

Peer-to-Peer Sessions

Small Farm Businesses | May 13, 2020

KEY TAKE-AWAYS:

- **Distribution channels have dramatically changed for smaller producers** – with many restaurants and farmers markets closed – there is a greater need to find retail channels.
- There is also an **increase in food insecurity** because of school closings and unemployment.
- The market is seeing a **dramatic uptick in local produce demand and small farms may see a bigger market going forward.**
 - Finding ways to respond, in the face of reduced staff and operational capacity, is critical but challenging. For many, it means redesigning entire business models in a matter of days/weeks, ensuring the safety of staff and a working environment, setting up new packing and delivery systems, and figuring out how to ensure shoppers using food assistance benefits can access food.
- **Small-scale farmers are demonstrating their resilience and ability to truly meet the food needs of the local population.** Suggestions:
 - **Reach out to customers** to ask how to help/discover what services are needed in the area.
 - Collaborate with other growers to aggregate products for **new CSA services** (Community Supported Agriculture) or start your own.
 - Share in available capacity (i.e., leverage trucks to collect produce from area farms to aggregate products for CSA boxes).
 - Set up **farm stands** in collaboration with other farmers and business owners. **Visit MIFMA.org** to learn more about accepting SNAP at your farm stand or market.
 - Embrace **digital technologies** to directly sell produce. Set up online stores/online ordering to sell direct to consumer.
 - This moment presents a powerful opportunity for individual producers and local food aggregators to scale up their online presence to inspire and make it easy for consumers to support independent producers (particularly as more ‘shopping’ is happening online.)
 - Offer **virtual tours** of your small farms/business.
 - **Partner with restaurants**, who are also pivoting, to supply produce for new grocery market pop-ups they are creating in their space.
 - **‘Buy local’ is a marketing effort.** Take steps to communicate with the customer base to implement a ‘local proud’ strategy.
- **Quality of products and providing an excellent customer experience is critical.** Ensure procedures are in place to meet/exceed customer expectations. This fosters a positive perception of your business and builds loyalty.

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KEY TAKE-AWAYS Continued:

- **Review your numbers and analyze different scenarios:**
 - With new sales channels come new costs.
 - Review your historical financials to understand how revenue will change with business model adjustments.
 - Can any overhead costs be modified?
 - How can selling costs be controlled?
 - Review options for wholesale vs. retail, online vs. aggregator models.
 - Take a closer look at 3, 6, 12-month cash flow or net operating income.
 - As a grower – you shouldn't have to reduce the price of your products (it is important to generate revenue and pay living wages). Instead, look at different incentive programs that make produce more affordable for customers (i.e., SNAP/Double Up Food Bucks)
- **Safety is critical – for staff and for customers:**
 - Put processes are in place to ensure food and staff safety (i.e., GAP certification, following CDC safety plans).
 - Provide Personal Protective Equipment (PPE) for essential workers.
 - Create safe space for customers to interact with staff and products.

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ADDITIONAL RESOURCES:

- **MSU Product Center Food and Farm Business Sales Channel Deep Dive** webinar series offered info on starting a CSA and selling at a farmers market. Find the recordings here: <https://www.canr.msu.edu/resources/webinar-series-food-and-farm-business-sales-channel-deep-dives-2020>
- **Michigan Good Food Fund past webinars** are available at www.migoodfoodfund.org. Learn about ways to market your business, determine your cash flow needs, etc.
- If you need support in starting to accept SNAP, please feel free to contact the **Michigan Farmers Market Association (MIFMA)** at 517-432-3381 or visit the website for resources at www.mifma.org.
 - State funding is available to equip Michigan markets and farms with a free wireless device to process these transactions.
- Michigan has **Produce Safety Technicians** that provide free, confidential, on site produce safety educational and technical assistance for farms of all sizes. You can find a map with contact information at www.michigan.gov/producesafety.

LEARN MORE ABOUT US:

Please reach out if you would like to learn more about how the Michigan Good Food Fund can support your business.
www.migoodfoodfund.org/submit



www.migoodfoodfund.org

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