were interested in partnering with a local supplier to add value to their products and services

The messages developed also translated into increased sales:

The number of growers/producers and products offered in 2006 by Wisconsin Home Harvest increased by more than 100%. Over 20 varieties of fruits and vegetables were marketed as well as mushrooms, eggs, cheese and meat. Sales doubled to nearly \$12,000, matching projections.

Note: Budget Revisions made to original ADD grant request meant the following could not be implemented as planned:

- Develop sales pieces, other market support materials
- Brand positioning
- Media relations, pitch stories, set-up interviews, grower releases

Objective: Develop and reinforce relationships with local growers interested in supplying food products to Wisconsin Home Harvest and customers wishing to purchase those products.

One of the largest impediments cited by restaurant and institutional representatives to buying locally is the inefficiency and uncertainty of dealing with a variety of individual producers. Wisconsin Home Harvest streamlined the process of ordering and receiving diverse products for its customers to enhance sales efforts on a regular basis. The network formalized its own internal accounting functions to accommodate increased sales and capture information for growers to plug into their production schedules for future years.

In 2006, a bookkeeper/accountant was hired. An accounting system was put in place with the ability to generate monthly accounts payable and accounts receivable statements as well as track sales and profitability.

The network also identified ways of better assembling orders to be more efficient in pick-up and delivery of products. New clearer and user-friendly forms for both the weekly product list and invoices were developed. The new network coordinator, Mary Tylka, was hired in 2007. She has over 15 years experience selling farm-raised food locally and more than 20 years experience in business administration and accounting, including

working with several successful start-up businesses. Because of Mary's expert management of accounts and cash flow, a line of credit did not need to pay growers when customers were tardy with payments. This was a great improvement over the previous year. She also initiated the network's presence at a local farmers market which enhanced cash flow.

What worked:

- Publicity created a lot of awareness of the network and its efforts, particularly in the Dells area
- Growers were interested in being part of the network
- Customer relationships were developed
- Pricing, consistency and quality were not issues with customers
- A central distribution place worked well
- Establishing a relationship with Rainbow Farmers Cooperative increased sales
- Farmers market participation increased cash flow
- Sales increased 2006, profitability increased in 2007
- School fundraiser helped promote locally grown products
- Network has benchmark market and sales information

What didn't work:

- Year-round product availability was an issue with customers
- Network couldn't supply all the orders received
- Food service companies offered incentives for pricing, quantity discounts and availability that put them at a competitive advantage
- Logistics of determining product availability and ordering from growers was not as efficient as it could be
- Lack of commitment from Wisconsin Dells restaurants, the original target market

What would we do differently:

- Better grower education at the beginning regarding production plans (product availability and quantity) and also proper packaging
- Get legal advice at the start in regard to the business structure
- Get accounting procedures in place upfront
- Should have charged a higher commission early on
- Better efficiencies in the system (e.g. more miles logged in 2006 than anticipated)

Objective: *Develop and implement a public education and outreach effort sharing results at conferences, to service organizations and other producer groups.*

As the network's scope of markets increases, sharing the quantitative and qualitative experiences will provide valuable information to others interested in forming a local food system.

Members of the network's steering committee have participated in events such as the state's first *Local Food Summit* (where market research results were on display and available to participants) and in *Buy Local*, *Buy Wisconsin* and *Local Fare* meetings. Market research results were also published in state and local newspapers. The network advertised in the Capitol Newspapers regional *Go Green* section and had a display at a regional food event, *Flavor Fest*.

A marketing communications and public outreach plan for the network has been developed. Additionally, the step-by-step evolution of the grower's network over three years has been summarized. The summary details key elements such as: infrastructure issues; grower and market development considerations/opportunities; challenges/impediments the network experienced; results and future plans.

Wisconsin Home Harvest Marketing Communications & Public Education Plan

Prepared by

GALENA

Goal: Increase market share of locally grown, sustainably-raised produce, meat, cheese and other food products in Sauk County.

Objective: Create awareness of the benefits of the Wisconsin Home Harvest through educational products and outreach programs targeting both consumers and producers.

Communications and Outreach Strategies

- Develop print materials specifically designed to create consumer awareness for schools, grocers, restaurants and hotels of the benefits of enrolling in the Wisconsin Home Harvest program.
- Develop a public outreach program to educate Wisconsin Home Harvest producers on marketing, packaging and growing techniques.
- Develop a public awareness program targeting the general public to create a demand for Wisconsin Home Harvest products in local schools, restaurants and grocery stores.

- Develop outreach events and programs where target groups can receive educational information through interactive presentations and dispersal of created printed materials.
- Develop a Wisconsin Home Harvest website where producers, consumers and the media can access all educational materials, interact through blogs, and find updated event and current in-season produce information as well as spotlights on local outlets carrying Wisconsin Home Harvest products.

Tactics to meet strategies:

Schools:

- 1) Organize students and educators to create a school market selling Wisconsin Home Harvest products. If a school store already exists, Wisconsin Home Harvest will work with educators and students to introduce locally-grown produce to the merchandise already for sale. Potential items sold: smoothies made from pre-packaged locally-grown fresh and frozen fruit, whole fresh fruit and produce, harvest baskets, cheese, honey, maple syrup, baked potato bar, as well as additional products available in season.
- 2) Continue introduction of Harvest Basket program for school fundraisers. Harvest Baskets will contain a selection of Wisconsin Home Harvest products as well as recipes for product use. In addition to the pre-packaged Harvest Baskets, Wisconsin Home Harvest will work with 4-H, FFA and other school/youth groups to replace out-of-state suppliers with Wisconsin Home Harvest products for existing cheese and meat gift boxes and fruit sold as fund-raisers.
- 3) Create an interdisciplinary Wisconsin Home Harvest curriculum for middle and high school students involving Family and Consumer Economics, English/Composition and Art classrooms. This curriculum will allow students to directly interact with producers and will result in a Wisconsin Home Harvest Journal containing student-created essays, poems, art work and recipes based on the Wisconsin Home Harvest story. The final product will complement the Harvest Baskets to be used as local fundraisers.
- 4) Develop a Wisconsin Home Harvest tub to be placed in school libraries for check-out by elementary teachers. This kit will contain thematic activities, games and songs related to the benefits of locally-grown, sustainable agriculture.

Grocers, Restaurants, Coffee Shops:

- 1) Create an education kit that includes introductory materials, sample tabletop and menu inserts, advertisements, recipes and press releases designed to increase enrollment in the Wisconsin Home Harvest program.
- 2) Create a monthly e-newsletter including articles, product availability updates, quantity and pricing information and recipes.
- 3) Develop with chefs and deli staff “local plates” incorporating Wisconsin Home Harvest products.

Producers:

- 1) Create an educational newsletter available on-line and in hard copy which includes upcoming events and updates, spotlights on individual producers, marketing, packaging and growing tips.
- 2) Create a blog space on Wisconsin Home Harvest website to allow for interconnection of producer network

Hospitals:

- 1) Develop promotional materials to introduce Harvest Baskets to gift shops.
- 2) Develop workshops demonstrating connection between better nutrition and locally-grown produce. Workshops to include taste tests of local vs. imported produce.
- 3) Annual hospital calendar contest linking employee-submitted photos with Wisconsin Home Harvest nutritional theme. Calendar will include recipes and product purchasing information.

Corporate:

- 1) Create promotional materials to encourage use of Harvest Baskets for corporate gifts and employee incentive programs.
- 2) Develop monthly delivery program of fresh Wisconsin Home Harvest products for office break rooms, reception areas or hotel industry continental breakfast programs.

General Public:

- 1) Create a Wisconsin Home Harvest Traveling Exhibit containing producer-created narratives, art work and photographs detailing the growing season and the importance of the land-food-health continuum. Opening reception at local art galleries, libraries and coffee shops will offer the public a chance to listen to producers tell the Wisconsin Home Harvest story, ask questions and sample dishes created with locally-grown products.
- 2) Create a Wisconsin Home Harvest calendar with photos, tips and educational sidebars in collaboration with existing local banks calendar give-aways.
- 3) Present Wisconsin Home Harvest's mission to local service clubs, community groups, and library patrons. The presentations will include discussion of the Wisconsin Home Harvest program, taste test of local vs. imported produce, take-home materials and recipes. Community youth organizations such as boy/girl scouts and 4-H, will also be targeted through a focus on community and nutrition.
- 4) Disperse Wisconsin Home Harvest materials at local parades through a Wisconsin Home Harvest float.

Media:

Create news releases tied to Wisconsin Home Harvest events and programs.
Create an online media room through Wisconsin Home Harvest website.

Evolution of a Growers Network Wisconsin Home Harvest

Local food systems support the economies of their communities, promote a cleaner environment and preserve the beauty of the agricultural countryside.

Wisconsin Home Harvest works to promote a viable regional food system that supports the local economy, contributes to the sustainability of family farms and improves the quality of food available to consumers.

Year One- 2005

Organize Growers

Grower interest in forming a collaborative arrangement

Grower meetings

What produce/products available

How much available/when

At what price

Pre-established relationships with target market

Future growth plans/interests

Determine target market (Wisconsin Dells restaurants)

Collect information on grower attributes

Growing practices, product profile, farm bios

Target Market Snapshot

Meetings with chefs

Determine needs (when order, order forms used, packaging, delivery)

Determine interest in locally grown/sustainably raised

Current grower relationships

Perceived benefits of locally grown, sustainably raised

Address Infrastructure Issues

Develop mission, guiding principles, and product criteria

Identify goals and objectives

Leadership (Form steering committee)

Market development

Develop marketing strategies

Product and Pricing

Placement and Promotion

Business structure

Business entity

Name (Wisconsin Home Harvest)

- Business form (partnership)**
- Membership**
 - Members/nonmembers**
- Uniform method for profit margin**
 - Mark-up percentage, how handle pre-existing customer relationships, members/non members, membership fees**
- Billing procedures and follow-up**
- Funding-seek grants**
- Grant writing**
- Network coordinator job description developed /coordinator hired**
- Develop self-sustaining business**
 - Business plan**
 - Marketing plan**
- Network Coordinator**
 - Standardize procedures**
 - Order process and forms**
 - Collection/pickup points**
 - Packing**
 - Refrigeration**
 - Transportation**
 - Regular deliveries**
 - Invoicing/accounting**
 - Grower meetings**
 - Customer lead generation, prospecting, sales calls, follow-up**
 - Evaluation with participants and customers**
 - Share results with growers and customers**
 - Share results at conferences, service organization, with media**
 - Publicize efforts though news releases and special events**
- Adjustments made according to marketplace needs/opportunities**
- Explore feasibility of additional markets**
 - Grocers, schools, hospitals, “harvest basket”**
- Recruit more growers**
- Create sustainable local food system in a non-metropolitan area**

Challenges/Impediments

Having enough growers to supply the demand for locally grown, sustainable food and finding committed customers to buy the product.

“Selling” both an idea (importance of local food system and sustainable growing practices) AND a product (food grown by local farmers using sustainable agricultural practices.)

Public education and outreach necessary to raise awareness.

Most of Dells area restaurants were still more interested in price points, convenience or buying in volume rather than supporting the local economy by buying from area farmers.

