

SW Washington Growers Cooperative Brings Us Together

2023 Food Box Programs at the SW Washington Food Hub the Latest in this 3-Year Adventure

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So far 2023 been an exciting year for SW Washington Food Hub, with the launch of a two novel produce distribution programs, and development of sales revenue that is putting this farmer-owned cooperative on the march to self-sufficiency and profitability.

Looking back to 2020, a group of local farmers linked up with WSU Extension, the NW Ag Business Center, and Thurston EDC to launch the food hub, which is part of the farmer-owned SW Washington Growers Cooperative. For the past three years this whole team has shed blood, sweat, and tears to carve out a niche for this farmer-owned cooperative. As with any business, the key to this organization has been building sales revenue striving to reach break-even and profitability.

In 2020, local farmers and support orgs got a stool under this marketing cooperative by distributing food aid during the COVID 19 pandemic. The need for food in the community was high, and the hub cut its teeth by developing distribution routes across Thurston, Lewis, Grays Harbor and Pacific Counties. It was amazing to partner with organizations like the Coastal Community Action Program in Aberdeen, the Tenino Food Bank, and coffee shops in Willapa Bay, among others, to distribute food where it was needed most.

Then in 2021 the food hub nearly ran aground. Change-up in the organizations management, the closure of most institutional purchasing accounts due to the

pandemic, and the move of many farms to CSA-style programs left what was originally envisioned as a wholesale marketing cooperative with very few accounts to pursue. As a result, revenue dropped by 85% and hired personnel evaporated. We never talked about it much, but it was one of those harrowing moments in a fledgling organizations development where everyone asked themselves (mostly in private), “is this worth it?”

By mid-2021 our teams at WSU, Thurston EDC, and NABC, along with a tremendous food hub committee chair and members, took up the management reigns, setting about to carve new markets and recreate a management structure based on loaned personnel from our respective organizations. These were long times with difficult monthly meetings paired largely with dismal revenue...a difficult time to justify time investment but critical ones to keep the vision of cooperative marketing alive.

By late 2021 with the pandemic dragging on, food supply chains flagging, and community food need as high as ever, two programs buoyed the food hub into and through 2022, and these were the WSDA Farm to School program and American Rescue Plan Act funding provided through Thurston County for pandemic response. The programs could not have been more perfect for a group of farmers and support organizations to continue building out the framework for this distribution cooperative.

The hub and support orgs rapidly helped four school districts in SW Washington win or implement farm to school grants, including Aberdeen, Olympia, Pe Ell, and Hoquiam. At the same time, Thurston County provided visionary funding through ARPA to rebuild markets for farmers by subsidizing purchase of local farm product for distribution to community food organizations, including Safe Place, Family Education and Support Services, Senior Services for South Sound, and the Tenino Food Bank. Between these two programs, approximately \$200,000 was generated for sale and distribution of local, high-quality, super fresh farm veggies, fruit, and meat in 2022. The sales buoyed the cooperative, re-created helpful markets for farms, and fed the community.

All that made 2022 an extremely exciting time at the food hub. Like any complex logistics business, so much of success is in good SOPs, or standard operating procedures, and these programs helped the hub develop SOPs for packing, sorting, distributing, sales, invoicing, accounting, food safety, and myriad other essential functions. When the team hollowed out back in 2021 we didn't know what should really be in the job descriptions even if there had been money to hire. So 2022 gave all of us that critical firsthand experience, like “oh, this is how this system is supposed to work.”

Meanwhile in 2022, the support team at WSU, NABC and EDC set about projecting into 2023, because there is no certainty in current-year success, but only in a sound plan for 12-36 months out. So in the midst of ramping up 2022 distribution programs, we layered on the hard work of applying for a competitive national funding proposal through the US Department of Agriculture, for a Local Food Promotion Program Implementation Grant.

The hub had been successful with a 2020 LFPP Planning Grant, but failed to secure an Implementation Grant in 2021, part of what culminated the near-disaster 2021 meltdown.

