

# **Got Local? The State of Local Food Production and Distribution in Addison County**

An Environmental Studies Senior Seminar (ES 401 Project)  
Middlebury College  
Spring 2005

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## Introduction

*If Vermonters shifted just 10% of their food purchases to locally grown food products that would add more than \$100 million to Vermont's economy.<sup>1</sup>*

We began our project by asking the question, how can we get more local foods into people's diets in Addison County? To try to answer that question, we partnered with the Vermont Fresh Network to investigate the state of the local foods economy in the county, paying special attention to production and distribution. We first looked into the feasibility of a cooperative storage and distribution facility for local farmers. This project was based on the premise that local farmers were having difficulty accessing wholesale markets for their products because of their small size and remote locations, meaning that distributors didn't want to send a truck all the way out to each farm in order to pick up a small volume of produce. If the farmers could gather their products all together in one central location, the distributor could then make one pick-up instead of several, more local products would make it into the wholesale market, and farmers would have expanded markets for their products. However, in communicating with many farmers in Addison County we found out that a cooperative distribution facility like we had envisioned was not desired.

Changing our focus, we investigated other options and explored the various models that currently exist for local foods distribution. We talked with farmers, distributors, and buyers to get different sides of the story and to get their opinions on what systems worked best for them and where they saw room for improvement. We found out that there is no silver bullet solution, and that the situation is much more

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<sup>1</sup> <http://www.vermontagriculture.com/buyvermont2.htm>

complex than the model upon which we had based our original assumptions. For example, many farmers have no trouble selling all of their product and there is not a great desire to join the wholesale market. In fact, it seemed in several arenas that demand for local foods was greater than the available supply. So we started to investigate the future of Vermont agriculture, imagining different scenarios and making predictions and recommendations for ways that the demand could be better met. Despite the complexity of the situation, we identified obvious needs, especially with regards to off-season and processed foods.

Throughout the course of our investigation, we focused mainly, but not exclusively, on local production in Addison County. The term local is defined differently by different organizations. For instance, for the Middlebury Natural Foods Co-op, local means Addison and Rutland Counties. For the Vermont Department of Agriculture, “local” and “locally grown” means produced within 30 miles of the place of sale.<sup>2</sup> In general, we worked under the assumption that closer is better, but did not establish any strict definition. While much of our research focused on Addison County, we looked to other areas of Vermont as well.

## **Methods**

We wanted to gain a clearer picture of what our local farmers needed in the way of market infrastructure so we conducted a farmer survey (see Appendix A). We used the Northeast Organic Farming Association of Vermont (NOFA-VT) and Vermont Department of Agriculture listings to locate as many Addison County farmers as

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<sup>2</sup> <http://www.vermontagriculture.com/locallaws.pdf>

possible. We mailed surveys with stamped and addressed return envelopes to encourage farmer participation.

In addition to our surveys, we conducted a number of interviews with farmers, distributors, buyers, and other important players to gain a more detailed and complete understanding of the distribution puzzle. We focused our farmer interviews on producers who frequently interacted with the wholesale market and those who did not solely rely on direct sales via farmers' markets and CSAs. We tried to reach major produce distributors who serve Addison County (Black River Produce, Squash Valley Distributors, Burlington Food Service, Sysco-Albany, and Albert's Organics). We talked with the produce buyer at Middlebury Natural Foods Co-Op to better understand the demands and voids in the market from a buyer's perspective. Finally, we talked with Deep Root Organic Cooperative and Herbco International (based out of Duvall, WA) with a hope of understanding how these models of pooling local farm products function (See Appendix B for summaries of our interviews and Appendix C for e-mail responses).

We conducted as many interviews as possible in person in order to establish a dynamic conversation. In some cases, we were unable to meet personally with our targeted individuals and used e-mail and telephone instead. We contacted as wide of an array of producers, buyers, sellers, and distributors as we could, in order to collect a complete and multi-faceted understanding of the local foods market in Addison County and Vermont in general. In all we communicated with over 25 farmers, individuals, and businesses.