Growers

- Overcome false-start at forming network in 2004**
- Overlap of product offerings**
- Pre-established relationships with target market**
- Accessibility to assembly point**
- Consistent quality, availability**
- Appropriate packaging and labeling**
- Product liability issues**
- Education about needs of restaurants**
- Find network coordinator**
- Increase pool of local growers and products**

Customers (Restaurants)

- Uncertainty/inefficiency of dealing with new supplier**
- Consistent supply**
- Competitive pricing**
- Product consistency**
- Labeling/packaging**
- On-going commitment to purchase**
- Change in personnel (chef turnover) once relationship established**
- Person making buying decision not necessarily the chef (and the two disagree)**

Marketplace

- Build awareness with growers of network benefits**
- Build awareness with customers of network benefits**
- Educate consumers about desirability of locally grown, sustainably raised food**
- Define product attributes (features and benefits) of locally grown, sustainably raised**

Network Coordinator

- Personal investment of time and farm resources**
 - Time commitment required more than part time role**
 - Provides office support, walk-in coolers, vehicle for transport**
- Ability to implement education and outreach limited by resources of time and funds**

Opportunities

Growers

- More time with growing versus marketing/delivery**

More efficient ordering process for customers
More orders, orders on more regular basis
Plan production based on customer needs
Once network established, grow for specific market needs

Customers (Restaurants)

Less uncertainty/inefficiency of dealing with individual producers
Streamline order process for locally grown produce
Greater variety of products
Opportunity to “up-sell” with locally grown
Interested in ways to enhance menu using locally grown
Product could be custom grown

Network

Streamline distribution and invoicing
Implement professional marketing techniques to create identity for a regional pool
Create sustainable local food system

Marketplace

Interest in purchasing locally grown
Interest in supporting local farmers
Restaurants willing to pay more for locally grown
Sustainably raised is a differentiation point (beyond locally grown)
Opportunities for positive education and discussion between rural food producers and commercial businesses that serve consumers.

Results

Growers: Six grower/members, two nonmembers

Customers: Six including upscale spa

Marketing: Restaurant market snapshot completed

Positioning statement defined

Marketing strategies and next steps developed

Grower guidelines developed

Benefits defined:

Growers (network, sustainable growing practices)

Heightened visibility of their products

More stable price

Increased income

More stable marketing venues

More time to focus on growing

Efficiencies of scale

Restaurants (local food, sustainably raised)

Food generally higher quality

Know how food is produced

More consistent supply

Keep dollars in the community

Consumers (local food system, sustainable practices)

Fresh, flavorful food

Food system supports local farmers and economy

Growing practices good for people, land and environment

Sales: Nearly \$6,000

Publicity: -Articles in *Wisconsin State Farmer* and *Country Today* garnered dozens of calls from interested growers from throughout the state. Story was picked up by *Associated Press* and distributed widely.
-Special dinners at Java Café featured locally grown, sustainably raised food from eight farmers
-Participation in Sauk County Food Security Coalition

Moving Forward

- Customers interested in new and more products
- Emerging Agriculture Markets (EAM) grant secured
- Target and develop additional markets that have greater potential for sales such as locally-owned cafes.
- Target institutions such as schools and retail outlets.
- Use benefits defined as to develop messaging to speak to Wisconsin Home Harvest's role in and benefit to the marketplace and community.

Year Two- 2006

Market Evaluation and Analysis

Primary market research

Market size and attitudes

Feasibility study to identify those quickest to endorse a relationship

Who will buy, how much they will buy

Prospective customers

Current customers

Income potential for network

Market Expansion

Expand customer and grower base

Further develop relationship with Rainbow Farmers Cooperative

Develop presence at Southside Madison Farmer's Market

Business and Infrastructure Issues

Formalize business and marketing procedures

Revisit business structure (become LLC)

Steering committee oversight areas defined

Network responsibilities and financial commitment outlined.

Network must address:

Transportation
Communications between customers and network
Communications between network and producers
Market collaboratively
Provide customer convenience
Meet environmental objectives
Educate the consumer
Liability insurance
Licensing requirements

Network needs to:

Develop a distribution system
Create relationships with the restaurants, grocery stores, institutions
Determine what customers want, how they want it packaged, and when to deliver
Determine financial commitment
 Full member annual fee and mark-up on product
 Nonmember mark-up on product
Develop self-sustaining business
 Business plan
 Marketing plan
Grant writing/administration needs
Bookkeeper/accountant hired

Challenges/Impediments

Grower education needed for wholesale production (versus growing for farmer's market)

Time, travel and resources commitment required of network coordinator

Opportunities

There is a market to support the business idea
The market is growing
Market potential can be identified
Growers are interested in tapping into this expanded market

Results

Growers: **Thirteen growers, three local businesses (bakery, meat)**
 Over 20 varieties of fruits, vegetables sold plus cheese, meat, mushrooms and eggs

- Customers:** Eleven including restaurants, small grocers, Rainbow Farmers Cooperative
- Marketing:** Messaging developed based on benefits defined
Grower application and network guidelines developed
Market research feasibility study completed
Business identity system developed for use on business forms, product labels and printed materials.
- Sales:** Nearly \$12,000
- Publicity:** TV coverage of presence at Southside Farmers Market
Supplier for Agricultural & Natural Resources Education (ANRE) conference

Moving Forward

- Sales need to show another dramatic increase and gross margins will need to be improved.
- Agricultural Development and Diversification (ADD) and Emerging Agriculture Markets (EAM) grants secured

Year Three- 2007

Market Expansion

- Continue to expand customer and grower base
- Expand relationship with Rainbow Farmers Cooperative
- Presence at Wisconsin Dells Farmers Market, Flavor Fest
- Introduce “Harvest Basket” fundraiser with a local school system

Business and Infrastructure Issues

- Hired new network coordinator (previous coordinator remains on steering committee)
 - Revisit time commitment needed
 - Revisit facilities and transportation issues
- Network responsibilities and financial commitment revisited
 - Raise mark-up percentage
 - Expand grower applications
- Develop and introduce business identity system
- Steering committee oversight areas defined
- Write business plan
 - Income potential for network based on market study
 - Best way to develop additional markets
 - Pathways to self-sustaining entity
- Write marketing and public outreach plan
 - Identify resources needed and available to implement
- Grant writing/administration

Challenges/Impediments

Restaurants that supported network wish to purchase from Wisconsin Home Harvest year round and in quantities we can not currently supply.

Changing economy and market.

Competing with other food service companies in pricing, quantity discounts and availability.

Network personnel changes: Network coordinator for 2005 and 2006 took a position with Growing Power in Milwaukee and a steering committee member moved from UW county extension agent to state government. These moves affected time they could devote to network.

Licensing requirements: trying to find the most up-to-date information on what licenses were needed and who to contact. E.g. county, state, division

Market Opportunities and Expectations (based on market research study)

There is a market to support the business idea. The market is growing. Current customers intend to continue their buying relationship with the network. Potential customers were open to expanding the number of suppliers.

Perceived benefits of local food system:

Supports local economy

Better quality/fresher products

Better nutritional value and tastier products

Knowledge of how and where products are raised

Provides opportunity to build a relationship with the grower

Growers working collaboratively on marketing and distribution allows more time for production

Market Opportunities

Growing demand for locally grown, sustainably-raised food

Current customers willing to add additional suppliers

Potential customers have multiple suppliers

Restaurants and grocers see value-added opportunities for locally grown, sustainably-raised products

Must work within regulatory and budget guidelines of schools and hospitals

Locally Grown, Sustainably Raised

Schools: slightly higher cost justified by benefits to local economy and healthier food for their students. Limited food storage capacity and cost of preparation a significant influence. Must follow HACCP rules and regulations for all fresh products.

Grocers: could pass on the costs to customers looking for these high value products. With regional suppliers, don't always know what was locally-sourced.

Restaurant owners/Grocers: interested in adding value to their products and services by partnering with local producers.

Hospitals: must purchase from government-approved vendors.

Market Expectations

Simple ordering process

Consistent delivery process

Packaging operations will be sanitary

Products will be priced competitively

Results

- Growers:*** Eleven growers (four new ones) two local businesses (bakery, candles)
Over 30 varieties of fruits, vegetables sold plus cheese, meat, mushrooms and eggs
- Customers:*** Eleven customers including restaurants, small grocers, schools, farmers market and Rainbow Farmers Cooperative
- Marketing:*** Grower application and network guidelines refined/updated
Liability insurance issues resolved.
Market research study results publicized and distributed
Business identity system developed
Marketing communications and public outreach plan written
Community Investment Program presented to local bank for sponsorship "Investing in the health of our people, land and economy"
"Harvest Basket" program fundraiser with Wisconsin Dells school
Farmers market in Wisconsin Dells increased cash flow
- Sales:*** Nearly \$ 11,000
-In addition, contributed produce to local food pantry
- Publicity:*** -Participated in Buy Local Summit, market study was available for review by participants
-Articles in *Agri-View* and local newspapers brought calls from potential customers and growers

-Advertising in ‘Go Green’ section of Capital Newspapers with theme:

Taste the beauty & energy of the earth.

Local produce. Local flair.

-Flavor Fest gave network publicity and exposure

-Supplier for ANRE conference

-School fundraiser helped promote locally grown products

Moving Forward

-Business plan for sustainable economic entity

-Implement marketing communications and public outreach plan

-Evaluate storefront presence and on-line farmers market orders

-Strengthen connections with other networks

Plans for 2008

-Start cooperative CSA based on one of grower’s farms (which will be collection point.) This will allow certain growers to specialize with specific products. E.g. Instead of one grower raising 60 different products, five growers could each grow ten and concentrate on doing this well. Potential 100-150 shares.

Key Considerations

-Growers must be willing to adjust with the marketplace. As one grower related, over the past 16 years they’ve had to change how they label, package, market as well as what and how they grow in order to continue serving their markets. As the economy, restaurant menus and food preferences change, growers must adapt accordingly.

-Growers forming networks need to address business structure and accounting practices at the start. Grants typically don’t cover these types of expenses. It would be helpful to have legal and accounting resources provided via DATCP or UW- extension to growers wishing to start a network.

TALKING POINTS
May, 2007
Wisconsin Home Harvest Market Study

Perceived benefits of local food system:

Supports local economy
Better quality/fresher products
Better nutritional value and tastier products
Knowledge of how and where products are raised
Provides opportunity to build a relationship with the grower
Growers working collaboratively on marketing and distribution allows more time for production

Market Opportunities

Growing demand for locally grown, sustainably-raised food
Current customers willing to add additional suppliers
Potential customers have multiple suppliers
Restaurants and grocers see value-added opportunities for locally grown, sustainably-raised products
Must work within regulatory and budget guidelines of schools and hospitals

Market Expectations

Simple ordering process
Consistent delivery process
Packaging operations will be sanitary
Products will be priced competitively



Wisconsin Home Harvest Market Research Executive Summary

Objectives

The objectives of the market research project were to:

- 1) Conduct a feasibility study to determine the level of interest among institutional and retail outlets to utilize sustainably-raised vegetables, fruits, meats, cheese and other value-added, locally-grown products.
- 2) Identify key drivers for why these organizations would use/purchase locally-grown products, or determine issues, concerns and obstacles to why they would be reluctant to or would not use/purchase locally-grown products.

Methodology

Telephone surveys, lasting approximately 30 minutes each, were conducted with 25 individuals who were responsible for the purchase decisions for fresh fruits, vegetables, meats, cheeses and other value-added products for their respective business/organization. The individuals who were contacted were responsible for anywhere from one to all of the product areas previously listed.

Participants (both current customers and prospects) were asked about their current use of sustainably-raised vegetables, fruits, meats, cheese and other value-added, locally-grown products, their interest in purchasing sustainably-raised, locally-grown products, who their current product suppliers are, their likes and dislikes with their current suppliers, the factors that influence their purchase decisions, and their concerns/issues with purchasing sustainably-raised, locally-grown products.

Survey Participants

Current Wisconsin Home Harvest customers were interviewed as well as prospects representing the grocery, restaurant, school and hospital food service categories. The number of completed interviews in each category is outlined below.

