

CDFA ONLINE ORDERING SYSTEM
TRANSPORTATION SYSTEM MEETING
FEBRUARY 8, 2011

In attendance: Sky Hoyt, Farmer; Jim Brown, Lake County Health Department; Chuck March, Lake County Farm Bureau; Susan Jen and Jackie Armstrong, Health Leadership Network.

REVISED SCOPE OF WORK. The need to revise the scope of work and budget to reflect anticipated earnings and their use was discussed briefly. Chuck recalled that Denise Pomeroy had previously suggested establishing a joint account where the revenue could be deposited for sustaining operations beyond the end of the grant term. It was agreed that Chuck would meet with Denise again in early March and work out the details of the revised request.

NON-SPECIALTY CROP PRODUCTS. The following points were made relating to also selling non-specialty crop items on LakeCountyGrown.com:

- Eggs, poultry and goat cheese products would increase the revenue stream and, therefore, sustainability of the system. Chuck estimates that the system needs to sell \$1,500 to \$2,000/week to achieve sustainability.
- Inviting non-specialty crop food producers to participate is a good way to promote and support all Lake County food producers.
- CDFA previously approved using 7% for non-specialty crops since that is their share of all agriculture in the County. In other words, the system would need to contribute or pay back 7% of operating expenses if it also sells non-specialty crops. A funding stream, other than CDFA grant money, would need to be identified, such as an additional charge to non-specialty crop producers. Jim did not think this calculation would need to be applied retroactively.
- Out-of-County products should not be sold during the grant term because the grant proposal is specific to Lake County.

WORKSHOP. Chuck shared the tentative agenda for a March 11, 2011 workshop sponsored by UCCE that is designed to help specialty crop growers plan for spring and summer crops. Topics will include Pest and Disease Control on Commercially Grown Crops, Pest and Disease Control for small Fruit Production, Fruit Frost Service, Care and Sanitation, Consumer Expectations, Farm Business Plans, and Consumer Requests. The location has not been confirmed.

TRANSPORTATION. Chuck distributed copies of a proposal submitted by Teale Love to deliver LakeCountyGrown.com orders to Clearlake, Lower Lake, Hidden Valley, Middletown and Cobb Mountain. He proposed charging \$40/hr (inclusive of his salary, insurance, fuel and maintenance) for the 2-hour loop. Chuck said that the Farm Bureau board thought 2.5 hours might be more realistic. Teale's proposal also suggested asking the farmers who sell their products on LakeCountyGrown.com to share the expense by contributing \$5/week to start.

The following points were made discussing various issues relating to the proposal:

- The grant budget includes \$5,000 for transportation with a \$10,000 in-kind match required. The cost of Teale's truck could represent part (\$5,000 to \$6,000) of that match.
- Susan had originally planned on collaborating with Lake County Community Action Agency (LCCAA) which is already making several deliveries throughout the county each week and a

weekly trip to Santa Rosa. Their truck is empty on the way down. LCCAA is still amenable to partnering with Lake County growers for local deliveries in some way.

- Utilizing grant funds without farmer buy-in should be avoided. Once people get used to free services, they won't want to pay.
- Sky would prefer a lump sum contract with Teale. He believes it would be easier to calculate the amount of farmer contributions and solicit that amount with a set price. He also said it would be his preference to pay that cost in advance and have it done.
- Chuck proposed charging per box, observing that determining a formula is difficult because the volume is unknown. He added that it was probably going to be necessary to purchase standard size boxes so they could be stacked in the truck for delivery.
- Messaging that the Farm Bureau is not going to get rich from this service and that everybody needs to invest in transportation (it's a package deal) is important.

Those in attendance agreed that:

- Growers need to pay transportation system costs
- The LakeCountyGrown.com Committee will derive the amount and payment details
- The Farm Bureau will contract with Teale using CDFA grant funds to guarantee transportation during the 2011 season
- The Farm Bureau will endeavor to recoup 2011 costs by October 31, 2011

Regarding UPS delivery "to your door," Sky said that Mt. Konocti Growers may be exploring that option for value added items but he didn't know for sure that it was going to happen or when it might happen. He added that it would only be available to individuals because commercial customers were not used to paying for delivery.

MISCELLANEOUS. Chuck mentioned that they were in the process of gathering copies of value added producer certificates required by Article 3, Section 114021 of the California Retail Food Code.

Based on a discussion at the 2/3/11 Local Food Roundtable meeting, Susan said that consumers need to understand why they should pay more for local food (benefit to local economy, nutritional value, support farmers, etc.) and that she believed they would be more inclined to support individual farmers rather than an organization.

In response to Sky's concern about the volume required for sustainability exceeding the Market Manager's ability to handle the work within her current schedule, Chuck said he thought that the current schedule would be sufficient and that the Online Ordering Committee would discuss additional staffing when it looked like it might become necessary. He added that the Online Ordering Committee has discussed hiring someone to recruit drop sites and customers in south county.

In response to Sky's suggestion that the Farm Bureau immediately begin collecting grower charges and making them available to cover unanticipated costs, Chuck said he needed to meet with Denise and submit the revised proposal to CDFA for approval before that could occur.

The meeting was adjourned at 3:30 p.m.