## Results

Our surveys (which had an approximately 25% return rate) and interviews yielded a range of information, opinions, and forecasts about local agriculture in Addison County. At times our data conflicted, a fact that should be expected considering the multi-faceted roles and viewpoints of our subjects. While each survey and interview brought a slightly different perspective to our research, we were able to draw out some consistent themes. These themes are crucial in the consideration of the future of Addison County agriculture and the local market of these products.

### *1. Demand Outstrips Supply*

One of the first things that we noticed about the local foods market in Addison County is that demand outstrips supply. Many of the surveyed farmers replied that they are currently producing at or near their capacity and selling out of most of their product. This trend was affirmed by our conversation with Karin Mott, the produce buyer at Middlebury Natural Foods Co-Op (MNFC). We went to Karin because MNFC is the main outlet for Addison County produce, aside from direct sales between Addison County farmers and consumers. Because of this relationship, Karin, and MNFC in general, has a good understanding of the trends of local food production and consumption.

When we asked Karin about the supply of local products, she expressed that she is always interested in seeing it grow. One reason is that the MNFC is dedicated in principle to supplying local (especially organic) produce. Additionally, she noted that there is an enormous demand for these products. She particularly lamented the void of

local products in off-season months, local processed products, and local affordable meat. She estimated that the MNFC produce department stocks its highest percentage of local produce between July and September (65% of total product is local). In June and October they carry about 40% local, while the rest of the year they have very little local produce. (On the March day that we visited MNFC, the only Vermont product in the produce department was a batch of rutabagas).

Karin also pointed to a lack of diversity within the suppliers as a hurdle for stocking local produce more consistently throughout the year. This lack of diversity is not to be confused with the small farm principle of diversifying crops and markets. As Karin presented it, it seems that this very commitment to growing a variety of crops stands in the way of achieving a more well-rounded market. Under the current supply, she sees a lot of overlap during the high season. She painted us a picture of ten different farmers calling in with cherry tomatoes and lettuce all at the same time. This is evidence of the market overlap that is a result of the traditionally diversified small farms of Addison County.

She suggested that if farmers were willing to specialize on a single or small number of crops for market they would be able to improve their growing, harvesting, and marketing of those crops. Furthermore, some farmers could specialize into late season, winter stored, or otherwise processed off-season crops. In other words, Karin attributed some of the lack of consistency of local produce to the fact that Addison County Farmers do not feel a lot of pressure to stretch their operations into the unique niches that are available to them. It is likely that this is a result of the fact that most farmers are selling out of their products in season, as we learned from our surveys, and many of these

farmers do not rely on the farm as their only source of income (see **Present Farm Models** section for details).

## ***2. Farmers Favor Direct Sale***

Our second major finding is that many of the Addison County farmers that we contacted prefer to sell their products directly to consumers rather than make use of distributing agents. It is important to note that we primarily contacted smaller (less than 50 acres) farms that focused on small scale production of fruit, vegetables, cheese, and honey. Although we received survey results from one very large scale beef producer (Cream Hill Farm, Shoreham), we did not have contact with farms that focus on commodity production because these operations do not focus on local foods. It is likely that these producers would have expressed a different viewpoint on wholesale distribution, since wholesale distribution is the primary outlet for commodity products such as milk.

That said, our contacts expressed a commitment to direct sales for two primary reasons. First, direct sale is a widely accepted tool for small-scale farmers to receive a premium for their products, without sacrificing some of their profits to distributors and other middle-men. Hank Bissell from Lewis Creek Farm in Starksboro, VT has marketed his products through direct sale since the farm's first year. When faced with the question of why he does not make more use of local distributors, he fervently replied that marketing is where a farmer makes money. In other words, time spent in the field does not create income for the farm, only the sale of those products does. If he were to rely on

a distributor to sell his products for him, he would be using all of his time to grow the produce, while allowing someone else to make all the money.