Category	Sample Size	Completed Interviews
Current Customer	10	8
Grocer	6	4
Restaurant	9	5
School	13	7
Hospital	3	1

Results

Current Suppliers

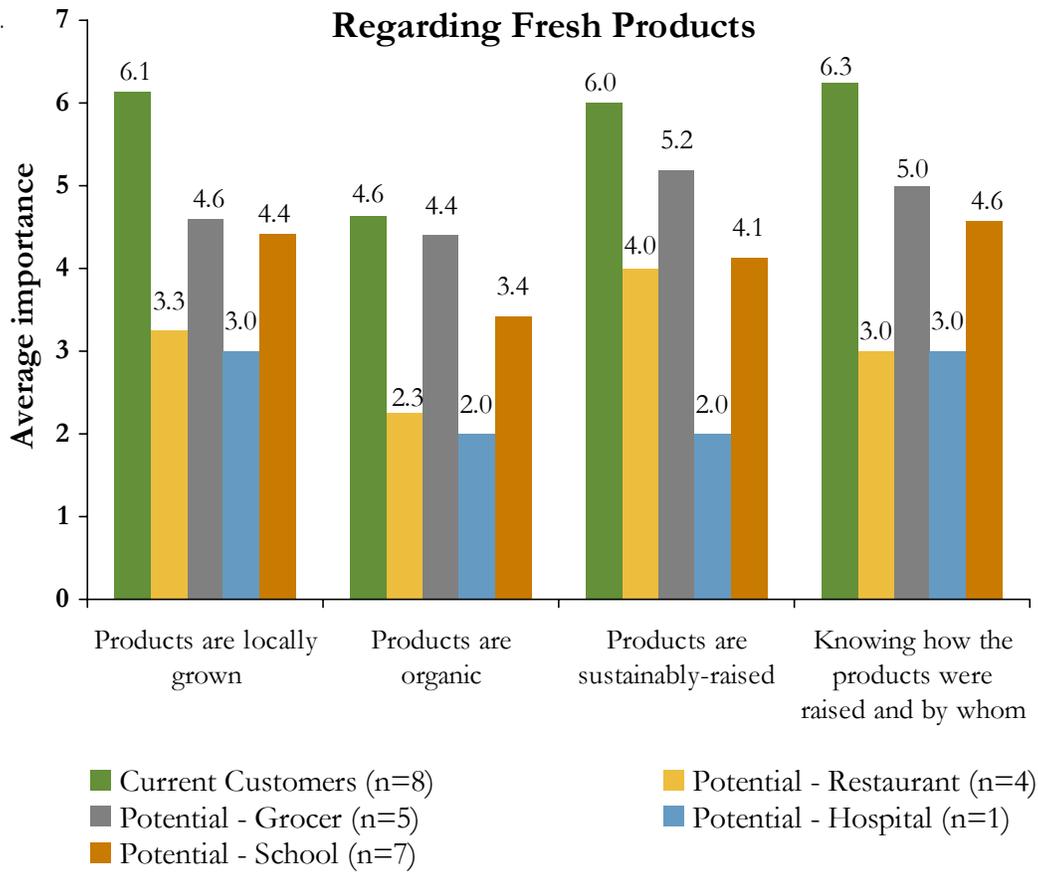
- Respondents had an average of 4.4 total suppliers for fresh products and an average of 2.4 total suppliers for locally-grown products
 - *Current Wisconsin Home Harvest customers and potential grocers had the highest number of suppliers*
- 52% of the total suppliers were suppliers of locally-grown products (the supplier may have provided one, or multiple products)
- Taste, ripeness, and freshness were the way most respondents judge quality of fresh products
- Good quality products and good service were frequently mentioned as satisfactory for current suppliers
- Inconsistent product quality and inconsistent timeliness of delivery were mentioned as reasons for dissatisfaction with current suppliers
- Respondents across each segment are highly likely to continue to purchase from current suppliers (6 or higher on a 1 to 7 scale) but most mentioned they are open to adding additional suppliers
- 100% of current customers, 80% of potential grocers and 29% of potential schools are currently using sustainably-raised, locally-grown products (may be one or multiple products)

Influencers of Purchasing Decisions

- Fresh and quality products were the greatest overall influencers in deciding which supplier to use
- All but one respondent saw the benefit of purchasing directly from farmers
- Almost all schools and hospitals must follow specific rules and regulations regarding fresh product purchases
 - *Hospitals*
 - *Must purchase from government approved vendors*
 - *Cannot go out and purchase locally from a non-regulated farm*
 - *Schools*
 - *Must follow HACCP rules and regulations for all fresh products*
 - *Federal requirements posted by the USDA*
 - *Must submit a bid to attempt to provide products*
- Knowing how products are raised and by whom was important to respondents (see Table 1)
- Intangible factors were generally important when making purchasing decisions (see Table 2)
 - *Personal health views for children was the most important factor*
 - *Current customers, grocers and schools felt all intangible factors were important*
 - *Restaurants were not as influenced by a connection to producers as other segments*
 - *The hospital segment did not see customer demand and personal health views as strong influencers*
- Respondents felt that price and perceived benefits over other similar produce were the top influencers in their customers purchasing decisions

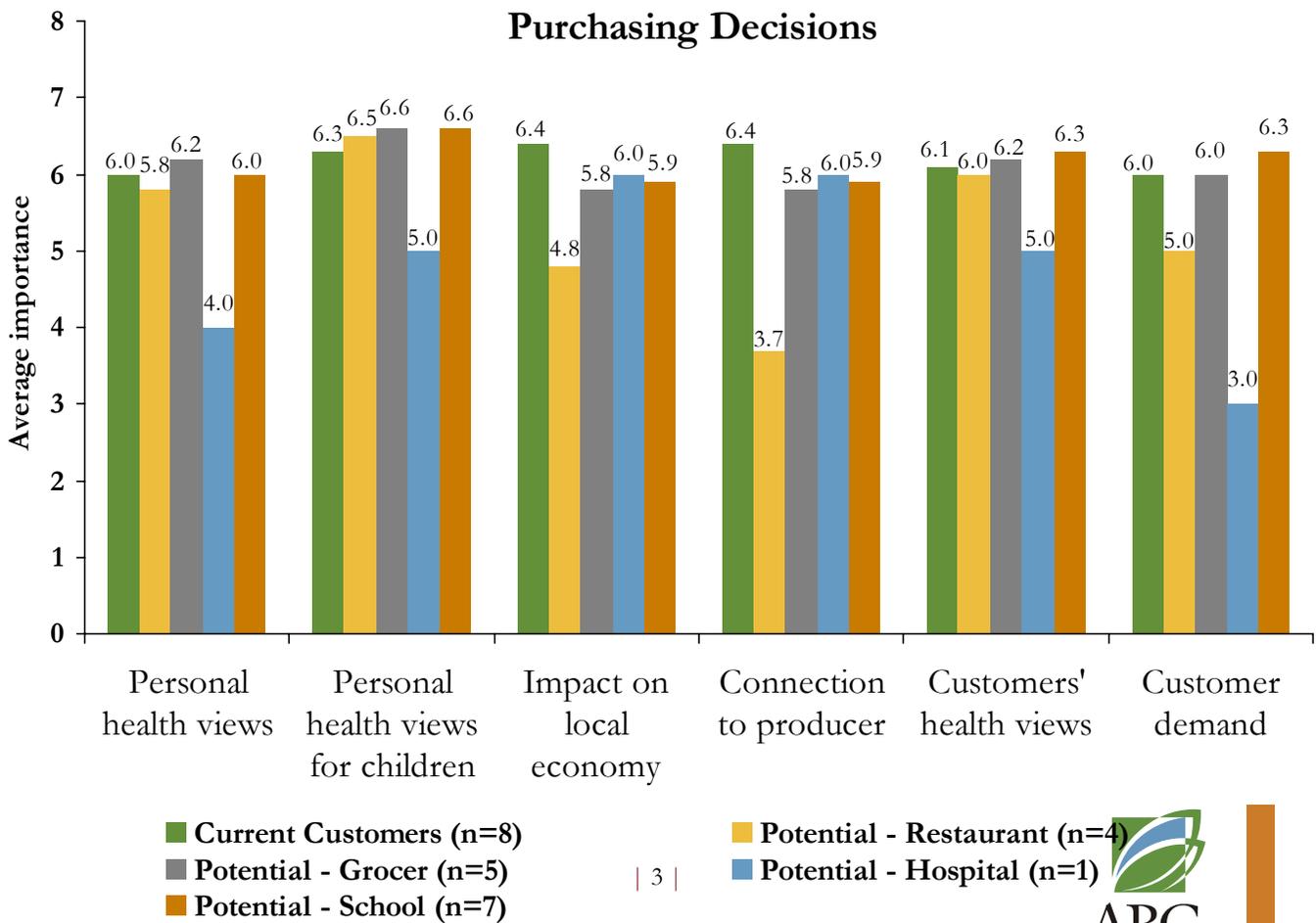
Importance in Purchase Decisions Regarding Fresh Products

Table 1.



Intangible Influencers Regarding Purchasing Decisions

Table 2.



Use/Interest in Organic Products

- Use/purchase of organic products was the highest among current Wisconsin Home Harvest customers and grocers
 - Potential – Restaurants
 - *Most did not carry organics because of high prices*
 - Potential – Grocers
 - *Most carried a small amount of organics due to customer demand*
 - Potential – Hospital
 - *Organics are too expensive for the hospital budget*
 - Potential – Schools
 - *Those who currently purchase organics purchased due to their own personal preferences and mainly bought only organic fruits and vegetables*
 - *Those who did not purchase thought organic prices were too high and were not necessary for a school*

Potential Interest in Sustainably-Raised, Locally-Grown Products

- All respondents saw the value in maintaining the agricultural integrity of local small-scale farms
- Most potential customers would consider paying a bit more for food grown on local, small-scale farms, but only to a certain extent
 - *The grocer segment indicated that they are able to charge a premium for these types of products (10 – 100% mark-ups)*
 - *Most schools would consider paying more for these products because it would help out the local community and provide healthier food for the children*
 - *The hospital segment would not purchase at a higher cost due to budget constraints*
- Most restaurants and grocers were interested in partnering with a local supplier to add value to their products and services
 - *Respondents felt it could bring higher profits to their businesses*
 - *It would impact the local economy in a positive way*
- Most respondents found it valuable to be provided with ideas for how to prepare and market their products and services (see Table 3)
 - *The majority of respondents said this could influence their decision in a positive way to purchase sustainably-raised products from a local supplier, as long as the ideas were credible and well thought out*

Table 3.

	Current customers (n=8)	Potential - Restaurant (n=4)	Potential - Grocer (n=5)	Potential - Hospital (n=1)	Potential - School (n=7)
Respondents who would find it valuable to be provided with ideas	6	4	4	1	3
Respondents who would be influenced in a positive way	5	3	4	1	4

Concerns with Purchasing/Utilizing Sustainably-Raised, Locally-Grown Products

- Respondents all had general issues or concerns with utilizing sustainably-raised, locally-grown products
 - *Higher prices*
 - *Limited availability of specific products as a result of different seasons throughout the year*
 - *Cleanliness of farms needs to be assured (need to ensure that production and packaging is sanitary)*
 - *Too much time involved in ordering from several suppliers*
 - *Products may not always be available when needed due to smaller-scale farming operations*
- All respondents identified food safety as a primary issue facing their business today (this applied to all products and was not specific/limited to sustainably-raised, locally-grown products)

Conclusion

Based on feedback from the market research, there is interest and opportunity to position and sell sustainably raised, locally-grown products with the potential grocer, restaurant and school market segments. In order to accomplish this it will be critical to:

- 1) *Clearly define sustainably-raised, locally-grown products and be sure to state the benefits to potential customers of utilizing these products*
 - a. *Helps support the local economy (helps all businesses grow together)*
 - b. *Better quality/fresher products*
 - c. *Better nutritional value and tastier products*
 - d. *Know how and where the products were raised*
 - e. *Provides opportunity to build a relationship with the grower*
- 2) *Proactively alleviate concerns that businesses would have in purchasing sustainably-raised, locally-grown products*
 - a. *Provide a simple, easy ordering process and consistent product delivery*
 - b. *Provide consistent, quality products*
 - c. *Ensure that farm operations (production and packaging) are sanitary*
 - d. *Be price competitive*
 - e. *Ensure sufficient product supply to meet customer demand*
- 3) *Meet the needs and demands that businesses have of their current suppliers*
- 4) *Be aware of and target the specific factors that influence purchasing decisions specifically by type of business*



