

Model for Growth

When growers network to bring sustainably raised food to market, farmers become partners in the business of food.

By Clare Leschin-Hoar



Fred Fleming, a 60-year-old, fourth-generation wheat grower who farms near Reardan, Wash., had noticed plenty of ominous changes in farming over the years—from generations of agriculture folks leaving the community to the loss of 14 inches of top soil on his land because of the conventional farming methods he had been using.

“If I had another 50 years of conventional farming, my ground was going to go away,” Fleming says. “That was where you start talking about sustainability and being able to actually pass this farm on to the next generation, and it really drove the point home to me.”

With friend Karl Kupers, he launched Shepherd’s Grain in 2002. After extensive market research, they decided to make a transition from growing commodity-soft white wheats (primarily sold to overseas markets to make flat breads and noodles) to growing Hard Red Winter and Dark Northern Spring wheats—products they discovered the local baking industry was seeking.

At Four Town Farm in Seekonk, Mass., Chris Clegg gathers radishes, one of dozens of crops his farm produces. Macomber turnips, unique to the area, are being marketed this year through Red Tomato.



Tom McArthur

By taking a step away from growing commodity products and transitioning to specialized products, Shepherd's Grain and plenty of groups like them are bringing an abundance of sustainably raised food into the marketplace. At the same time, their business model helps to preserve farmers who are most at risk of being squeezed from the market.

"The baking industry told us they wanted a flour they could trace back to the land," says Fleming. "By changing the type of wheat we grow, we really had to break a paradigm. Today we produce one of the best baking flours in the country."

Partners in produce

The risk of specializing has translated into a thriving business. Today, Shepherd's Grain has expanded to 33 participating farmers and 130,000 acres. Its business model has helped stabilize the income of participating farmers who have changed their growing techniques to embrace farming techniques such as direct seeding, which reduces the need for tilling, and, in turn, reduces erosion and lowers the carbon footprint.

It's also one of many business models designed to help save farms. "We had been aware that the farms we were losing at the fastest rate weren't the very small or very large farms, but the farms in between—the mid-sized farms," says Fred Kirschenmann, distinguished fellow for the Leopold Center for Sustainable Agriculture at Iowa State University, Ames, Iowa, and president of Stone Barns Center for Food and Agriculture, Pocantico Hills, N.Y. "At the same time, this emerging group of farmers networking together to produce a product that was differentiated and bringing it into the marketplace as a group, reducing their costs—that was very important."

What's important isn't that they all have the same business plan, he adds, but that they implement a whole value chain. It's arguably a better way to go.

"In the case of Shepherd's Grain, the farmers are partners with the millers and bakers," Kirschenmann says. "They sit down and calculate the farmers' cost of production based on that year, and determine a fair return to them on their investment. Everyone participates in that."

Fred Fleming, co-founder of Shepherd's Grain, and Bryan Franz, executive chef at The Davenport Hotel, Spokane, Wash., check out Fleming's wheat crop.

Let's cooperate

Setting the price growers need is also a priority for Organic Valley, LaFarge, Wis. The cooperative, launched in 1988, was one of the first grower models of its kind in the nation. "Today we're the largest group of organic farmers in the country," says Theresa Marquez, chief marketing executive for Organic Valley. "We represent 10% of organic farmers, and are made up of 1,340 members. Our mission is to serve farmers—to connect what farmers want to grow in a sustainable manner to what consumers want to eat."

While Organic Valley focuses primarily on dairy products—its European-style cultured butter took first place at this year's American Cheese Society competition—it also carries eggs, meats, soy and other products.

Interest in farmer networks such as Organic Valley, Shepherd's Grain and Alameda, Calif.-based Niman Ranch is on



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the upswing for foodservice companies, as well as for national quick-service restaurants and regional venues. It's a boon for individual chefs, too. Well-known for his commitment to locally grown ingredients, Doug Katz, chef/owner of Fire Food & Drink in Cleveland, says there are advantages when buying from a farmer-based cooperative.

