

NCR-SARE Farmer Rancher Grant Program

Final Report

I. PROJECT IDENTIFICATION

- Name: Sharon Clancy
- Address: 3091 119th Ave. SE
Valley City, ND 58072
- Phone: 701-845-0009
- Project Title: Building the Local Food Link in Valley City

- Project Number: FNC08-709
- Project Duration: 1 year
- Date of Report: 2-19-2011

PARTICIPANTS AND PROJECT BACKGROUND

Sharon Clancy, Clancy's Prairie Greenery. Sharon has a 5-acre site where she raises pastured poultry for meat and egg production. She also raises her own transplants and produces lettuce, spinach, kohlrabi, broccoli, cauliflower, onions, tomatoes and squash, which she markets at the local Farmers Market. She has been testing several means to extend the crop season. Sharon has served as the market manager for the Saturday market and as the forager, packer and delivery for the pilot local wholesale market. Sharon is a retired ecologist. She has a PhD from North Dakota State University's Animal and Range Science Department and a MS also from NDSU in Horticulture. In her previous work, Sharon has managed several projects and grants.

Mike and Candace Rasmussen, The Dancing Dachshund Farm has 9 acres. They are members of the Association of Farmers Markets and sell in Valley City and Tower City, a market they helped start in 2008. They grow the following crops: asparagus, rhubarb, lettuces, spinach, radishes, peas, three kinds of beans, potatoes, carrots, beets, onions, leeks, scallions, summer squash, garlic, cucumbers, tomatoes, sweet and hot peppers, eggplants, summer spinach, snow peas, corn, winter squash, pumpkins, gourds, russet potatoes, late garlic and herbs. They have a 10 foot x40 foot unheated greenhouse. In 2006 they planted 6 apricot trees, several gooseberry bushes and blackberries. They also have 4 mature apple trees. They have 60 laying hens. Rasmussen's have many outbuildings including a dairy.

Arlan and Becky Huber, Becky's Plants and Flowers have been growing and selling produce for more than 30 years. They are planting garden on 12 acres that also includes a greenhouse. They have been selling a complete line of vegetables at the area Farmers Markets. They also wholesale produce to restaurants in Fargo and Valley City. They contract with several families to design and plant their annual flowerbeds. In the winter they provide an indoor landscape for the First Community Credit Union in Valley City. They also do the exterior Seasonal decoration with plants, Christmas trees and wreaths. They raise chickens, sheep, and horses.

SUSTAINABLE PRACTICES USED BEFORE STARTING THE GRANT PROJECT

Sharon Clancy: I used crop rotation and planted insect traps. I started my own transplants. I also used plastic mulch and row cover. I have a small poultry flock that is pastured. I was selling at the Valley City Farmers Market-Saturday. I had been doing these activities for two years.

Mike and Candace Rasmussen: They were growing a large garden with a wide variety of vegetable crops. They had a rough cold storage space carved out of the barn that worked effectively. They dehydrated deer jerky and put up many preserves. They used their greenhouse for their starts and early production of greens, radishes, etc. They had been doing these practices for five years. They sold at the Valley City Farmers Market for two years.

PROJECT DESCRIPTION AND RESULTS

GOALS: This grant request was to continue building the wholesale pilot program with the Valley City Farmers Market. There are many steps to accomplish this. 1) Increasing the number of vendors and extend their season of production – both for the wholesale program and the Farmers Market. 2) Equipping a cleaning/packing facility in a barn on the Rasmussen's' farm with a water supply and a cold storage unit. 3) Hiring a forager to work as a link between the vendors and the wholesale buyers and serve as the packer and delivery person. 4) Formalizing the Farmers Market as a business entity to run the wholesale program. 5) Certifying a community kitchen to lightly process vegetables for the schools' salad bars and working with the community's organization for disabled workers to process the vegetables.

PROCESS

Increasing the number of vendors: We set up an additional market so that Valley City could shop at the Farmers Market on Monday, Thursday and Saturday. The Monday-Thursday markets were in the afternoon running from 4-6pm. The Saturday market was in the morning from 10-12 noon. The vendor fee was offset with grant funds for the vendors new to the market.