Wisconsin Home Harvest Market Research

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Agenda



- Objectives and Methodology
- Sample Overview
- Executive Summary and Recommendations
- Results

Project Objectives and Methodology

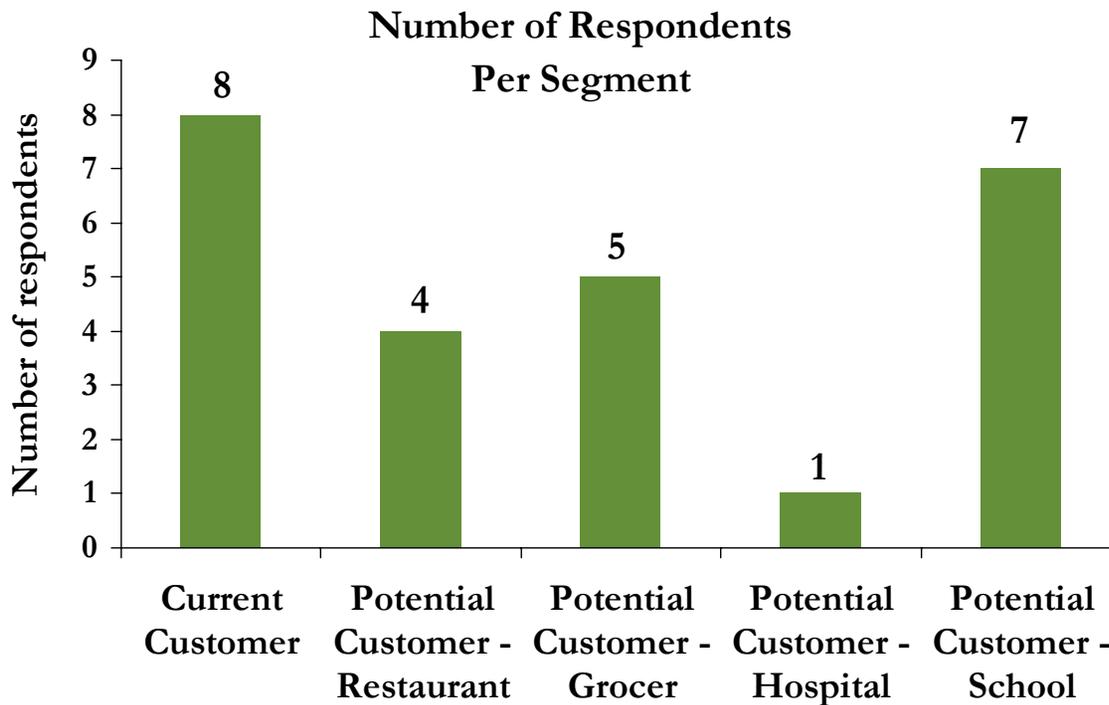
OBJECTIVES

- Determine the level of interest among institutional and retail outlets to utilize sustainably-raised vegetables, fruits, meats, and cheese and other value-added, locally grown products
- Specific objectives included:
 - *Level of interest among institutional and retail outlets to utilize locally grown produce*
 - *Level of interest in specific produce categories*
 - *Current sources of produce*
 - *Specific concerns, objectives or obstacles to utilizing locally grown produce*
 - *Potential steps to alleviate concerns, objections or obstacles to utilizing locally grown produce*

METHODOLOGY

- A questionnaire was developed by ABG, with the assistance of the Wisconsin Home Harvest project team
- Wisconsin Home Harvest provided a list of 41 potential respondents and specified market segments
- ABG personnel conducted 25 phone interviews
- A report of the findings was developed, along with recommendations based on the findings

Interviews were conducted with 25 institutional and retail outlets around Sauk County



- Each interview was completed with a primary decision maker for fresh product purchases within each business
- Current customers consisted of current purchasers of Wisconsin Home Harvest fruit, vegetable, meat and/or cheese products
- Potential customers consisted of potential purchasers of Wisconsin Home Harvest fruit, vegetable, meat and/or cheese products



Executive Summary and Recommendations



Executive Summary

Sustainably-raised, locally-grown product use and interest

- Percent of respondents currently using sustainably-raised, locally-grown products
 - Current Customers: 100%
 - Potential - restaurant: 0%
 - Potential - grocer: 80%
 - Potential - hospital: 0%
 - Potential - school: 29%
- All but one of the potential customers were interested in purchasing sustainably-raised, locally-grown products

Suppliers

- Current Customers
 - Average 5.6 total suppliers
 - Of total, 61% are locally-grown
- Potential - restaurants
 - Average 2.8 total suppliers
 - Of total, 36% are locally-grown
- Potential - grocers
 - Average 6.0 total suppliers
 - Of total, 47% are locally-grown
- Potential - hospital
 - Average 2.0 total suppliers
 - Of total, 50% are locally-grown
- Potential - schools
 - Average 3.0 total suppliers
 - Of total, 67% are locally-grown

Primary Purchasing Decision Makers

- Current Customers
 - Owner, general or kitchen manager, and chef
- Potential - restaurants
 - Owner, chef and kitchen manager
- Potential - grocers
 - Owner and store (or other) managers
- Potential - hospital
 - Nutritional services director and associate administrator
- Potential - schools
 - Food or nutritional services director

Executive Summary (continued)

Benefits to purchasing sustainably-raised, locally-grown products

- Helps **support the local economy** (helps all businesses grow together)
- **Better quality products**
- **Better nutritional value**
- **Tastier products**
- **Know how and where the products were raised**
- Provides opportunity to **build a relationship with the grower**
- **Fresher products**

Main influencers in purchasing decisions

- **Fresh and quality products** were the greatest overall influencers in deciding which supplier to use
- **Marketing done by the supplier was the least overall influencer**
- Other important factors included price, on-time delivery, and purchase quantity
- Intangible factors were also highly rated regarding purchasing decisions for fresh products
 - Overall, **personal health views for children, customer health views and personal health views** were highly important

Issues or concerns about utilizing sustainably-raised, locally-grown products

- **Higher prices**
- **Limited availability of specific products** as a result of different seasons throughout the year
- Cleanliness of farms needs to be assured (need to **ensure that production, packaging and transportation is sanitary**)
- Too much **time involved in ordering** from several suppliers
- Products may not always be available when needed due to smaller-scale farming operations

Executive Summary (continued)

Things respondents liked about their current suppliers

- Good quality products
- Great customer service
- Great working relationship
- Reliable delivery and having products available day-to-day
- Very easy to order products (convenient)
- All products available in one place
- Ability to purchase specific quantity desired

Things respondents did not like about their current suppliers

- Inconsistent product quality
- Inconsistent timeliness of delivery
- Limited product availability
 - Day-to-day and between seasons
- Poor customer service quality
- Inconsistent product pricing

ABG's Recommendations



- ABG recommends Wisconsin Home Harvest pursue the following actions when marketing products and targeting potential customers
 - *Clearly define sustainably-raised, locally-grown products and be sure to state the benefits to potential customers of utilizing these products*
 - *Proactively alleviate concerns that businesses would have in purchasing sustainably-raised, locally-grown products*
 - *Meet the needs and demands that businesses have of their current suppliers*
 - *Be aware of and target the specific factors that influence purchasing decisions specifically by type of business*
- Wisconsin Home Harvest may want to consider targeting the following groups of potential customers
 - *Grocers*
 - *Restaurants*
 - *Schools*



Results

Food safety was frequently mentioned as one of the key issues facing businesses today



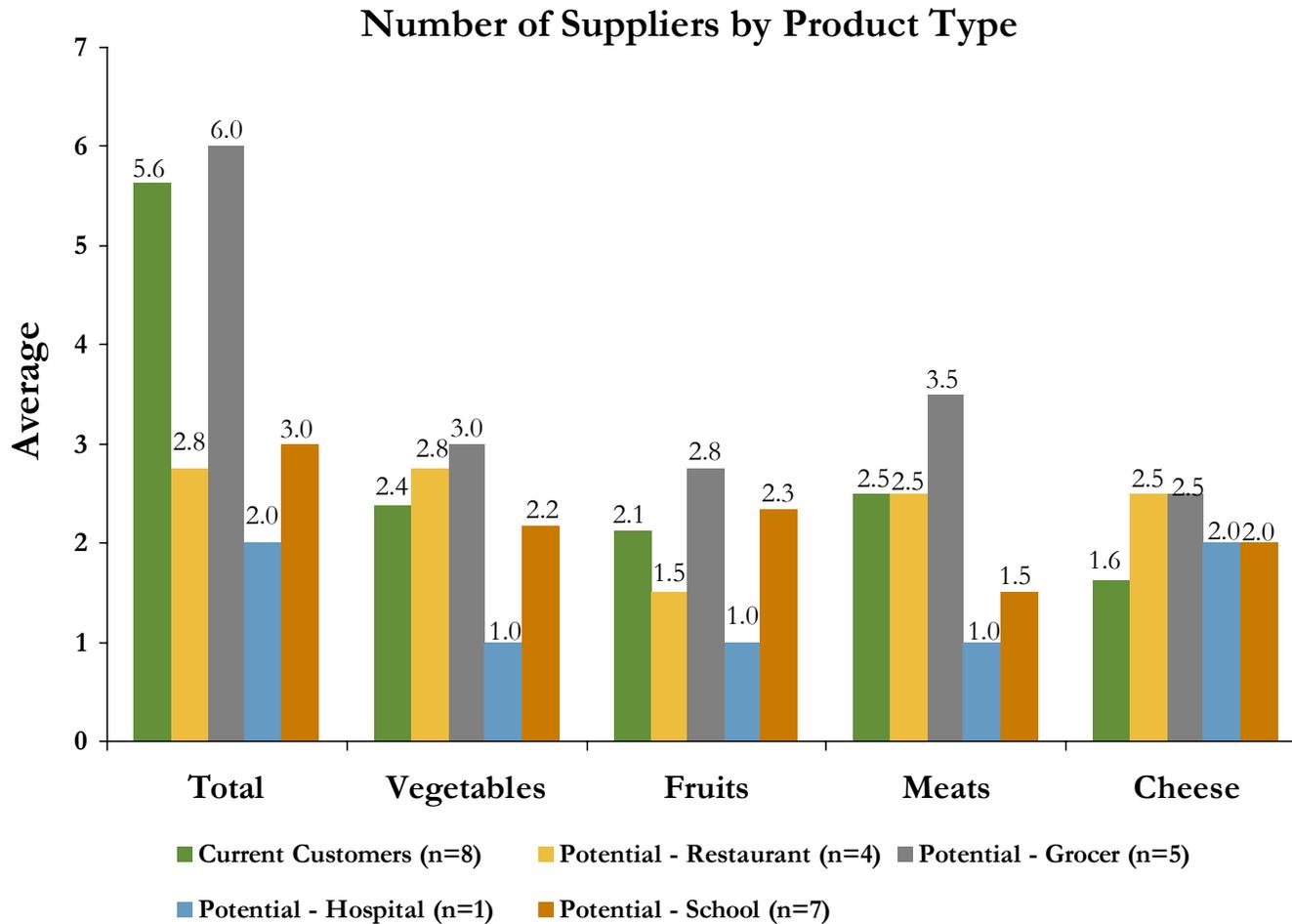
Current Customers	Potential - Restaurant	Potential - Grocer	Potential - Hospital	Potential - School
<ul style="list-style-type: none">• Answers varied within the segment; most common answers included the following• Variation in product quality• Inconsistent availability of products• Food safety• High purchasing quantities are necessary with large suppliers• Freshness• Improper transportation of delivered products	<ul style="list-style-type: none">• Answers varied within the segment; most common answers included the following• High prices• Inconsistent availability of products• Variation in product quality• Freshness• Food safety	<ul style="list-style-type: none">• Answers varied within the segment; most common answers included the following• Food safety• Variation in product quality• Inconsistent availability of products (particularly organics)• Inconsistent variety of products• High prices• On-time delivery of products	<ul style="list-style-type: none">• Food safety• Obtaining high-quality fresh products at a low price	<ul style="list-style-type: none">• Food safety• Ensuring products come from a reputable supplier• Inconsistent availability of products• High prices