Bill Suhr from Champlain Orchards in Shoreham, VT offered another reason for being committed to local sales. After working with the former Shoreham Apple Cooperative, Bill realized that he needs to maintain a direct connection with the market to: 1) insure that his products are being handled and marketed the best they can be, 2) be able to stay up to date on the latest market demands and trends, and 3) be able to educate his customers about the latest updates in product availability, freshness, etc. Although Bill appreciated the *ideal* of combining marketing and distribution efforts to prevent “re-inventing the wheel,” he felt that in reality only the farmer who was personally invested in his farm would be able to optimally market his products.

Farmers’ preference for direct sale can also be seen in the census data of farmers’ markets, CSAs and other direct partnerships (e.g. farmers-chefs). 2002 USDA census data reports that there has been a 47% increase in direct sales from Vermont farms to consumers between 1997 and 2002. The census total of direct sales in 2002 was \$9.5 million.<sup>3</sup> There is further evidence of the growth of Vermont direct sales in the growing number of farmers markets around the state. Today there are fifty-six farmers’ markets in Vermont and new ones are coming on line every year.

The rise in direct sales between Vermont farmers and consumers is a very positive trend for the local foods market. However, as our conversations with MNFC demonstrate, these markets are not able to satisfy the wider market. One way for local foods to reach a wider audience would be to participate in more conventional wholesale

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<sup>3</sup> Vermont Sustainable Agriculture Council, “Vermont’s Agriculture: Generating Wealth from the Land” April, 2005. <http://www.uvm.edu/sustainableagriculture/?Page=publications.html>

and distribution outlets. This type of marketing is contradictory to the farmer preferences that are highlighted in this section. However, it is possible that a new generation of farmers may be arising who are inclined to sell their products in more conventional outlets.

### ***3. Present Farm Models***

The farming community in Vermont operates mainly in two distinct sectors – conventional dairy and other. Whereas the terms farm and farmer have for many years been synonymous with the commodity producing dairy farm and dairy farmer, most of the food being produced for the local foods market comes from that “other” sector, the small scale, non-milk operations. These operations range widely in both production style and product type. Some are full-time, deep commitment farms that provide 100% of the farmer’s income. Others include both part-time and hobby style operations that are supported or supplemented by an outside source of income. As of April 2005 the University of Vermont estimates that about half of the six hundred vegetable and berry farms in the state are “commercial” operations, while the other half are part time or “hobby” style operations.<sup>4</sup> From our research in Addison County, we estimate that this figure is relatively accurate for vegetable farmers, but that in the case of meat and dairy it seems that there are far more commercial operations than there are hobby style.

Another trend that we noticed is that most of the farms producing local food products are less than 25 years old, while a significant portion are 5-10 years old. Many of these farms are being run by first generation or first-time farmers. Farming for local

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<sup>4</sup>Vermont Sustainable Agriculture Council. “Vermont’s Agriculture: Generating Wealth from the Land”. April 2005. <http://www.uvm.edu/sustainableagriculture/?Page=publications.html>

consumption in Vermont has attracted mainly a population of young people looking to begin their first career or middle-aged people looking to either change their careers, completely or partially, into agriculture.<sup>5</sup>

The confluence of these new and sometimes inexperienced farmers with the state's fledging local foods market and infrastructure has created a system in which there is much room for improvement. Local foods production, despite being more diverse than a bulk milk dairy farm, still suffers from significant product overlap. Things such as artisan cheeses, salad greens, salsas, and vegetables (in-season) are currently over-represented. Overall demand, however, is greater than supply and has served to counteract some of the financial setbacks associated with a market flooded with these products. If more farmers identified a needed product, which there are many of, and developed a high quality and reliable supply, it would serve to benefit both the consumer and the farmer. This issue is most prevalent in the hobby farm populations where the focus is not on making a living from farming but more on participating in the farming lifestyle.