Another aspect to increasing the number of vendors was to promote the market so that we had more customers. We put up a billboard for two of the market months. We used media promotion. We used a market assistant manager to help enhance the market experience. Her only responsibility was to provide market hospitality. She answered questions about the vendors, interacted with the customers regarding food issues, registered the customers so we could gather market statistics. She also gathered survey information for the market. We used treats to introduce our customers to new products or vegetables not commonly used in the community. We provided live music paid in part by a free will offering and we provided complimentary coffee. There were picnic tables available for the customers to stop for a while to enjoy the festivity of the market.

Equipping a cleaning/packing facility: The plan was to convert a portion of the dairy barn to a wash- pack shed to prepare vegetables for the wholesale market. The farm family who owned the property decided not to engage in that effort. They did not provide a reason for changing their mind.

I searched for an appropriate building in Valley City and found one that had great potential. Even though I had funds to pay for the rent for one-half of the year the vendors were not willing to take the risk of a one-year lease. Having a common wash-pack shed is essential for the success of a wholesale market.

Forager-broker-deliverer:

1. Sharon Clancy served as the forager-broker-deliverer for the duration of this pilot project.
2. The system design was an attempted pattern of the Oklahoma Food Cooperative (<http://www.Localfoodscoop.org>) modified to accommodate producers or customers who do not commonly use the Internet.
3. The forager contacted the producers each week to determine the produce available, quantity and price. The forager then developed and published a product availability list with each producer listed by name. The forager then either emailed or hand delivered it to the customers by Friday of each week.
4. On Mondays the broker would either have gathered the orders through email or direct contact. These orders would be transferred to the producers for Monday collection at the Farmers Market. Each producer was given a receipt for the produce.
5. The broker then took the product for light processing to the licensed kitchen. On Tuesday's the sheltered workshop would process and package this portion of the week's orders. The product for light processing included broccoli, cauliflower, beets, cabbage, and corn. The balance of the product was either stored in the licensed kitchen or the broker's garage.
6. The broker prepared the invoices for the customers. On Wednesdays the produce was delivered to the customers. Most of the customers paid upon delivery but the schools and the hospital paid on a monthly basis.
7. Vendors were paid for their produce on a monthly basis.

Formalizing the Farmers Market as a business entity:

- The Valley City Farmers Market has operated for 30 years without a formal business entity. With the expansion into a wholesale market, it would seem that a formal business entity would be necessary for good business operations.
- A committee of three was charged with the responsibility of forming a producers/buyers co-op similar to the Oklahoma Food Cooperative.
- Several meetings were held with potential producer members.
- Valley City State University Communication's class conducted a survey of potential producers and customers.

Certified Community Kitchen:

- Valley City Parks and Recreation owned a large kitchen in the basement of the Auditorium that they agreed to lease to the Farmers Market for \$10 per week.
- The North Dakota Department of Health certified the kitchen.
- The kitchen was used as a light processing facility by the sheltered workshop.
- The certified kitchen was also used as a packing facility.

PEOPLE

Producers

Donna Bailey	Kevin and Tina Borg	Curt and Jolleen Brown
Lance and Jenny Capman	Dan and Bea Faust	Scott and Sandy Hansen
Jerry Hanson	Marcia Hetland	Betty Hiatt
Barb Howse	Arlen and Becky Huber	Shawn Olausen
Dianne Pederson	Cherie Russell	Janice Syverson
Margaret Stoltz	Marcia Utke	Willis and Mary Wagar
Joanne Wetch	Marvin Olson	

Wholesale Customers

Valley City High School	Washington Elementary School	Jefferson Elementary School
Mercy Hospital	Dutton's Parlor	Another Time
Town and Country Golf Course	Marketplace Grocery	Viking Room Cafe
Broken Spoke		