So in 2022, licking the wounds of past failure, we worked out a thoughtful if somewhat panicked proposal by June, right as the height of distribution season was kicking in. The proposal hinged on two key programs we believed would be successful, a concept to develop a distribution network based on partnerships with high-traffic and “darling” community businesses in Thurston and Lewis Counties, and a partnership with employers to develop an employee wellness program centering local, fresh, typically organic produce. Our drop-site program was modeled after similar work at Linc Foods out of Spokane, WA, an organization where we have good friends and where draw a lot of inspiration from. Linc had successfully utilized their network to distribute malting barley to breweries for a multi-farm produce drop program. Many of our South Puget Sound cities are more similar to Spokane than Tacoma or Seattle, and the size of our farmers is similar to Spokane County farmers as well, so this program was possibly a great translational match.

Our wellness proposal envisioned committed community employers, and perhaps their health care providers, integrating local farm produce boxes to promote employee health outcomes. This program would utilize partnerships with wellness coordinators at employers such as City of Olympia, City of Lacey, Thurston County, City of Tumwater, Port of Olympia, and several others including the State Legislature, and boost employee health by sponsoring improved access to local fruits and veggies. The program would provide not only produce but educational materials to support health outcomes, including videos on how to prepare local food developed by the SNAP-Ed program with WSU.

By June of 2022, the food hub and our support organizations played our hand with the LFPP submission and waited anxiously for funding notification sometime that fall. It was clear to me at the time, and more clear now, that funding was make-or-break. If the grant went unfunded the hub faced the prospect of using up of the ARPA funding, an uncertain future for WSDA Farm-to-School, and no proven, market-based foundation to power sales from 2023 through 2026.

What the hub desperately needed was the opportunity to build out a revenue program based on paying customers whether individuals, restaurants, or institutional buyers. It would be ok if the hub funded employees with a grant, but it needed to reduce dependency on subsidized sales through food aid and farm-to-school, though these would doubtless play a role in future revenue mixes. And perhaps most importantly we at the support organizations needed a break. That we collectively had the fuel in the tank to power operations for what would likely be another 18-month grant cycle to

culminate was doubtful. That farmers would follow us through another one of those cycles even more doubtful. This was it.

By November 2022, we were affirmed that the adventure would continue when the hub pulled down \$498,000 for a three-year USDA LFPP Implementation Grant, thanks to grant-writing at WSU Extension, Thurston EDC, and NABC. This funding allowed for the hire of a three-quarter time operations manager, quarter-time sales and marketing manager, and quarter-time accountant. This time around we knew what belonged in the job descriptions. Also funded was ability to partner with Haki Collective, a local non-profit helping BIPOC farmers improve access to markets, ability to translate application and membership guide into Spanish, and varied funding for farmer stipends to help with farmer-to-farmer learning, farm walks, and training webinars.

The hub launched its first multi-farm and wellness program boxes in December 2023, and the second run of these two programs most recently starting in June 2023. The response has been nothing short of exhilarating. Some 85 subscribers joined the winter programs, with about 70 participating the multi-farm box and 15 on the Wellness Programs. Each box is valued at around \$35, and so a ten-week subscription costs \$350. By June of this year the number of subscribers across both programs more than doubled to nearly 200.

Most exciting about the recent work has been the actual success of the two community partnership concepts. Veggie box drops at businesses such as Headless Mumby brewery generated foot traffic, brought in some new faces, and overall built goodwill in the community. Subscribers have liked helping creative partnerships between small business and local farms. Hopping brick and mortar storefronts, informal time to socialize, and sustainably farmed products paired with craft beverages both alcoholic and non-alcoholic have turned out to be complimentary outcomes.

And happily, the workplace wellness drop-site concept has been not only successful but wildly successful. That program accelerated from around 15 winter subscribers to around one hundred this summer, far surpassing projections. The State of Washington Legislature caught wind of the program and promoted it to employees through their wellness programs. The same has been true of all the local municipalities, Thurston County, and the Port of Olympia.

Good word from the street has flowed in from all fronts, with subscribers thrilled to get the combination of products supplied by numerous farmer-members. Port and County Commissioners alike have subscribed and been vocal advocates through their appreciation for the work this farmer-owned cooperative is doing.