In talking to some successful commercial operations in Addison County, we found this message of farm specialization to be one of the leading farm business models. Specialization does not necessarily mean complete dedication to a single crop or product, but rather it entails a mating of the farm's product(s) with the market's needs. Bill Suhr of Champlain Orchards specializes his operation by testing out new products (such as his Carrot-Apple Squeeze), by being willing to fill small orders, and by running regular deliveries throughout the state. Bill has also recently started a partnership with the

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<sup>5</sup> Vern Grubinger, UVM Center for Sustainable Agriculture. "Beginning Farmers in Vermont: Priorities for Action Identified at a Beginning Farmer Forum," March 2002. Available at: <http://www.uvm.edu/sustainableagriculture/?Page=publications.html>

Fairfax based Vermont Mystic Pie Company, which sells frozen ready-to-bake apple pies in 85 stores throughout New England.<sup>6</sup> They buy pre-sliced apples from Champlain Orchards. In order to provide the quantity and consistency that they asked for, Bill had to invest in both machinery and labor.

The Vermont Mystic Pie Company is unique in that it was founded with a mission statement that included providing an outlet for some of Vermont's "utility" apples.<sup>7</sup> These apples, primarily McIntosh, make up the bulk of the state's production and were traditionally sold off into the wholesale markets of New England and the U.S. Currently, this sector of the apple business has taken a huge hit from expanding global production and distribution. Ten years ago Vermont apple orchards sold 80% of their fruit wholesale. Today that number is down to between 60 and 70%.<sup>8</sup> Specialization in new markets and products, therefore, is becoming ever more critical to surviving in the apple business.

This partnership is a good example of how food processors can both assist farm economies and provide new avenues for sale and consumption of local foods. Some examples of processors in Addison County include Monument Dairy, American Flatbread, Cabot Creamery, and Otter Creek Brewery.

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<sup>6</sup> "David Barash of Stowe has launched Vermont Mystic Pie Co. in collaboration with Ben Cohen and Jerry Greenfield, the founders of Ben & Jerry's Homemade. The pies are made at the Vermont Food Venture Center, a food business incubator in Fairfax, frozen and delivered to more than 70 stores in Vermont, New Hampshire, Massachusetts and Rhode Island. Recipes, developed with the help of bakers from the New England Culinary Institute and King Arthur Flour, use Vermont apples grown at Champlain Orchards in Shoreham, which uses earth-friendly agriculture." [www.vermontguides.com/2004/nb2004.htm](http://www.vermontguides.com/2004/nb2004.htm)

<sup>7</sup> Vermont Venture Network. "Vermont Mystic Pie Company, Inc"  
[http://www.merritt-merritt.com/Archives/vermont\\_venture\\_network\\_march2005.htm](http://www.merritt-merritt.com/Archives/vermont_venture_network_march2005.htm)

<sup>8</sup> Vermont Sustainable Agriculture Council. "Vermont's Agriculture: Generating Wealth from the Land". April 2005. <http://www.uvm.edu/sustainableagriculture/?Page=publications.html>

Most farmers, however, have not been as resourceful or as fortunate as Bill Suhr. Those involved in producing meat have encountered some of their greatest difficulties finding stable processor connections. Both poultry and beef farmers in Vermont have experienced issues with the lack of slaughtering and packing houses as well increased government regulation surrounding these facilities. In 1985 Vermont had 20 commercial slaughterhouses. In 2001 only 8 of those remained, of which only a few carry a license to sell retail.<sup>9</sup> This has been a serious detriment to local meat production and availability. Of all the cows raised in Vermont that are sold for beef, 90% or more are sold wholesale and out-of-state for slaughtering and processing.<sup>10</sup>

We talked with one Addison County beef producer, Paul Saenger of Cream Hill Farm in Shoreham. Paul runs the largest beef farm in Vermont, covering 1600 Vermont Land Trust (VLT) conserved acres and producing over 2000 head of finished cattle annually. His farm alone makes up 10 to 15% of the state's total meat production.<sup>11</sup> Only a third of his cows are Vermont born and all of them are taken to a Pennsylvania slaughterhouse for processing. His meat is then distributed into grocery stores throughout the Northeast and sold at a premium price for its 'natural' label. Paul remarks that he likes working with this large outfit because of the efficiency and quality of the business. Despite this, he was quite interested in our project, because he is hoping to find more outlets for his product to ensure a more stable market.

