MarketMaker and Retail Readiness

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## Hits and Users Last 12 Months

<table>
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<tr>
<th>Month</th>
<th>Hits</th>
<th>Users</th>
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<td>Sep-08</td>
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MarketMaker Overview

- 6,270 farms
- 300,000+ food businesses
- Adding wineries, farm markets, aquaculture industry
- 15 state unified database designed to help growers find markets and buyers find growers
Goals of the Retail ready Program

1. Make the MM database more user friendly for restaurants, grocers, and foodservice.
2. Develop a ‘best practices’ framework for grower suppliers.
3. Develop a checklist for MM growers to self-select into a searchable Retail ready category.
4. Develop a training program for growers seeking to develop in these channels.
Dining Room Hours

- Breakfast: 7:00 a.m. - 10:00 a.m.
- Lunch: 11:00 a.m. - 2:00 p.m.
- Dinner: 5:00 p.m. - 8:00 p.m., Sun. - Thurs.
- 5:00 p.m. - 10:00 p.m., Fri. - Sat.

Menu:

- Breakfast
- Lunch
- Dinner

TheBooneTavern
Highly acclaimed restaurant offering a wide variety of American cuisine.

Menu:

- Starters
- Soups
- Salads
- Seafood
- Steaks
- Poultry
- Pork
- Vegetables
- Sides
- Desserts

BOONE TAVERN

N O W  O P E N
Developing the Program

- Different sourcing needs for restaurants vs grocer/wholesaler/foodservice.
- Different issues facing meat, produce, fully processed items.
- Basic business-to-business framework involved in both.
Retail Ready Modules

- Invoicing
- Pricing
- Marketing
- Packaging
- Supply
- Labeling
- Delivery
- Insurance
- Quality Assurance (Temperature Control, GAPs, Storage, etc.)
- Certifications and Audits
- Communication
- Satisfaction Guarantee
Engaging Retailers

- National Chefs Collaborative
- Ramsey’s
- Lundy’s Catering
- Holly Hill Restaurant
- Boone Tavern Restaurant
- Chalk Restaurant
- Chaney’s
- Sullivan Culinary School
- Relish Restaurant Group
- Varanese Restaurant
- Arbor Ridge Vine and Grill
- Portofino’s
- Grow Farms/Horton Fruit Company
- Superior Meats, Inc.
- Stanley Bros Produce, Inc.
- ValuMarket
- Sysco Louisville, inc.
- Grasshopper Distribution
- Sodexo Foodservice Berea
- Mattingly Foods of Louisville
- Kroger Louisville

Appointments to meet with additional retailers in OH, MI, NY, AR, and IL.
Basic Expectations Regarding Invoicing

- Document the transactions
- Restaurants less demanding, but need basic information
  - “A lot of farmers—they’ll have a generic invoice that they’ve created through a PDF file on their own computer and they’ll write my name at the top in and they’ll just handwrite what I’ve bought and then just sign it at the end and I’ll sign it so when they deliver, it’s a professional handwritten invoice created off of Microsoft.”
  - “Even in a direct sale situation, they really have to present me with a receipt.”
  - “We don’t keep a lot of cash on hand to pay people directly.”
  - “Name, address, phone number, the product, how much it weighed and how much it cost. That’s it.” (date, transaction# a good idea, too)
- Grocers/wholesalers need clear documentation
Pricing

- “You tell somebody that you can sit under an umbrella at a farmers’ market and sell 100 pounds of tomatoes on a Saturday, or you can drop me 50 pounds of tomatoes, and I’ll pay you a certain percentage —less than what you’re gonna get at the farmers’ market—but they know that it’s one stop, it takes them 10 minutes to drop the product and get out the door…..”

- It’s the relationship is not a one-time thing—and that’s what needs to be impressed into the farmers. If you’re willing to sell me tomatoes at half or three quarters or whatever you can agree to—I will buy my tomatoes from you week in and week out for as long as your tomatoes are going to be in—4 months or 5 months.
Neither chefs or grocers were looking for substantial marketing support.

Some nice opportunities to tell farmer stories

Local labels much more critical in product buying environments (store)

“And I’ve found probably the best way is just to try to put that farmer’s face on their food by actually building materials that have their pictures or little bios and things like that….”

“Anything on the Internet definitely works…Facebook even works. Chefs are on Facebook….”

“On our menus, we write the menu according to where we’re getting the food…right now it’s Henton beef, Henton green beans. Whatever comes from whichever farm, it’s labeled.
Packaging

- Restaurants tend to be more flexible on sizing. Sanitation, durability important
- Wholesalers and grocers looking for conventional boxes. Prefer labels. Looking for more traceability and function for packages down the road.
- *I think we (restaurants) all just want something priced by the pound. And if they’re going to deal with smaller restaurants, then you’re going to have small quantities, and it’s difficult to deal with the standard case sizes that distributors use—ie., US Food Service, Sysco.*
Supply

- Are there minimum volumes needed to do business?
  - Restaurants look for steady supply of smaller volume. Can get frustrated with poor direct grower service.

- There are small, medium, and large wholesalers and grocers dealing with a wide range of minimum volumes.

- Pre-planning on volume and market season was highly desired across the board.
Insurance

- Restaurants vary – some will ask regular suppliers to provide evidence of $1m or a few, $2m liability coverage. Many chefs just buy off the farmers mkt with no questions.
- Smaller grocers and wholesalers tend to have similar coverage requirements.
- Larger retailers can require as much as $5m in coverage.
Few restaurants buying direct from growers identified these as major requirements.

Meats lean on USDA inspection.

Grocers/wholesalers differ widely on this. Larger entities see mandatory USDA GAP with 3rd party certification as imminent.

Small entities seem satisfied with certification of GAP training.
Local Products for Local Markets: Barriers to Development

● Restaurants –
  • Distribution logistics
  • “Our biggest thing is I don’t have time to drive out to the farms…and the farmers, it’s hard to convince them that it’s worth coming to me for an $80 order—when it’s not worth it to me to go out there, why (would it be worth it to them)…”

● Grocery/Wholesaler/Foodservice
  • Aggregation and quality assurance
  • Cooperation among local growers to supply local market
Local Products for Local Markets: Barriers to Development

Local Meat Marketing

- Growers undercutting their own distributor
- Volume of local product
- Pricing structure to make meat (beef) profitable for grower, processor, distributor, and grocer/chef.
Local Products for Local Markets: Opportunity for Growth

- Restaurants –
  - ‘local’ is how most independents and higher end venues differentiate themselves.
  - Enormous demand for fresh and specialized produce and meat
  - NRA lists ‘local’ as the number one attribute in demand by chefs
Local Products for Local Markets: Opportunity for Growth

- Grocery/Wholesale/Foodservice –
  - Emergence of specialized ‘local’ wholesalers (Grow Farms, Grasshoppers).
  - Coordination of insurance, QA, merchandising volume.
  - Different opportunities for smaller firms serving very local markets. (ValuMarket and local international community)
MarketMaker Redux

- Strong opportunity to use MM to develop local supply chains.
- Training and self-certification to be available for growers.
- Promotion on use of MM to restaurants, grocers, and other buyers.