Current Suppliers

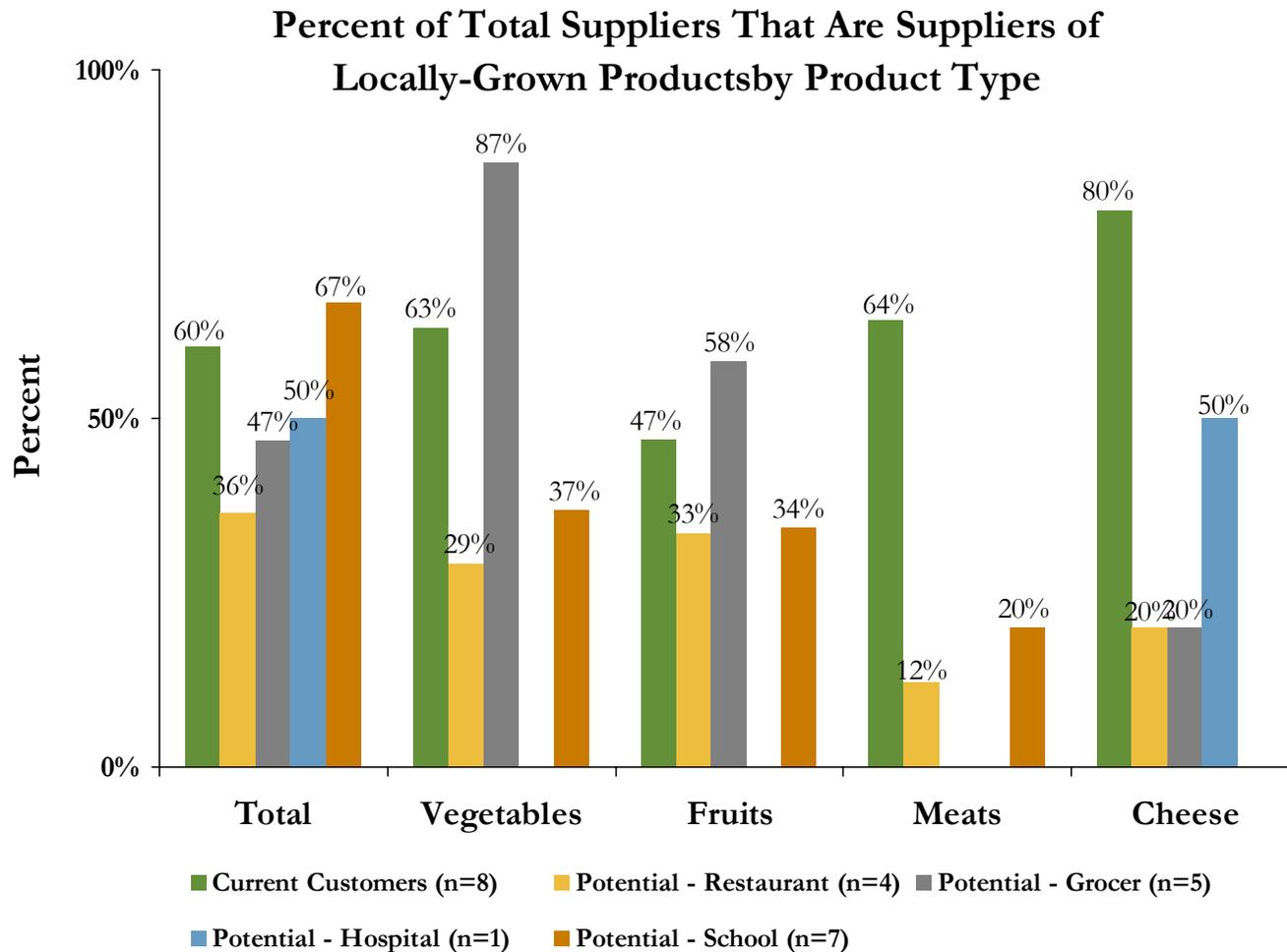


Overall, respondents had an average of 4.4 total suppliers for fresh products



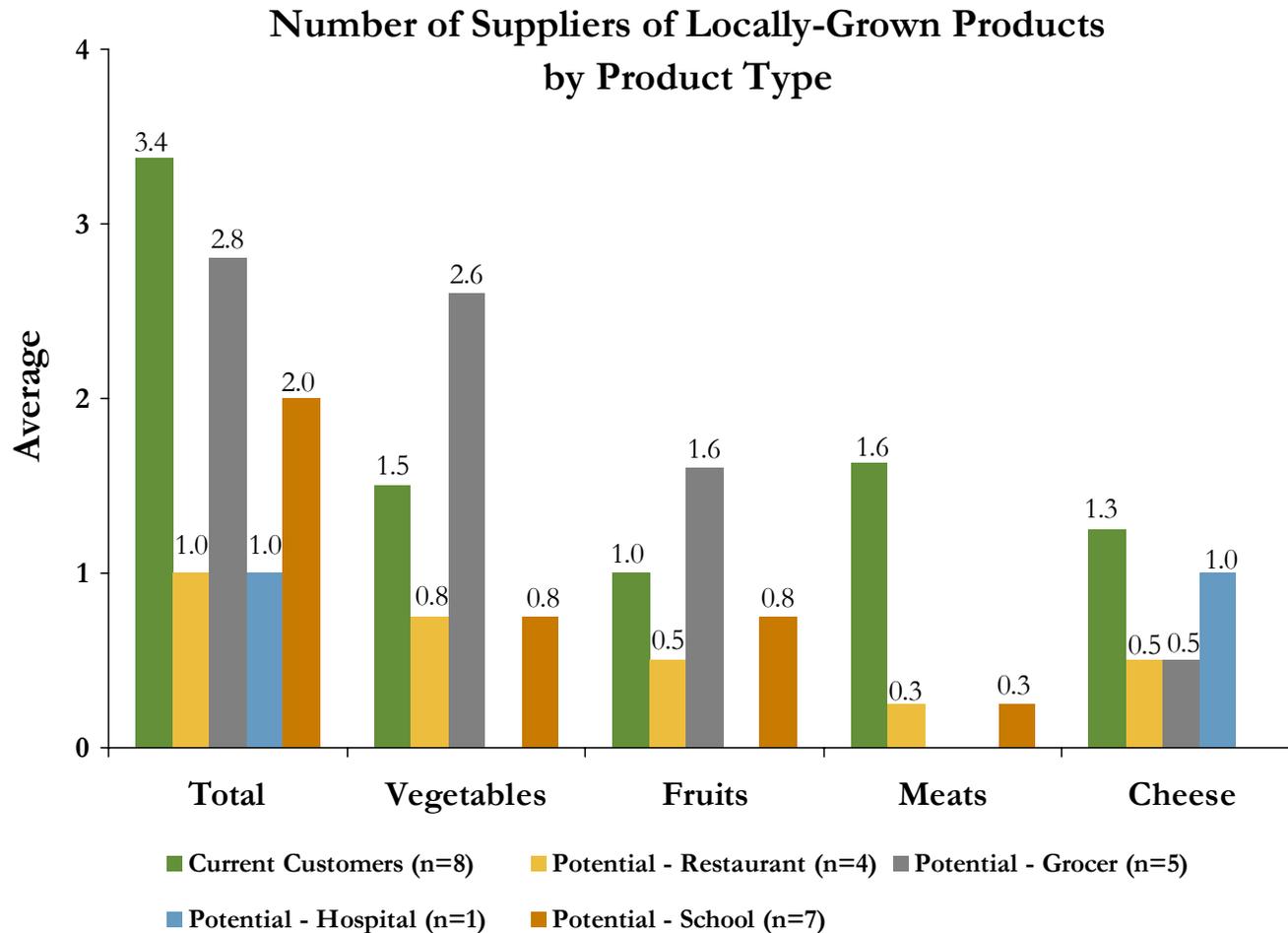
- In total, respondents averaged between 2 – 2.5 suppliers for vegetable, fruit, meat, and cheese products
- Current customers and potential grocer customers had the highest number of suppliers
- The hospital segment had the lowest number of suppliers

Overall, 52% of total suppliers were suppliers of locally-grown products



- In total, respondents locally-grown suppliers averaged between 32% - 54% of total suppliers for vegetable, fruit, meat, and cheese products
- Current customers and potential school customers had the highest percent
- The hospital segment and potential grocer customers had the lowest percentage

Overall, respondents had an average of 2.4 total suppliers for locally-grown products



- In total, respondents averaged between 0.8 – 1.4 suppliers for vegetable, fruit, meat, and cheese products
- Current customers and potential grocer customers had the highest number of suppliers
- The hospital segment and potential restaurant customers had the lowest number of suppliers

Taste, ripeness, and freshness were the way most respondents judge quality of fresh products



Characteristics and qualities of high-quality vegetables, fruits, meat and cheese products

Current Customer

- Fresh, organic, sustainably-raised and visually appealing were most frequently mentioned
- Tasty and ripe were also mentioned

Potential - Restaurant

- Good shelf-life, visually appealing and tasty were most frequently mentioned
- Fresh, ripe and clean were also mentioned

Potential - Grocer

- Fresh, ripe, and visually appealing were most frequently mentioned
- Good size and tasty were also mentioned

Potential - Hospital

- Tasty, visually appealing and fresh were most frequently mentioned

Potential - School

- Visually appealing, tasty, fresh, assured by the producer or supplier to be safe to eat and healthy were most frequently mentioned
- Packaged properly and proper percentage of fat (for meat and cheese) were also mentioned

The primary reason for currently purchasing sustainably-raised, locally-grown products was to support the local economy



Currently purchasing from suppliers of sustainably-raised, locally-grown products

- 8 current customers
- 4 potential - grocers
- 2 potential - schools
- Reasons for currently purchasing from local suppliers of sustainably-raised, locally-grown products
 - *Current customer: To support the local economy and local suppliers, products have better nutritional value, and tastier products*
 - *Potential customer grocers and schools: To help support the local economy and small-scale family farms*

Not currently purchasing from suppliers of sustainably-raised, locally-grown products

- 4 potential - restaurants
- 1 potential - grocer
- 1 potential - hospital
- 5 potential - schools
- Reasons for not currently purchasing from local suppliers of sustainably-raised, locally-grown products
 - *Potential - restaurants: High prices (restaurants make thin margins as it is), could not be supplied with enough meat, and have not been approached by these types of suppliers*
 - *Potential - grocers: Customers will not pay the extra price*
 - *Potential - hospital: High prices and simply have not been searching for these types of suppliers*
 - *Potential - schools: High prices, have not been approached by these types of suppliers, delivery or packaging restraints, and products are not readily available when needed*

Good quality products and good service were frequently mentioned as satisfactory for current suppliers

Satisfactory Characteristics of Current Suppliers

Current Customers	Potential - Restaurant	Potential - Grocer	Potential - Hospital	Potential - School
<ul style="list-style-type: none"> • Good quality products • Great service and working relationships • Fair prices • No delivery charge • Honest and reliable • Great responsiveness 	<ul style="list-style-type: none"> • Reliable • Very easy to order products • Can obtain the specified quantity of products desired • Products are available day-to-day • Good customer service 	<ul style="list-style-type: none"> • Good quality products • Orders delivered on time • Predictable delivery times • Good customer service • Variety of products • All products available in one place 	<ul style="list-style-type: none"> • All products available in one place • Good quality products 	<ul style="list-style-type: none"> • All products available in one place • Convenient delivery process when ordering from a full service supplier • Good customer service • Products go through a strict standard to meet quality and regulations • Variety of products