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<sup>9</sup> USDA. Rural Development "Success Stories: Livestock Slaughter and Processing Industry Aided by Rural Business Enterprise Grant in Vermont" October 2004  
<http://www.rurdev.usda.gov/rd/stories/vt-20041004-rbeg.html>

<sup>10</sup> Vermont Sustainable Agriculture Council. "Vermont's Agriculture: Generating Wealth from the Land". April 2005. <http://www.uvm.edu/sustainableagriculture/?Page=publications.html>

<sup>11</sup> Ibid.

Efficiency and quality control are two things that Vermont local foods have struggled with, especially when compared to the products coming off of industrial farms. Karin Mott from the MNFC says that it can sometimes be the case that a product from California will be of higher quality than the same product grown in state. She pointed to the optimal harvest and packing techniques of industrial agriculture (e.g. in-field refrigeration, systematic packing, etc.) as one reason that they maintain freshness and out-compete local foods. In contrast, less effective harvesting and packing practices on some small Vermont farms negatively impacts products that could otherwise be fresher.

Karin points out that this problem is consistent with the fact that many of her suppliers are hobby farmers. On the other hand, those Vermont farms wishing to make a living from farming are also doing the best work in supplying the market with what it wants – high quality, consistency, and reliability. Refined business and farm plans are of the utmost importance in meeting these product goals and staying financially afloat. They are also a requirement for a farmer that wishes to purchase conserved land through VLT's Farmland Preservation Program and UVM's Land Link Vermont Program, which connects farmers with Vermont farmland.<sup>12</sup>

This program is critical for offsetting the financial burden for farmers looking to buy farmland in a state where property values can often exceed the agricultural value of a given parcel. Bob Baird, a VLT staff member, explains that the Land Link program will only accept commercial farmers with the following credentials:

3-5 years of farming experience, strong references from the agricultural community, an existing business or business plan that would show the farm operation with over \$100,000 in gross annual farm income within 5 years, and the financial resources or ability to borrow funds to start the farming operation and provide for housing.<sup>13</sup>

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<sup>12</sup> Land Link Vermont, <http://www.uvm.edu/~landlink/>

<sup>13</sup> Bob Baird, Vermont Land Trust. Personal Communication. April 14, 2005.

These requirements are encouraging farmers to pursue higher quality products through more diligent practices.

#### ***4. Vermont Herb and Salad Company – Small Farm Wholesaling***

Vermont Herb and Salad Company is a young farm recently started in Benson, VT. Its farm model stands out from many other Vermont farms. Rather than fitting into the growing and marketing trends of these farms, they are pushing forward into the expanding future of local agriculture. Through our email correspondence, we discovered that this farm is pursuing techniques for growing and marketing that enable them to supply their products consistently through an extended season and reach a wide audience of consumers through mainstream super-markets (Appendix C).

In our correspondence they told an interesting story of exploring the more traditional small-farm models of diversified crops and markets. In their quest for “economic sustainability” they realized that this model was simply not working. They did not have the capital to invest in distribution infrastructure that would allow for direct sales, nor did they have the labor supply to invest long hours at farmers’ markets.

Sitting at farmers’ markets they came to an important realization:

If I showed up at the Rutland farmers’ markets with mesclun and some herb bunches, I’d make about \$100, so why don’t I sell to the grocery store right next to the farmers’ markets, who will buy \$1000?<sup>14</sup>

At this point, they had already made the commitment to specialize in a few products and realized that if they spent less time marketing, they could spend more time growing,

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<sup>14</sup> Heather Polhemus, Vermont Herb and Salad Company, personal communication, April 2005.

which would give them access to bigger accounts (like the grocery store next to the farmers' market).

They currently sell 99% of their product in Vermont (with the 1% going to a Price Chopper in New Hampshire). They do direct sales to some grocery stores, and also use Black River Produce and Sysco's ChefEx to distribute their products to supermarkets and restaurants all over Vermont.