Valley City Community Gardens

Sue Anderson	Leonard Batasch	Jeane Burchill
Julie Forsman	Lennett Guertin	Renee Hazelton
Diane Heuser	Karen Opatz	Liz and Dale Hoskisson
Roselyn Huber	Tim and Joanne Kadramas	Carol Kiser
Janice Klabo	Madeline Luke	Sue Morrissey
John Mosal	Charles and Carol Olson	Sheila Oye
Allison Shape	Chuck and Deb Shape	Randall Schlecht
Carol Umstad	Jim and Becky Verwey	Carrie Woodruff
VC Public School	Rose and Woody Wendt	Don Bauer
Gladys Stringer	Wayne Denault	

Professional People

Ellen Bjelland, County Agent	Sue Millander, School Nutritionist	Sharon Buhr, Young People's Healthy Heart Program
Randall Schlecht, Our Saviors Lutheran Church	Dan Foresberg, Trinity Lutheran Church	Valley Baptist Church
Jeffrey Levey, St. Johns Methodist Church, Wimbledon	Dale Hildebrant, Reporter for Farm and Ranch Guide	Paul Riemerman, Reporter for VC Times Record

RESULTS

Attendance Statistics

Observations	Before SARE	After SARE
Producers in FM	7	26
FM attendance	Ave. 35	Ave. 78
Weeks of sales	16	20
Producers in Wholesale	0	9
Wholesale Customers	3	9
Dollar value of wholesale	\$500	\$2300
Use plastic mulch	1	10
Use row cover	1	10
High tunnel greenhouse	0	3 construction in progress
Community Gardens plots	0	47

The success of the additional Farmers Market exceeded expectations. Customers would come, shop for the produce, grab something to eat and a cup of coffee and then stay awhile to listen to the music. The response to the Community Gardens also exceeded our expectations. In 2009, the first year of the gardens, we rented out 28 plots and in 2010 we rented out 47 plots. People who had gardens contributed 4,000 pounds excess produce to the ND Feed the Hungry Program. We had four distribution sites set up in area churches. Referrals came through social services, WIC and area churches.

We had only limited success with the wholesale market. With the Oklahoma Food Cooperative (<http://www.Localfoodcoop.org>), producers and customers are equal members. The relationship between the cooperative and its producer and customer members was an agency relationship. The producer has the responsibility to put their product list on the Internet each week. The list included the produce, quantity and price. The customers would click on the items to fill their shopping cart. The producers secured their orders from the web page, filled them and delivered them to the co-op for distribution. Producers paid 10 percent to the co-op for the sale; customers paid 10 percent to the co-op for the purchase.

None of our producers used the Internet. Only a few of the customers used the Internet. There was no formal organization. The producers' principal outlet was the Farmers Market. The customers were contacts made by the broker. Instead of being a co-op-producer-customer relationship it was a producer-broker-customer relationship. We didn't use a bid process so that the customer had no voice in the price. The customer had the choice of buying from this local foods distribution system or buying off the Food Service of America truck or similar wholesale distributor. The producer concept of a wholesale price was the suggested minimum retail price for the Farmers Market. With the Oklahoma system the produce quantity, quality and price were either the responsibility of the producer or the customer. Our customers could have specified a specific producer but they didn't. The broker then chooses the producer source. With our system

the responsibility for the quantity, quality and price passed from the producer to the forager-broker-delivery and then on to the customer. Poor quality required disciplinary action on the producer and high prices limited sales. Putting together the produce list and getting it to the customers and then getting the sales back to the producer and then to the light processor and then to delivery was a very complex time consuming process.

No agreement was reached among the producers to form a formal business organization. We had an opportunity to rent 5000 square feet of insulated building for \$500 per month. The producers did not want to take the risk. We had no packing/wash shed. We used the basement of the Auditorium or the manager's garage to assemble the customers' orders. The business tax issues had to be a portion of the manager's business account in order to be in compliance with IRS.