Inconsistent product quality and inconsistent timeliness of delivery were not satisfactory for current suppliers

Unsatisfactory Characteristics of Current Suppliers

Current Customers	Potential - Restaurant	Potential - Grocer	Potential - Hospital	Potential - School
<ul style="list-style-type: none">• Inconsistent product quality• Limited product availability• Limited product variety• Inconsistent timeliness of the delivery• Unattractive large corporate image implying “more is better”	<ul style="list-style-type: none">• Inconsistent product quality• Inconsistent product pricing• Large producers push sales of what is available, instead of selling what is in demand• Large purchase quantity is required with large suppliers	<ul style="list-style-type: none">• Inconsistent timeliness of the delivery• Limited availability of products• Vegetable or fruit mispicks	<ul style="list-style-type: none">• Inconsistent timeliness of the delivery• Inconsistent customer service quality	<ul style="list-style-type: none">• Do not sell locally-grown products• Warehousing time cuts into the freshness of the products with large suppliers• Large producers are too large and can sometimes forget about small school districts• Cannot specify preference for delivery time

Respondents across each segment are highly likely to continue to purchase from current suppliers but most mentioned they are open to adding additional suppliers



	Average likelihood to continue purchasing from current suppliers
Current Customers (n=8)	6.6
Potential - Restaurant (n=4)	6.0
Potential - Grocer (n=5)	6.4
Potential - Hospital (n=1)	6.0
Potential - School (n=7)	6.4

- Factors influencing respondents to do more business with current suppliers:
 - *Current Customers*
 - Increased product variety
 - Improved consistency product quality
 - Increased demand from customers
 - *Potential - Restaurant*
 - Increase in product quality
 - Lower prices
 - Increased word of mouth from other fellow businesses
 - Increase in specialty product offering not offered by any other suppliers
 - *Potential - Grocer*
 - Opportunity to purchase specific quantity desired
 - Increased variety of products available
 - Support in selling the products to customers
 - *Potential - Hospital*
 - Increased service quality and improved timeliness
 - *Potential - School*
 - Quantity discounts, special offers or other deals (lower prices)
 - Increased availability of quality products
 - Provide orders of fresh products to be accessible to students



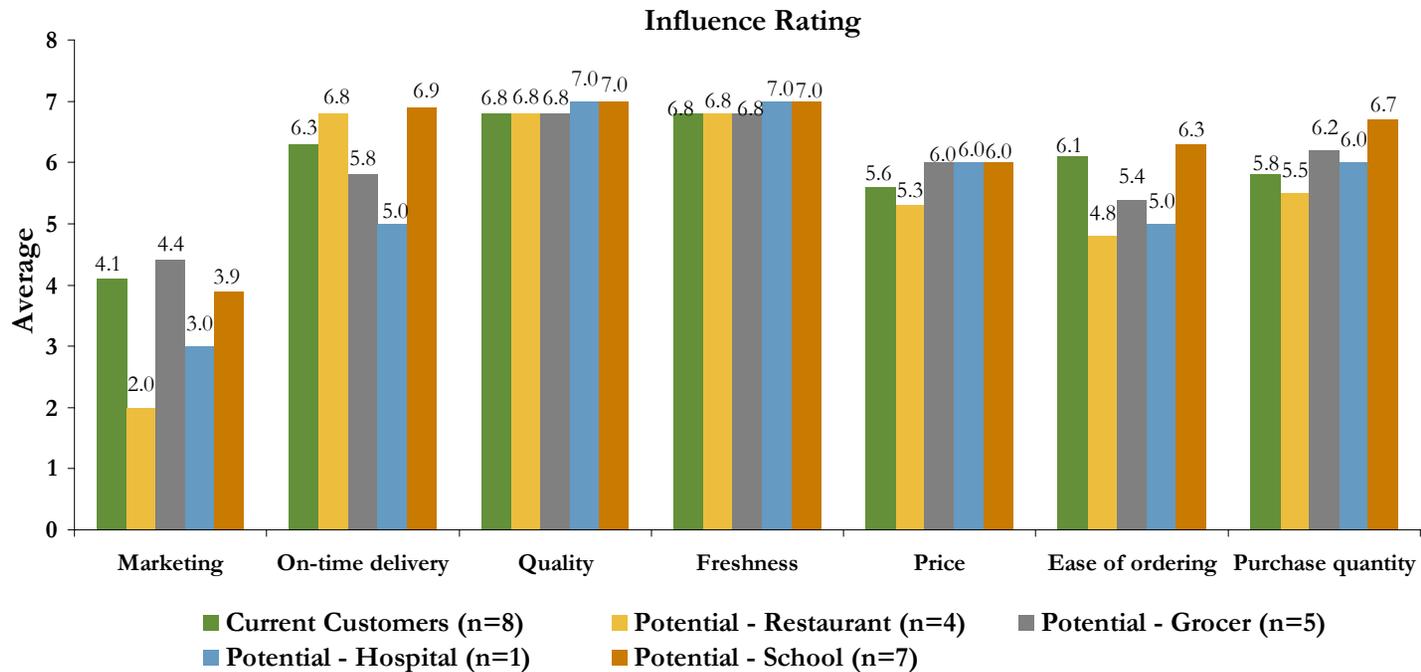
Influencers of Purchasing Decisions

All but one respondent saw the benefit of purchasing directly from farmers

- Stated benefits of purchasing food directly from farmers was consistent across the segments:
 - *Supports the local economy and small-scale farms*
 - *There is no middleman and therefore products are always fresh when purchased*
 - *Get to know how and where the products were raised*
 - *Increased brand equity of their business because the products and ingredients are tastier and of better quality*
 - *Provides the opportunity to build a relationship with the grower*

	Current customers (n=8)	Potential - Restaurant (n=4)	Potential - Grocer (n=5)	Potential - Hospital (n=1)	Potential - School (n=7)
Respondents who see value in purchasing directly	100%	100%	100%	100%	86%

Fresh and quality products were the greatest overall influencers in deciding which supplier to use



- Marketing done by the supplier was the lowest overall influencer
- Answers were fairly consistent among the customer segments
- Other influencing factors included customer service, ability to guarantee products, location of the supplier, and frequency of product delivery

Almost all schools and hospitals must follow specific rules and regulations regarding fresh product purchases

- Hospital policies or regulations for purchasing fresh products:
 - *Must purchase from government approved vendors*
 - *Cannot go out and purchase locally from a non-regulated farm*
- School rules, regulations, or requirements for purchasing fresh products:
 - *Must follow HACCP rules and regulations for all fresh products*
 - Includes things such as storing at the correct temperature, proper sanitation and proper storage
 - Current providers provide proper documentation stating that they are following HACCP regulations
 - *Federal requirements posted by the USDA*
 - *Purchases depend on the size of the school district and spending limits*
 - *Must submit a bid to attempt to provide products*

Additional personal purchasing requirements and standards for purchasing and receiving fresh products



Current Customer

- Package products in smaller quantity
- Although products may look fresh, ensure that they taste fresh
- Packaging must be clean and consistent in appearance

Potential - Restaurant

- Washed fruits, vegetables, and other fresh products were preferred
- Sanitary packaging of fresh products
- Labeling of meat products specified by type and quality

Potential - Grocer

- Packaging preferences differed across grocers; some preferred large packaging, others preferred small, and others said they had no preference at all