We are impressed with Vermont Herb and Salad Co.'s ability to reach a wide market with consistent and long-season crops. Their use of the mainstream distribution circuit and produce outlets helps them to stand out from traditional, small-farm marketing models. Though we do not discourage direct sale models, we applaud Vermont Herb and Salad Co.'s courageous expansion into wider Vermont markets.

##### ***5. Current Distribution Patterns***

Our research also focused on a clearer understanding of the patterns of produce distribution in our county, state and region. Our correspondence with distributors like Black River Produce, Albert's Organics, and Deep Root Organic Cooperative provided insight into some of the different options that are available for Vermont farmers who are interested in distributing their products to wider markets. Each of these avenues offers different costs and benefits to their partners on either end. In other words, some of these companies are operating from a standpoint of seeking the optimal conditions of the farmers who are supplying the products, whereas others cater more directly to the needs of the markets that are buying the products. In any case, it is critical that we maintain

these lines of distribution between farms, grocers, and chefs if we wish to see the local foods movement continue to grow.

### Deep Root Organic Cooperative

Deep Root Organic Cooperative stands out from the other distributors in that they are a farmers' collective, working for the needs and benefits of their member farms. As the name suggests, they collect organic produce from farms in Vermont and Quebec (though they have also had farms in New Hampshire and New York in the past). This produce is predominantly sold to Whole Foods Markets (about 60-70% of total sales) along the east coast. They work to support organic agriculture in the Northeast and Canada and are more committed to *organic* and *regional* food systems than to *local* foods. They currently sell about \$100,000 worth of Vermont and Quebecois produce in Vermont, compared with approximately \$1.6 million out of state.

It is important to note that all of the business that they do with local farmers is on a wholesale basis. This suggests that their farmers are having success growing for wholesale markets. However, the fact that Deep Root sells their products up and down the east coast demonstrates that they are having difficulty marketing their wholesale products to *local* supermarkets. Chris Poshpeck, the manager of the Cooperative, said they have an easier time selling to Whole Foods because the company is philosophically dedicated to buying *regional* produce. On the contrary, he complained about having a lot of difficulty selling to Vermont supermarkets because they were unwilling to accept the variations in product, availability, and cost that have been synonymous with local, small farms.

Deep Root Organic Cooperative is a great option for any organic growers who feel that they are able to grow enough quantity to profit from wholesaling. Chris also mentioned that oftentimes he distributes for people who have a surplus of a crop, or growers who only sell one crop through him. This idea of combining the classic diversified farm model with one or two wholesale crops seems to open some doors for the local foods market. The farmer can maintain a diversified farm for direct sales, while also growing one or two crops in abundance that can then be more competitive and pervasive in the wider market.

### *Black River Produce*

Black River Produce was originally a distributor that focused on distribution of Vermont products within the state. However, as the company has grown it has incorporated produce and seafood from areas far beyond Vermont. Though it sources food products from the greater international market, New England restaurants continue to be the central focus of its sales.

Although the company does distribute a lot of produce that they pick up from the larger distributors in Boston, they are also committed to working with Vermont farmers. They currently buy products from about fifty Vermont farms that they distribute around the state and to markets in Boston. They maintain these routes with a fleet of thirty trucks.

Black River Produce is one step away from a company like Deep Root Organic Cooperative that works directly for the interests of the farmers. They are a thriving business that caters more to the needs of chefs and markets than to those of farmers.

Some of these demands include routine deliveries, dependable and sizable quantities, and reducing the number of deliveries through more complete orders. Although Black River is primarily dedicated to the needs of restaurants and industrial buyers, they make a lot of effort to work with Vermont's diversified farmers. In this balance between local farms and local businesses, Black River Produce is a critical link in Vermont's local food market.