"We do buy pork directly from a farmer, but we also buy it from Organic Prairie [part of Organic Valley]," says Katz. "It's consistent, and the distribution model works for us. Sometimes, when you're dealing directly with the farmer, that consistency can be missing. And to their credit, Organic Prairie talks about the farms and allows you to meet the farmers. You still have that real connection to them, which is important."

All in the family

Tallgrass Beef Company, Sedan, Kan., a network of approximately 200 ranchers, farmers and producers specializing in grass-fed cattle, applies its concept all the way through its distribution chain. "We select distributors the same way we select

our processors and producers," says Dr. Allen Williams, chief operating officer. "We prefer to work with family-owned operations rather than big corporate entities. We believe in small business, and that it's the backbone of the American economy."

Through strict production protocols, the organization has been able to reduce the variables in consistency that grass-fed beef producers often try to minimize. A network of professional finishers, and tools such as ultrasound used on the cattle to determine marbling, back fat and tenderness, means a more consistent product, something the market demands.

The Blakens are one of the approximately 1,300 farm families across America that own the Organic Valley cooperative. The co-op works to build local community-based, organic-food production circles, integrating farms, local milk-bottling partners and citizen partners to create a more sustainable whole.

In Alaska, it was a legislation change in 2004 that allowed for the formation of regional seafood development associations. The first group to officially form was the fishing fleet along the Copper River. Fishermen held an election in 2005, and voted to self-tax themselves 1% of the value paid by processors to fund their fledgling Copper River/Prince William Sound Marketing Association based in Cordova. That money is then used to develop the fishery and increase value by investing in things such as an ice barge to maintain the quality of the fish, as well as to run promotions, develop branding strategies and attend national seafood shows.

Logistically speaking . . .

In the Northeast, the nonprofit organization Red Tomato, based in Canton, Mass., operates as a marketing and sales organization for a network of small

Copper River Sockeye is known for its naturally brilliant deep-red coloring, distinct flavor and superior nutritional benefits.



Bob Martinson



growers. Red Tomato doesn't do any of the warehousing or distribution, but, rather, coordinates the logistics, marketing, branding and sales for the group of approximately 30 produce growers.

Additionally, Red Tomato works to secure what it calls the dignity price for the grower—a set price that will guarantee the farmer will not have to sell at a loss. They also provide the product with a brand identity, therefore moving it out of commodity-market pricing.

"We can spend the time building that retail relationship and brand identity so the grower can focus on growing a great product," says Susan Futrell, communications director for Red Tomato. "We work on building relationships with the retailers that will give the grower access to some markets they wouldn't have an easy time going into on their own."

Nancy Matheson-Burns, president/CEO of food distributor Dole & Bailey, Woburn, Mass., which carries grower-brands such as Red Tomato, Niman Ranch and others along with its own line of Northeast Family

Left: Northeast Family Farms beef cattle graze on fresh pasture at Dodge Hill Farm in upstate New York. Right: Jim Ward, who runs the family farm with his brother in Sharon, Mass., raises 100+ varieties of heirloom tomatoes—his favorite crop—which he markets through Red Tomato.

Farms products, says its role is to be a liaison between clients and growers.

"If a restaurant only wants to use a tenderloin and another restaurant wants to use the strip loin, we educate them that there's another 750 pounds of beef that needs to be used," Matheson-Burns says. "But because of our distribution channel, we can also go to a school like Dartmouth College [Hanover, N.H.], and say, we need to move a certain quantity of ground beef, and can set the price for the entire year. We can communicate between the customer and the grower about what we're heavy on and what we're light on. In the end, what's important is that everyone is doing something to move the sustainable agriculture movement forward."



While plenty of grower networking groups still struggle with how to reach that broader group of customers, and work to ensure that their leap from commodity markets to specialized markets is successful, what's clear is the need for farmers to have a say in the food chains of which they are a part.

"The key thing here is that farmers become partners in the food system. That's the critical thing," says Kirschenmann. "As long as they're raw-material suppliers, they'll get screwed. They don't have market power. Farmers as partners need to have a voice and stake in providing the food in the food chains they're part of to keep them in business."

Mansfield, Mass.-based freelance writer Clare Leschin-Hoar's work has appeared in The Wall Street Journal, The Boston Globe and The Christian Science Monitor, among other publications.