And of course, it always helps to have ringers. Integral to the success of the launches of the two programs was recruitment of Annie Salafsky, the founder and former 25-yr+ co-

owner and manager of Helsing Junction Farm, a pioneering Thurston County veggie box subscription (CSA) farm. No less critically important has been an operations manager, Casey McCrone, who has been willing to put in long hours patching together packing lines from stray nails and stray lumber, and fill in deliveries from his own vehicle when the van goes down; as well as overall food hub manager, Tina Sharp, who has stitched together weekly box planning, personnel management, customer relations, budget management, and myriad other tasks.

At WSU Extension, we've participated by helping craft the vision and execute.. and like all the team members, it seems like we've done it all, from making deliveries to processing producer payments, sending invoices, answering questions, writing farm-to-school purchasing plans, helping on the packing line, and developing and improving operating procedures. Sometimes we're all just a shoulder for each other to cry on.

Not least, the organization centers and relies on the farmers and their hard work. It's all for not without veggies and meat to sell; and in this regard, the food hub truly shines when it makes farmers' lives easier by helping them focus on the near-impossible job of navigating weather, hiring and managing employees, absorbing increased costs of production, and putting in impossible hours weekdays and weekends to keep the farm products flowing out of the field. Rain or shine, hot or cold, irrigation systems functioning or no, the farming season goes on. At the end of the day, the work of the food hub pales in comparison to the work on the farm. I know of no more dedicated people than farmers. Among this organization so many stand out including Kirsop, Wobbly Cart, Gordon Farm, Four Elements, Five Hearts, Bee Organic, Kingfisher, Newaukum Valley, Boistfort, Forest Flora, Chehalis Farms, Colvin Ranch, Flying Cow Creamery, LeBeste, Lady McDonald's, Lonely Mountain, Natural Beginning, OPMA, Piece by Piece, Rising River, Wild Organics, and more.

Meanwhile, revenue at the SW Washington Food Hub grows in pursuit of those magic break-even figures which, for this organization is likely around \$1 million. With target sales of \$275 for 2023, the SW Washington Food Hub has a long way to go. But in the context of \$100 thousand sales in 2020, nearly zero in 2021, and \$230 thousand in 2022, the vital signs are pretty darn good for an organization that is working to completely re-envision a distribution system that cooperatively links local farms to small business, individual subscribers, restaurants, schools, cafeterias, and even among fellow farmers.

Yet the challenges before the organization remain daunting. Warehouse space in particular is so tight that the food hub hasn't been able to even locate 3,000 square feet between Tumwater and Chehalis at market rates. The cooperative's sole delivery vehicle, a Ford 350 van, could use some partnership from at least an additional refrigerated box truck. And labor is always in short supply staffing complex packing lines on Tuesday and Wednesday, and handling deliveries over five counties. The food hub

will need to move out of its current warehouse supplied as an economic development grant from the Port of Olympia by December 2023. The Port has gone above and beyond it providing small-scale community development grants, the current warehouse space, and numerous paying subscribers from among its staff. The partnership has been a shining example of how publicly owned Ports create economic development opportunity, and equitable access to commerce and markets.

And so as the 2023 farming season reaches in zenith, the SW Washington Food Hub and partner organizations are on the look out for community support for this rapidly growing initiative. In my seven years of work with WSU Extension in South Puget Sound, this has been one of the most exciting, rewarding, and impactful programs I've worked on. For one it's already put local food in the hands of so many youth, community members, and citizens in need, and secondly there's no limit to the amount of good that can come from this farmer cooperative in the future. More local food distributed throughout our community can only be a good thing. It is food security, it is health, it is climate response, it is cohesion and resilience. Please reach out to learn more if you are interested. Visit the food hub's website, give a call. We welcome your input, participation, and support in just about any way you imagine. Thanks and here's to the rest of 2023 and beyond for the SW Washington Food Hub!

The full background on the establishment of the SW Washington Food Hub is available through this WSU Extension Publication:

<https://rex.libraries.wsu.edu/esploro/outputs/report/Food-hub-establishment--a-case/99900918337701842>. Information on the Workplace Wellness Program and the Multi-farm Box program is a the food hub website (<https://swwafoodhub.com/>). A full list of the ten community businesses in Lewis and Thurston Counties that are serving as drop sits for the Multi-farm Box program are available on this food hub webpage: <https://swwafoodhub.com/multi-farm-box/>.