

Farm Porter



Background

Community Supported Agriculture (CSA) farmers provide fresh food in installments throughout the seasons in exchange for a prepayment early in the year to help fund the initial investment required to begin farming. The CSA model has seen tremendous growth, not only in members, which grew 50% from 2007 to 2009, but also the number of farms operating as CSAs¹. One major reason for this growth is the greater consumer interest in organic and local food; however, CSAs are failing to serve large populations who have the same interest in eating organic and local. Many are too busy to pick up their weekly share, do not have the transportation, are unavailable during designated pick-up times, or cannot afford the upfront cost of a share. Detroit residents have trouble getting produce from a grocery store, let alone a CSA². When produce is not an option, residents resort to processed and refined foods, which promote obesity, diabetes, and increased healthcare costs. Incorporating fresh produce into diets will help combat these epidemics, and increase quality of life.

FarmPorter, a nonprofit service, will bypass common inconvenient obstacles and empower those who want CSA food to receive it.

Solution for Consumers

FarmPorter helps consumers in several ways:

1. Group-buying of CSA shares
2. Delivery of CSA shares
3. Subsidizing CSA shares
4. Preparation of meals based on fresh food

For people who cannot afford the upfront cost of purchasing an entire share, which usually costs hundreds of dollars, FarmPorter will facilitate the matching of fractional-share buyers. For example, members of a community group could sign up with FarmPorter, and then FarmPorter would aggregate purchasing-power, purchase as many shares as possible, pick up and divide these shares accordingly, and deliver them to a conveniently-located community building. Because of the single drop-off location, delivery costs are minimized for those unable to afford home delivery, and profits from other activities will support delivery to these disadvantaged areas. As well as the delivery of fresh food, FarmPorter will offer weekly cooking classes with the ingredients from that week's share to teach communities the

¹Woods, T., Ernst, M., Ernst, S., & Wright, N. (2009). 2009 Survey of Community Supported Agriculture Producers. University of Kentucky College of Agricultural Science.

²Harrison, S. (2009, July 22). A city without chain grocery stores. CNNMoney.com.

importance of nutrition and how to create healthy meals.

For those who can afford home delivery, FarmPorter will match them with fractional-share buyers that might live across town. While these home delivery customers could afford a full share, they might not be able to use the large amount of perishable food and therefore would desire a smaller share. Additionally, customers could buy fractional-shares from a variety of farms to receive more diversified crops, without the need to travel extensively or buy entire shares from many separate farms. If a customer has a taste for the onions from one farm, and the potatoes from another, they do not have to choose between farms.

Finally, for those who buy full shares, FarmPorter can act as a simple delivery service.

Solution for CSAs

FarmPorter helps CSAs in two ways:

1. Gaining CSA members
2. Handling excess harvest

In recruiting members, CSAs rely most heavily on word-of-mouth³. FarmPorter would assist CSAs in marketing themselves beyond their members' compliments through reaching these delivery and fractional-share markets. Those interested in CSAs could learn from FarmPorter's website or community interactions, and eventually purchase shares.

Currently, excess harvest is sold at farmers markets, donated to food banks, given as gifts to CSA members, and discarded or composted among other uses. Through an online interface, FarmPorter will allow CSAs to sell excess product to both CSA and non-CSA members without traveling to a farmers market. These sales will be delivered to the customer once weekly along with the regular CSA shares. For the excess that is destined for food banks, FarmPorter can help the CSA to deliver this excess to either the disadvantaged CSA members, or a preferred food bank.

Impact

Successfully implementing FarmPorter with CSAs and new and current members will increase the amount of business CSAs receive, which will promote CSA and environment-friendly farming growth. CSAs will also waste less excess harvest, with food banks and customers both benefitting.

New members will receive a more nutritionally complete diet, and current members will receive their shares in a more convenient way. Disease related to poor diets will

³Woods, 2009.

fall. Disadvantaged areas will receive fresh food, to which they might not have had access, and instruction on creating healthy meals. Transportation related pollution and resource depletion is reduced because FarmPorter will make deliveries in one trip instead of several CSA members making individual trips, and because food is being delivered locally instead of making cross-country trips.

Further in the future, FarmPorter's logistics and software can be imitated across the country. A greater dependence on CSAs for the nation's food supply will lead larger food manufacturers to imitate their green practices, and reduce the environmental and ethical costs of factory farming.

Conclusion

CSAs can be one solution to America's current dietary crisis, as well as a way to promote ecological and sustainable use of natural resources. With the help of local farmer connections, FarmPorter will be able to network with other CSAs. With the

University of Michigan Ginsberg Center's reach into communities in need, FarmPorter will be able to identify prime relationships with disadvantaged communities. With access to the Ross School of Business' resources, FarmPorter will have ample advice in establishing the service. By working with local Ann Arbor food banks, such as Food Gatherers, FarmPorter can ensure the best use of any excess harvest FarmPorter delivers.

FarmPorter promotes peace through good food. A community can unite through food, and provide members with a connection at a time when technology seems to isolate us from our neighbors and keep us from creating community projects. By connecting through such a basic need, everyone is included, and can strike up a conversation about a recipe for the most recent share of Swiss chard.





Sample Budget

	March	April	May	June	July	August	September	October	Total
Revenue									
Home Delivery	\$ -	\$ 160.00	\$ 640.00	\$ 640.00	\$ 640.00	\$ 640.00	\$ 320.00	\$ 3,040.00	
Share Commission	\$ -	\$ 80.00	\$ 180.00	\$ -	\$ -	\$ -	\$ -	\$ 260.00	
Excess Commission	\$ -	\$ -	\$ 3.75	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 78.75	
Excess Delivery	\$ -	\$ -	\$ 5.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 255.00	
Cooking Class Fees	\$ -	\$ -	\$ 7.50	\$ 30.00	\$ 30.00	\$ 30.00	\$ 15.00	\$ 142.50	
Grant	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000.00	
Total revenue	\$ 10,000.00	\$ 80.00	\$ 356.25	\$ 735.00	\$ 735.00	\$ 735.00	\$ 400.00	\$ 13,776.25	
Expenses									
Website Development	\$ 2,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000.00
Website Costs	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 600.00
Application Development	\$ 2,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500.00
Legal Fees	\$ 1,200.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,200.00
Subsidized CSA Shares	\$ -	\$ 3,000.00	\$ 186.25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,186.25
Class Rental Space	\$ -	\$ 75.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 150.00	\$ 1,425.00	
Marketing	\$ -	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ -	\$ -	\$ 200.00	
Vehicle Rental	\$ -	\$ 115.00	\$ 340.00	\$ 340.00	\$ 340.00	\$ 340.00	\$ 190.00	\$ 1,665.00	
Transportation	\$ 50.00	\$ 50.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 50.00	\$ 600.00	
Telephony	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 400.00	
Total expenses	\$ 5,875.00	\$ 3,225.00	\$ 601.25	\$ 915.00	\$ 865.00	\$ 865.00	\$ 515.00	\$ 13,776.25	
Total income	\$ 4,125.00	\$ (3,145.00)	\$ (245.00)	\$ (180.00)	\$ (180.00)	\$ (130.00)	\$ (130.00)	\$ (115.00)	\$ -