### Albert's Organics

Albert's Organics is a considerably larger distributor based out of Bridgeport, New Jersey. They are one of MNFC's largest suppliers. Their operation specializes in organic produce from around the world, though they stress local options when they are available. When questioned about local availability and their ability to collect and distribute local products, they detailed the difficulties they encountered and proposed a scenario that would yield the most success for their operation:

We work hard to convince farmers to be farmers, work the land and let a distributor deliver the product. We see an advantage to the farmer by being on the land to work on yield and quality and having distributors that have large networks of accounts and sales and marketing departments sell the product.<sup>15</sup>

This philosophy runs contrary to the success of many small growers across New England. As pointed out elsewhere in their response, direct sale methods are currently well established and relied upon (see Appendix C). Distributors who make such claims often aggravate growers because so much profit is lost in the process. Hank Bissell from Lewis Creek Farm is quick to make this point. He moves product with Black River produce only

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<sup>15</sup> Greg Cota, Albert's Organics, personal communication, April 2005.

when he can not sell it elsewhere because wholesaling dramatically reduces his profit margins.

### *SYSCO-ChefEx*

Sysco Foodservices is a leading national distributor of food and food service products. Though most of their business can be considered to represent the antithesis of the local foods movement, their ChefEx branch is dedicated to delivering “the culinary world’s finest products to discerning chefs.”<sup>16</sup> Evidently, there is nothing about this program that is dedicated to supporting the goals of a local food market; however, this program includes a number of Vermont products such as, Vt. Herb and Salad Co., Grafton Village Cheese, VT Butter and Cheese, and Shelburne Farms Cheese.

We should note that Sysco recently announced the ‘Born in New Mexico’ Campaign; through which it plans to sell New Mexico-raised products to chefs and markets within the state. As quoted from a publication of the College of Agriculture and Home Economics at New Mexico State University, “The marketing campaign will target high-end restaurants and specialty food businesses willing to pay a little more for quality, fresh produce grown by local farmers.”<sup>17</sup> This dramatic step for Sysco is evidence of the growing recognition of local foods. We were pleased to learn of this campaign as it demonstrates an expanding local food movement; however, we caution that to maintain the values of this movement, we must proceed with great attention to our core concerns.

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<sup>16</sup> Sysco web page: [http://www.sysco.com/products/chef\\_ex.asp](http://www.sysco.com/products/chef_ex.asp)

<sup>17</sup> NMSU- College of Agriculture and Home Economics web page:  
<http://spectre.nmsu.edu/media/news2.lasso?i=745>

## ***6. A Cooperative Storage and Distribution Center***

As noted in our introduction, we began with the idea of assessing the feasibility of a shared storage center and distribution facility that would be used by the local food producers of Addison County. In preparation for the project this idea seemed like a great one, in fact what could better help facilitate distribution and market infrastructure of local foods than an organized site from which products could be efficiently stored and shipped off to stores? After our first response from the area agricultural community about this idea, however, we immediately began to have second thoughts.

It is an interesting situation in that a good number of the farmers that we talked to suffer from all of the things that a distribution center might be able to alleviate – limited access to wholesale distributors, time spent setting up individual accounts and delivering, and purchasing and maintaining a delivery vehicle (See Appendix A for survey responses). The catch is that this is the system that the farmers are used to and the system that they have constructed their farm models around. Change would require a significant reorganizing of the current market structure for both the farmers and distributors. It would also disrupt the priority of close product and market control that we heard about over and over from many farmers.

Hank Bissell from Lewis Creek remarks that when he runs his deliveries in Burlington he sees trucks from many of the other area farms making the same rounds. While this might seem to be an inefficient system, it would have required a significant amount of coordination to get all those farmers' goods onto a truck and then to carry through with each individual account.

As we progressed further in the project we also began to question the ability of the current local foods supply to fill a distribution center consistently and adequately enough to warrant its construction and use. In all likelihood the center would only operate during the growing season and would have to remain closed the rest of the year unless significant gains are made in off-season products. The final thought on a possible distribution center is that while it remains a good idea, the local foods system in Addison County is not ready for it.