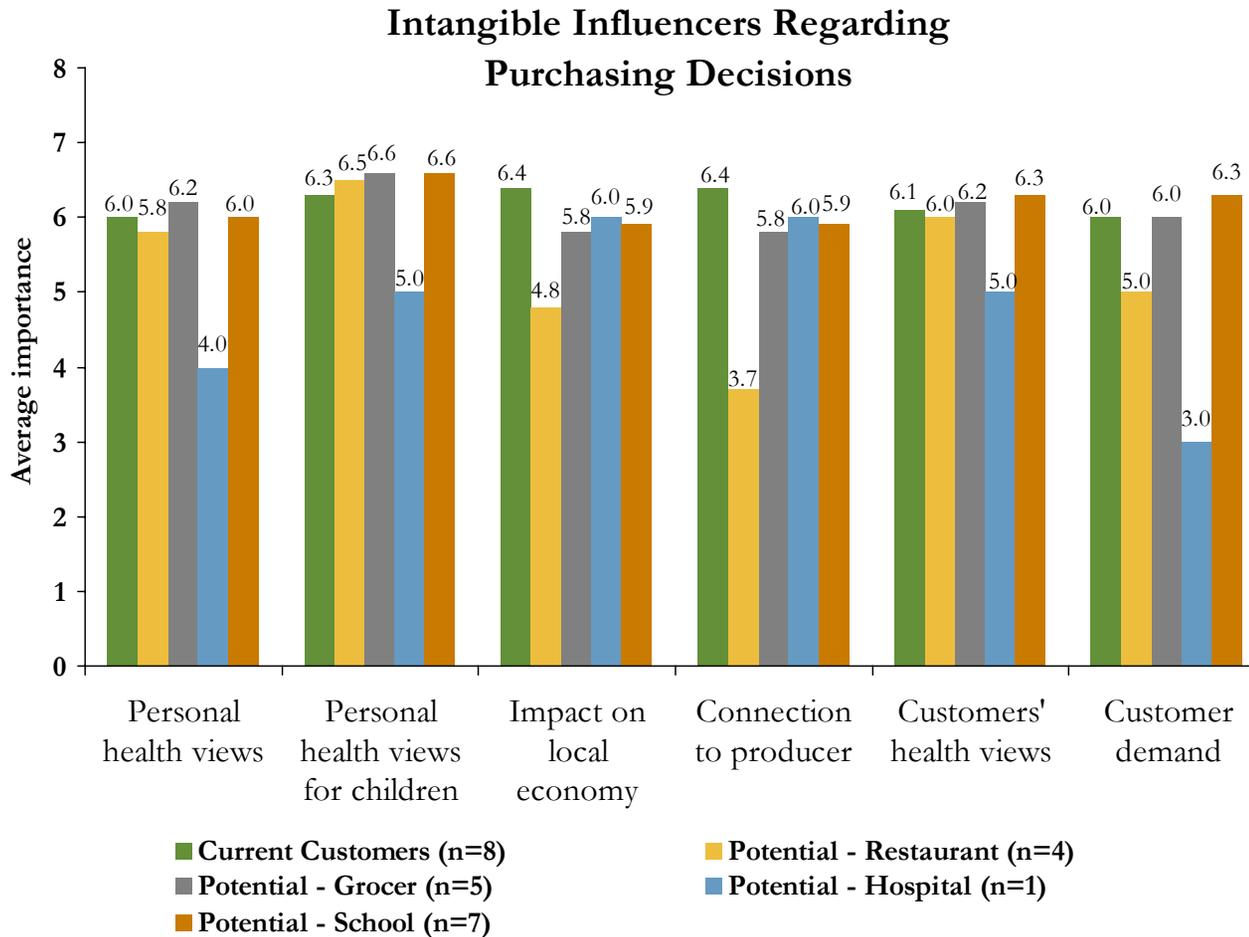
Potential - Hospital

- No specific personal preferences or requirements

Potential - School

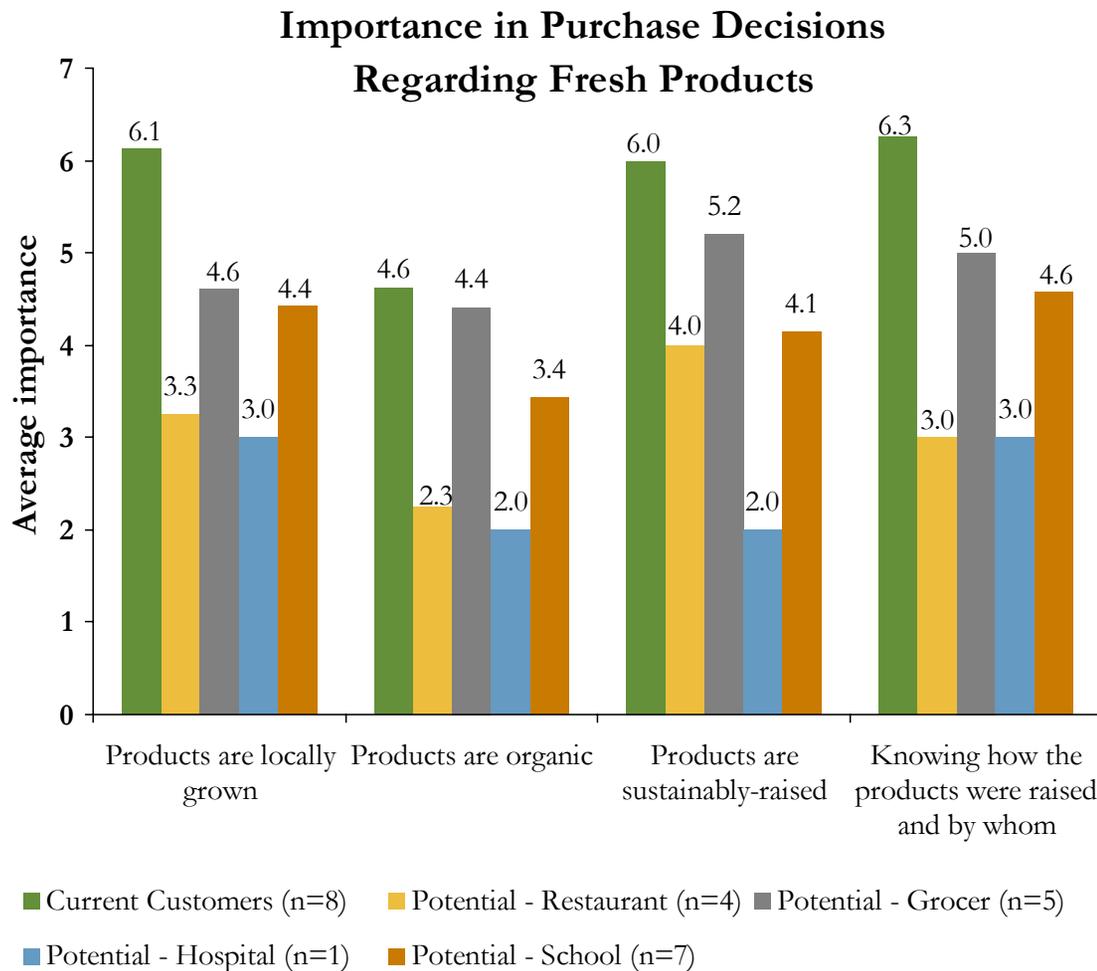
- Labeling of meat products by type and quality
- Specification of how long the products sat out and what was done to produce the products
- Products packaged in quality boxes so that they do not break apart easily

Intangible factors were generally important when making purchasing decisions



- Overall, respondents found personal health views for children to be most important with a rating of 6.4
 - *Customers' health views and personal health views were the second and third most important (6.1 and 5.8)*
- Current customers, grocers and schools felt all intangible factors were important
- Restaurants were not as influenced by a connection to producers as other segments
- The hospital segment did not see customer demand and personal health views as strong influencers

Overall, knowing how the products were raised and by whom was the most important with an average rating of 4.9

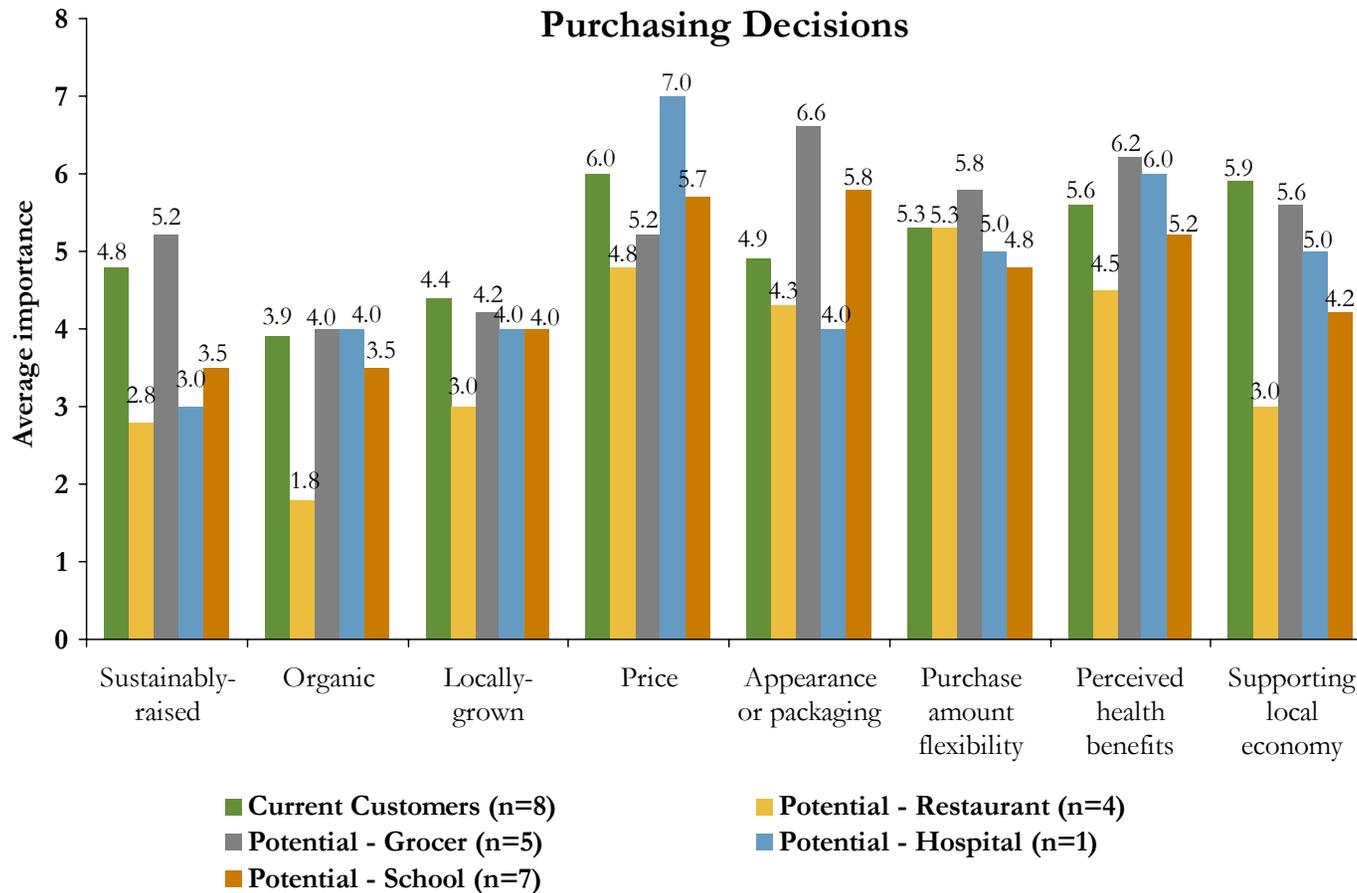


- Second in overall importance was having sustainably-raised products (4.8)
- Each of the four factors were more important for current customers than for other segments
- Purchasing sustainably-raised products was more important than purchasing organic
- Many thought having locally-grown, organic, and sustainably-raised products was important for all types of fresh products
 - *Some of the answers varied across each segment but had no specific consistency*

Price and perceived benefits over other similar produce were the top influencers in the respondents' customers purchasing decisions



Intangible Influencers Regarding Customer Purchasing Decisions



- For current customers, price and supporting the local economy were the top two customer influencers
- Restaurants felt price and purchase quantity were most important to their customers, and organic was the least important
- Grocers found appearance or packaging and perceived health benefits as the most important



Current Use

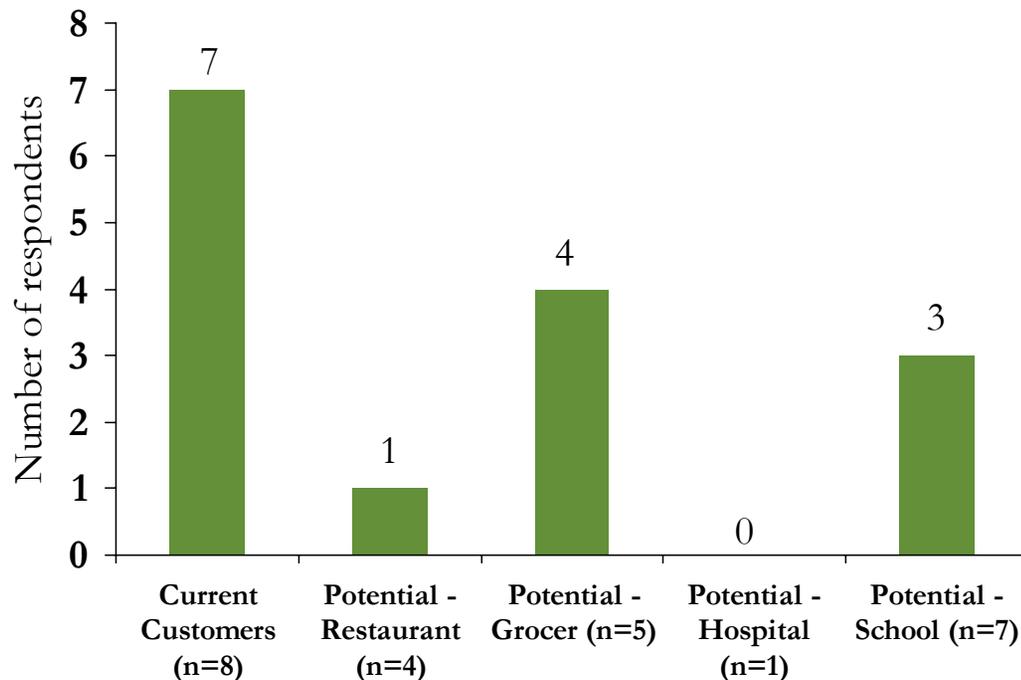
Weekly fresh product purchase quantities varied across each customer segment

	*Common answers and ranges for purchase quantities				
	Vegetables	Fruits	Meats	Cheeses	Others
Current Customers (n=8)	<ul style="list-style-type: none"> •8 cases •20-100 lbs •200-50 lbs 	<ul style="list-style-type: none"> •6 cases •10-50 lbs 	<ul style="list-style-type: none"> •40-60 lbs •150-250 lbs 	<ul style="list-style-type: none"> •3-12 lbs •25-30 lbs 	<ul style="list-style-type: none"> •15-30 gallons of milk
Potential - Restaurant (n=4)	<ul style="list-style-type: none"> •5-10 cases •60 cases •100 cases 	<ul style="list-style-type: none"> •10 cases •25 cases 	<ul style="list-style-type: none"> •50 cases •100 lbs •\$12,000 	<ul style="list-style-type: none"> •5 cases •50 lbs •\$100 	<ul style="list-style-type: none"> •n/a
*Potential - Grocer (n=5)	<ul style="list-style-type: none"> •15-20 cases •35 cases •306 cases 	<ul style="list-style-type: none"> •20-25 cases •40 cases •200 cases 	<ul style="list-style-type: none"> •1,000 lbs •450 lbs 	<ul style="list-style-type: none"> •200 lbs 	<ul style="list-style-type: none"> •n/a
Potential - Hospital (n=1)	<ul style="list-style-type: none"> •10 cases 	<ul style="list-style-type: none"> •6 cases 	<ul style="list-style-type: none"> •12 cases 	<ul style="list-style-type: none"> •2 cases 	<ul style="list-style-type: none"> •1 case of eggs
Potential - School (n=7)	<ul style="list-style-type: none"> •5 cases •40 cases •25-75 lbs 	<ul style="list-style-type: none"> •25 cases •1 case •25-75 lbs 	<ul style="list-style-type: none"> •40-100 lbs •50-200 lbs •65 lbs 	<ul style="list-style-type: none"> •6 cases •10-15 lbs •1 case 	<ul style="list-style-type: none"> •n/a