The use of the licensed kitchen was excellent for our light processing effort. There was lots of space for storage of our supplies, plenty of hot and cold water and abundant counter space. Others seldom used this facility so that our activity was unimpeded. It was hard to regulate the temperature of two old refrigerators. The produce on the top shelf would often freeze. Although the light processing did increase sales to a limited extent, it did not surmount a presumed barrier among the institutional kitchens. It was thought that a barrier to using local produce was the extra kitchen time required to prepare the raw product. The sheltered workshop did an excellent job of preparing and packaging the food for a reasonable fee. The only customer using the service was the hospital and the limited orders did not cover the costs of the added overhead.

DISCUSSION

Producers grow for themselves and sell the excess in the Farmers Market. These producers are hard to convert into wholesale suppliers. Producers for the Farmers Market grow a wide variety of product so that the customer will remain at their booth for more time and thus more sales. Misshapen produce does not seem to inhibit the sale. Customers of the Farmers Market expect to pay near retail price and whether it is slightly over or under doesn't seem to be critical.

Customers who buy from the wholesale distribution network such as Food Service of America expect produce picked at its prime, uniform shape, stored appropriately, beautifully packaged and sold at a low price. Their goal is to add value for resale. They want to buy everything from one vendor and want it delivered early in the week so that it is used up by the weekend.

Our wholesale customers bought a token amount from the local distribution network. I think the reason was lack of uniformity in quality and shape, price and delivery. Producers for a wholesale market need to produce a few product types in large quantity so the poor product can be graded out and the price can be one-half to two-thirds lower than retail. Our produce was delivered on Wednesdays. The schools told me that they wanted the produce on Mondays. They only bought product for the salad bar and they told me that it didn't hold up in storage over the weekend. We didn't wax the cucumbers and I expect the tomatoes showed chill injury in the school's refrigeration system after the weekend. Valley City has 23 institutions and restaurants. We were only able to serve nine. The others preferred to buy off the wholesale truck as they had typically done. This response was despite a survey conducted by Valley City State University which showed interest among them favorable to a local food source. When our best customers were

asked if they would consider joining a produces-buyers co-op, they showed little interest.

There was no flow of action from the producer to the forager-broker-delivery and to the customer. Each week's sales felt like the very first week of the process even though the forager-broker-delivery used the same sequence for three years. Perhaps, if we had a packing shed some of the effort may have been saved with a common drop-off point. It seemed as if both the producers and customers were being dragged into a venture they were not sure about. The limited use of the Internet in a college town that prides itself on being a laptop university was also a mystery. What the University is doing seems to have little bearing on the broader community.

PROJECT IMPACTS

Economic:

- \$5100 of new sales shared among 9 vendors
- Employed three people part-time
- Established a cooperative employment relationship with the sheltered workshop
- Provided rental income for a seldom used kitchen
- Generated about \$1500 weekly sales shared among 10 vendors for 20 weeks at a new market
- Employed musicians for 16 weeks at a value of \$2000
- Bought promotion items from farmers and agencies including the Times Record, Sheyenne Publishing, KOVC, and Newman signs.

Social:

- Provided a festival atmosphere within a commercial setting.
- Provided a common garden setting for folks to grow some of their food.
- Provided awareness of an existing local food source.
- Hosted the Farmers Market in a seldom used public park

Environmental:

- Used row cover and plastic mulch to reduce mechanical and chemical use.
- Used trickle irrigation to conserve water.
- Used cover crops to protect the soil and build organic matter

OUTREACH

- We had several local press stories
- Presentations at the ND State Ag Department sponsored Farm to School workshops in Valley City and Mandan. About 40 attended at each site
- Served on the Valley City Community Gardens steering committee of 10.
- Participated in the North Dakota Farmers Market Growers Association (NDFMGA) dot survey.
- Participated in the NDFMGA Outreach project.
- Ran a co-op ad with a local restaurant serving some of our produce once.
- Developed a working relationship with Valley City State University to do a local foods assessment survey of producers and consumers. About 20 students and their teacher.

- Will co-author a scholarly paper to describe the assessment survey results.
- Have initiated a blog on the local newspaper's web page <http://www.times-online.com/>