## **Conclusion**

The first and most important conclusion that we reached after reviewing our results is that there is a need for more local food in Vermont. There is demand from a variety of sectors for sustainable, healthy local food, but the supply is often inadequate to meet that demand. However, some markets seem to be well filled, particularly in-season direct sale markets. There are many small farms that provide in-season produce through farmers' markets, CSAs and farmstands, and they seem to be selling all their products. However, there are other markets that are not very well filled, and we thought that these markets are the places where the real expansion for local foods will come. Some examples of market needs are off-season produce, affordable local meat, and processed and preserved foods. There is also a demand for ways to keep produce *fresh* from farm to market. To address these issues, the need for slaughterhouses, canneries, and processing and cold storage facilities is clear.

This has already begun in Fairfax, VT, where the Vermont Food Venture Center (VFVC) is located.<sup>18</sup> The VFVC is an incubator for food processing and value added

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<sup>18</sup> <http://www.edcnv.org/vfvc.htm>

businesses. It provides a commercial kitchen, bakery, and processing and freezing equipment and facilities for a variety of small businesses, as well as advice and assistance to get local food businesses off the ground.

Another market that is not well filled by local food is the wholesale market. Filling wholesale markets with local foods will require farms of a size such that they will have the necessary volume to survive on wholesale accounts, taking into account the lower price that farmers receive for wholesale products. This may require some farmers to specialize in a smaller number of crops.

There are three ways to increase the supply of local food in the state. One is to have more farms. There are several programs that help new farmers get started, like the Land Link program. The second way is for current farmers to increase production. Many farmers, especially small-scale local farmers, are limited in their production not by the size of their property but in the labor supply available to them. The third way is for food produced in Vermont to stay in the state for consumption as well. Good examples of this are beef and milk, which are often sold in bulk out of state.

Consumer education will also be key to the success of local food in Vermont. Demand is high, but conventional consumption still far outweighs local food consumption, and there is always potential for growth. Raising awareness among food service institutions and customers will be very important as well, given the large percentage of food that these institutions provide both in Vermont and in the US as a whole.

## **Looking to the Future**

With regards to local foods, Vermont will likely see continued growth in the current model: more small farms, more farmers' markets, more CSAs, and the growth of food co-ops. These have proved popular so far, and demand does not seem to dropping off. Beyond that, it is hard to say what the future of agriculture in Vermont will be like. It is obvious that Vermont farmers will not be able to compete with California or Chile on quantity or year-round availability, but in terms of quality and sustainability there should be no problem if care is given to handling produce to assure fresh quality. As fossil fuel prices continue to rise, Vermont products may even be better able to compete economically. However, there is still a fairly large gap in price due to the exploitative mechanized monocultures used to produce food on industrialized farms. With that in mind, we contemplated to what extent sectors of Vermont agriculture would have to industrialize in order to be able to compete. While full-scale industrial agriculture runs completely against the ideals of local food, there are ways to increase production so that in-state food replaces out-of-state food.

Another interesting dilemma is centered around the question of what to do in the off season. Ted Andrews, of Herbco International, had interesting points on this topic (See Appendix C). Although his business model has little to do with a local food system, he does speak to the importance of controlling a market year round: providing local products in season and imported products in the off season. He mentioned having a difficult time convincing buyers to accept his product again at the beginning of the season, so he became an importer as well so as to not lose his customers in the off season.

Importers of off season products could partner with local farmers to provide year round supply.

There is a lot of middle ground between an agricultural system based entirely on small farms and direct sale and one based on huge industrialized farms and wholesale. In order to provide a sufficient quantity of good quality, but affordable food, Vermont will need to increase the amount of food produced and processed in state. Given that many small farmers are satisfied with their current model, it makes sense that Land Link is focusing their efforts on larger operations and that there is a focus on infrastructure and facilities to provide more food and more diverse options of local foods.

### **Acknowledgements**

Enormous thanks to the Addison County Farmers, Karin Mott of the Middlebury Natural Foods Co-Op, Chris Poshpeck of Deep Root Organic Cooperative, Bob Baird of Vermont Land Trust, Amy Trubek of Vermont Fresh Network, NOFA-VT, Ted Andrews, Nan Jenks Jay, Diane Munroe, and the Spring 2005 ES 401 class.