

HEALTH LEADERSHIP NETWORK  
CDFA STEERING COMMITTEE MEETING  
WEDNESDAY, JANUARY 12, 2011

In attendance: Steve Hajik, Lake County Agriculture Commission; Chuck March, Lake County Farm Bureau; Teale Love, Love Farms/Farmers Finest; Susan Jen and Jackie Armstrong, Health Leadership Network.

MEETING SCHEDULE: In response to Susan's question about future meeting dates, Steve said Thursdays and the 1<sup>st</sup> or 4<sup>th</sup> Wednesdays are generally good; Chuck said he is also generally available on Thursdays and the 2<sup>nd</sup> or 4<sup>th</sup> (but not 3<sup>rd</sup>) Wednesday; Teale said he is generally not available on Mondays or Thursdays.

ONLINE ORDERING SYSTEM: Chuck reported that 17 growers/producers are currently posting items for sale; 6 restaurants are purchasing through the system; 82 people have signed up to purchase but only about 12 of those are currently active; and a total of 99 orders have been processed generating gross revenue of \$2,059.77. So far, approximately \$737.00 has been spent on website development, \$500 in bank charges, and \$3,736 (including \$2,690 Market Mgr, \$490 Admin, \$300 office) for personnel and other office expenses since 7/1/10. Deducting proposed transaction charges (30% on retail; 10-15% on institutional purchases) produces a net profit of about \$400. Chuck estimated that weekly sales would have to reach approximately \$2,000 for the system to pay for itself.

Teale suggested that the online ordering system committee may need to revisit the proposed fee of 30% for retail sales in terms of gross vs. profit. As an example, he said that he sold eggs for \$5/dozen; his profit is \$1; the fee based on gross sales would be \$1.50, eliminating his profit and increasing his product costs.

In response to Susan's question as to whether or not the Farm Bureau members might agree to incorporate Kristen's Market Manager duties into her current job responsibilities, Chuck said that he did not believe it was a possibility because the Farm Bureau Board had previously decided that the online system needed to be self-supporting.

Another challenge, Chuck continued, is the possibility that Mt. Konocti Growers may close down due to a lack of products/income. Jackie said that revenue would be significantly increased if the growers selling to the jail and schools were to transact business through the system. Chuck pointed out that those growers announced their intent to retain those direct markets outside the system before the launch.

In response to Susan's question as to whether or not direct presentations and promotions to farmers and institutional buyers would generate enough product to generate a profit, Chuck said that Hardester's 2001 agreement with Farmers Finest to sell local produce resulted in empty shelves. Susan

added that she wants to promote the value of food and its value to the local economy but the difficulty is not knowing what's going to be available.

**FARM BUREAU WORKSHOP:** Chuck reported that the Farm Bureau is planning a workshop using UC Davis Extension resources to provide expertise on a variety of topics relating to small fruit and vegetable growers. Topics will include the UCCE fruit frost service, pests, sanitation during production and post harvest, consumer expectations, development of farm business plans and forecasting. He added that he will be meeting with Glenn McGourty, Rachel Elkins counterpart in Mendocino County, to further develop and finalize the program.

Observing that it didn't appear feasible for the workshop agenda to accommodate a discussion regarding the role of value added products, the following points were made:

- Susan said she felt there was a need to identify processor equipment needs
- Sky Hoyt reported an impressive array of Sonoma County products at Whole Foods to both Chuck and Jackie
- The Farm Bureau plans to request a list of regional processors from Shermain Hardesty
- Ted Herrera and Bobby Gayaldo are in the process of trying to figure out how they can combine resources to process local produce at Mt. Konocti Growers

Susan added that the 1772 Foundation was offering grant for a number of things that would benefit Lake County's local food system including Food Hub Development, Farmer Training, Farm to Cafeteria and Youth Education programs.

**TRANSPORTATION:** Susan said that it seemed fairly common for people to pay delivery fees on purchases and asked Committee members for their opinion on the idea of financing a food distribution system by adding a delivery fee to each customer's purchase price. Teale said that restaurants and institutions are not used to paying delivery fees from food wholesalers, adding that delivery has always been offered to them as "free." Chuck said that the wineries also provide "free" delivery so it seemed unlikely that this category of customers would be willing to support added costs for delivery. In response to Jackie's question if the online system might be able to support weekly delivery costs of \$150 when sales reached \$2,000/week, Chuck thought it might be possible.

**GENETICALLY ENGINEERED CROPS:** In response to Susan's question regarding the Farm Bureau's position on local recommendations regarding GE crops, Chuck explained that the Farm Bureau was generally opposed to any regulation at the local level. He explained that GE crops were currently required to be registered with either the Agriculture Commission or California Crop Improvement Association and that the Farm Bureau board, which includes 8 organic farmers, did not support additional local restrictions. He added that GE crops have been in production for years, estimating that 87% of corn, 93% of soy and 94% of cotton is currently grown from genetically engineered seed.

The meeting was adjourned at 3 p.m.