***Note: Respondents found it difficult to estimate purchase quantity and were not in a consistent metric across respondents**

Current customers and grocers had the largest percent of organic product users

Currently Using Organic Products



- Current Customers
 - Reasons for carrying organic products varied
 - Common answers were that organic products are healthier (for people and for the environment) and customer demand
 - One grocer thought organics were too expensive and did not sell them
- Potential – Restaurants
 - Most did not carry organics because of high prices
- Potential – Grocers
 - Most carried a small amount of organics due to customer demand
- Potential – Hospital
 - Organics are too expensive for the hospital budget
- Potential – Schools
 - Those who currently purchase organics purchased due to their own personal preferences and mainly bought only organic fruits and vegetables
 - Those who did not purchase thought organic prices were too high and were not necessary for a school



Potential Interest

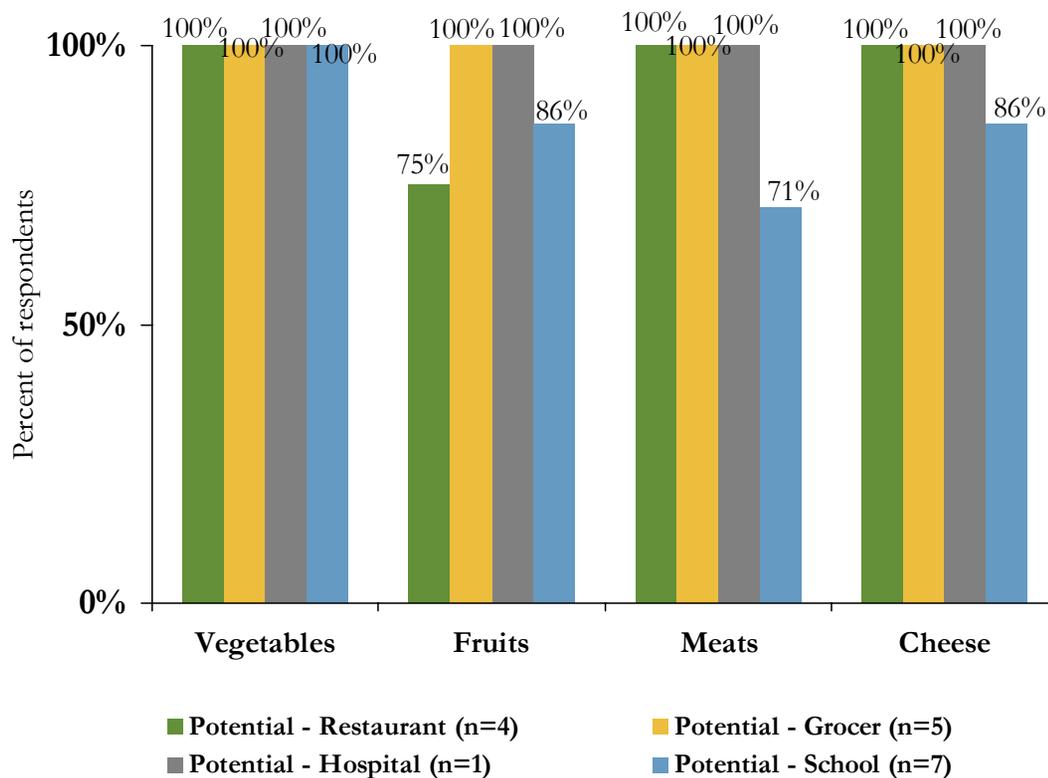


All respondents saw the value in maintaining the agricultural integrity of local small-scale farms

- All current customers are already paying more to access this food for reasons such as helping the local community, building relationships with suppliers and to obtain better quality products
- **Most potential customers would consider paying a bit more for food grown on local small-scale farms, but only to a certain extent**
 - *The restaurant segment would pay more, but it would depend on customer demand and the quality of the products*
 - it is tough enough as it is to make profits in the restaurant business
 - ***Answers varied in the grocer segment; one said he would pay a 10% mark-up over conventional products because this is the limit that his customers would pay; others said 35% and 100%***
 - *Others did not specify how much more they would pay because it would depend on the demand from their customers, depend on the quality of the products and services, and other similar reasons*
 - *Most schools would consider paying more for these products because it would help out the local community and provide healthier food for the children; however it would depend on what price was given, their budget and how tax payers may react to increased spending*
- **The hospital segment would not consider purchasing due to budget constraints**

Most potential customers were interested in purchasing sustainably-raised, high-quality fresh products

Respondents Who Would Consider Purchasing Sustainably-raised From a Local Supplier



- Most would consider but many said it depended on the price, product availability and other factors
- Reasoning to consider purchasing was fairly consistent across each segment
 - *Helps the local economy*
 - *Products are of better quality, tastier and healthier than other comparable products*
 - *Ability to purchase quantity desired*
- One school would not consider purchasing meat because they only purchase it pre-cooked

Most restaurants and grocers were interested in partnering with a local supplier to add value to their products and services



	Respondents interested in partnering with a local supplier in order to add value
Current customers (n=7)	7
Potential - Restaurant (n=4)	3
Potential - Grocer (n=3)	2

- Reasons for being willing to partner with a local supplier were similar across the segments
 - Respondents felt it could bring higher profits to their businesses
 - It would impact the local economy in a positive way
- Those who were not interested did not want to go into unfamiliar territory

Respondents all had general issues or concerns on utilizing sustainably-raised, locally-grown products

- Issues and concerns were fairly consistent across the board:
 - *Higher prices*
 - *Limited availability of specific products as a result of different seasons throughout the year*
 - *Cleanliness of farms needs to be assured (need to ensure that production and packaging is sanitary)*
 - *Too much time involved in ordering from several suppliers*
 - *Products may not always be available when needed due smaller-scale farming operations*

Most respondents found it valuable to be provided with ideas for how to prepare and market their products and services

	Current customers (n=8)	Potential - Restaurant (n=4)	Potential - Grocer (n=5)	Potential - Hospital (n=1)	Potential - School (n=7)
Respondents who would find it valuable to be provided with ideas	6	4	4	1	3
Respondents who would be influenced in a positive way	5	3	4	1	4

- Ideas for how to prepare and market their goods would be a good idea because
 - *It would save them work in these areas*
 - *It would be very beneficial to be educated in the area of sustainably-raised agriculture in order to share with their customers*
- Other respondents were not as interested in being provided with ideas - some chefs felt food preparation was their job and they did not need help
- The majority of respondents said this could influence their decision in a positive way to purchase sustainably-raised products from a local supplier, as long as the ideas were credible and well thought out

**Agricultural Development & Diversification Program (ADD)
Grant Project Final Report**



WISCONSIN HOME HARVEST

ADDITIONAL INFORMATION

**Grower Application
Order List Sample**

January 21, 2008



Wisconsin Home Harvest Producer/Grower Application

Producer/Grower Name _____

Farm Name _____

Mailing Address _____

E-mail Address _____

Day Phone _____ Evening Phone _____

What crops or value-added items do you currently produce? In what volume? During which months of the year are they available for sale? _____

If there was a Wisconsin Home Harvest network demand for other products, which would you consider producing in the future? _____

Please provide a short description of your farm enterprise for promotional purposes.

Is your farm currently licensed as:

Retail food establishment? (Yes/No) Wholesale food processor? (Yes/No)

Do you have a mobile retail food license? (Yes/No)

Are you registered as a meat distributor? (Yes/No)

Do you carry product liability insurance? (Yes/No)

Please describe the sustainable growing practices you use on your farm.

Please describe how you deal with fertility, insect pests and weeds on your farm.

Do you use artificial chemical fertilizers, pesticides, or herbicides on your farm? (Yes / No)

If yes, please explain how and on what crops. _____

Is your farm certified organic? (Yes / No)

Are you willing to participate on the Board in a network producer capacity? (Yes / No)

Are you willing to assist in pick-up and delivery of product to customers? (Yes / No)

Do you have any specific ideas that you would like to have the Board consider? Farmer's Market stands? Market Baskets? Or any other ideas? _____

Comments: _____

May we share your information with other marketing networks? (Yes / No)

Signed _____ Date _____

Return to: Wisconsin Home Harvest

% Mary Tylka, S-270 Birchwood Road, Wisconsin Dells, WI 53965



Wisconsin Home Harvest

Availability List

Week of August 20, 2007

Please Call Your Order In By 8:30 a.m. Friday for Delivery on Tuesday

OR

By Tuesday for Delivery on Thursday. Phone: 608-253-6804

***Case Pricing Is Available With Producers*

Hidden Valley Organic Mushroom Farm

Certified Organic Producer

These Are Available In Smaller Quantities---Ask For Product List

(PRICE)

- 10 lb. Medium White Button Bulk Mushrooms.....
 - 10 lb. Sliced White Button Bulk Mushrooms.....
 - 10 lb. Large White Button Bulk Mushrooms.....
 - 10 lb. Lil' Gourmet White Button Bulk Mushrooms.....
 - 5 lb. Portobello Bulk Mushrooms.....
 - 5 lb. Crimini Bulk Mushrooms.....
 - 3 lb. Oyster Bulk Mushrooms.....
 - 3 lb. #1 Shiitake Bulk Mushrooms.....
 - 3 lb. Sliced Wild Mushroom Medley Mix.....
- (Crimini, Oyster & Shiitake)

Country Bumpkin

Local Grower

- Red Raspberries.....
- Yellow Melon or Musk Melon.....
- Watermelon (Stripers).....
- Bell Peppers.....
- Home Grown Tomatoes
- Herbs: Basil, Thyme, Margarum, Oregano (Bundles).....
- Dill, Italian Parsley
- Honey (White Clover).....
- Zucchini.....
- Spaghetti Squash.....
- Sweet Corn

Pleasant Valley Farms

Certified Organic Producer

- Maple Syrup.....
- Organic Brown Eggs.....
- Red Potatoes.....

B Farms

Certified Organic Producer

- Organic Brown Eggs
- Amish Egg Noodles

Neu Erth Wormfarm

Sustainable Producer

- Basil.....
- Cilantro Bunch.....
- Dill (Bunch).....
- Red Potatoes.....
- Red Lettuce/Radichio
- Roasting Onions.....
- Swiss Chard (Bunch).....
- Carrots (Bunch).....
- Garlic (5).....
- Green Beans.....

Accola Farm

Local Grower

- 8-Ball Summer Squash, Crookneck Summer Squash
- Striped Zucchini.....
- Patty Pan Summer Squash.....
- Lemon Grass.....
- Home Grown Tomatoes.....

West Star Farm LLC

Certified Organic Producer

- | | | | |
|--|-----|------|------|
| | Sm. | Med. | Med. |
|--|-----|------|------|
- Mint (Apple, Kentucky Colonel, Peppermint).....
 - . Oregano (Syrian) Large.....
 - Parsley (Curled, Italian – Flat).....
 - Purslane – Large.....
 - Sage (Garden) – Medium
 - Stevia – Small
 - Thyme – Small
 - Edible Flowers Mix.(Small) – Red Clover Blossoms (Med.) – 50 per pint
 - Garlic (Rocambole) Large.....
 - Red Onions (Mars) – Medium, White or Yellow Onions (Sweet)- Large
 - Yellow Banana Peppers (Small).....
 - Chile Peppers 6”-7” Long (Mild Heat) – Medium.....
 - Green Bell Peppers – Large.....
 - Jalapeno Peppers – Medium.....
 - Floral Bouquets – Small (7-10) Stems , Med.(11-13) Lrg. (14-16