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Considering delivery options for growers

By Matt Ernst, independent writer

What do market gardeners, CSA operators and other farm operators that are laser-focused on growing food for local customers have in common with Walmart and Costco? Here's one thing: Food sellers of all sizes are navigating changing consumer patterns in how food is purchased, especially how to use online ordering and grocery delivery or pickup services.

This should come as no surprise to longtime local food marketers. Community Supported Agriculture (CSA) producers noticed changing consumer preferences a decade ago. The emerging market research, along with observations from CSA producers across the country, indicate that a large portion of likely CSA members want their shares easy to 1) customize to their individual tastes and 2) convenient to pick up.

The case of changes in CSAs is just one example of how those selling food are trying to answer the fundamental question of how consumers prefer to obtain their food. Food retailers are spending a lot of money trying to figure this out. Some have employed third-party delivery services, like Instacart, to get groceries to customers. Walmart has opted to focus on taking online orders, with contractors or employees preparing the orders for customers to pick up. The selling point for customers is paying a fee in exchange for saving time and avoiding the hassle of navigating the bread and peanut butter aisle.

Publicly, food retailers are quick to tout successes with delivery and online ordering. Weis Markets, a regional retailer headquartered in Sunbury, Pa., reported in March that in-store pickup and delivery

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Coming up

March 29-30 - Small Farm Conference & Trade Show, The Ohio State University South Centers, Piketon, OH. For details and to register, [click here](#).

March 30 - Moveable Modular High Tunnel Workshop, Berea Urban Farm, 201 Adams Street, Berea, KY. For details, [click here](#). Workshop at full capacity; open house (2-3 p.m. ET) open to public.

April 5 - Adding Organic Fruits and Berries to Your Market Farm, 12-2:30 p.m. ET, Peaceful Heritage Nursery, Stanford, KY. For details and to register, visit <https://www.oak-ky.org/field-days>.

April 12 - Irrigation Systems: Considerations and Installation, 1-4 p.m. ET, at the UK Horticulture Research Farm, Lexington. For details and to register, go to <https://www.oak-ky.org/field-days>.

April temperatures expected to be warmer than average

By Joshua Knight, Senior Extension Associate, Horticulture

The National Weather Service Climate Prediction Center is forecasting an above average chance for higher than average temperatures during the month of April, and this warmer than average trend is predicted to continue into May and June. According to the National Phenology Network, spring leaf out in the southern part of Kentucky is arriving earlier than average in 2019, but later than average along the Ohio River. Further analysis is available here: <https://www.usanpn.org/news/spring>.

Though precipitation rates will be near normal

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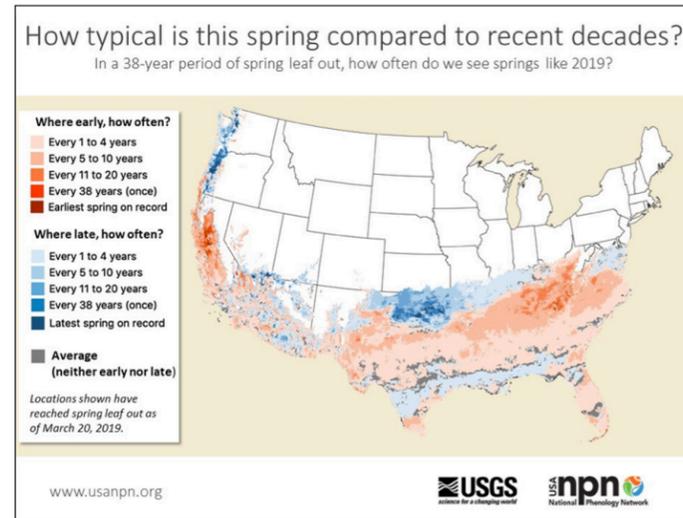
increased online sales at 173 stores by 33 percent in 2018. But it is still an open question exactly which model, or combination of models, of order/pick-up/delivery will prevail in the food retail industry.

Big grocery chains are finding out what farmers market vendors and other direct farm marketers have known for decades: It is costly to deliver fresh food directly to the consumer. The Wall Street Journal recently reported that drivers contracted with Walmart in a New York area market neglected deliveries when the route required the contracted driver to pay a \$16 toll. Drivers reportedly being paid an \$11 delivery fee, understandably, were not about to lose five dollars for a grocery delivery.

Here are two lessons direct farm marketers and local produce growers can consider as multiple grocery delivery, ordering and pickup options emerge:

Lesson #1 – Consider multiple market channels

Grocers are expanding their marketing strategy to include in-store sales, online purchases, pick-up and delivery. That doesn't mean every method will pay off; but, depending on the consumer, most marketers will need to offer different options. Solving this "omnichannel" marketing puzzle is seen as a big prize among the largest food retailers.



for April, the forecast is showing above average precipitation chances during the transition from March to April, especially in the western part of the commonwealth.

Local food marketers can also explore multiple channel marketing. A market gardener might find a combination of CSA and farmers market sales, combined with niche wholesale deals, spreads marketing risk and increases total profits. Small wholesale deals also continue emerging in some regions of Kentucky. Two examples are the Cincinnati-area Local Food Connection (formerly Ohio Valley Food Connection), and Indiana's Market Wagon, which started in Indianapolis and is now delivering to the Evansville/Owensboro area.

Lesson #2 – Avoid product losses

A not-so-secret secret in fresh produce retailing is that grocers eat a lot of product costs in "shrink" – produce that spoils or is otherwise unmarketable. Perishable margins are often thin, and losing product from delayed or inefficient home delivery is a concern.

Local food retailers can beat losses from shrink by following postharvest handling guidelines and finding outlets for lower-grade produce. Producers that develop smaller wholesale markets, like restaurants and standalone retailers, may discover that farmers markets and CSAs become a best way to sell produce that doesn't fit within retail or foodservice size standards. The most profitable marketing plan is often one that mixes multiple market channels and even multiple price points that are above the cost of production.

Food safety resources available through CCD

The Center for Crop Diversification hosts a variety of food safety resources developed by Dr. Paul Vijayakumar, an assistant extension professor in the University of Kentucky's Department of Animal & Food Sciences, and the members of his team. These resources include [Produce Food Safety: Packing & Storing \(CCD-PFS-1\)](#), which discusses field packing, design and maintenance of a packing house, washing produce, storage and transport, and more. The most recent addition to the stable of food safety resources is [Understanding the U.S. Food Safety Regulatory System \(CCD-PFS-5\)](#), which provides an overview of federal oversight of food production in the U.S., as well as agencies and programs responsible for food safety regulations and oversight in Kentucky.

The Food Safety Modernization Act (FSMA), the most extensive food safety regulation to happen in decades, affects produce growers differently, depending on their scale of production. If you haven't already, consider using the FSMA tool available at https://uky.az1.qualtrics.com/jfe/form/SV_9oQEXqziH1yYmdD to assess your status. Publications related to FSMA include [Food Safety Modernization Act \(FSMA\): Produce Safety Rule Agricultural Water, Introduction \(CCD-PFS-2\)](#), [Food Safety Modernization Act \(FSMA\): Produce Safety Rule Agricultural Water, Part 2 \(CCD-PFS-4\)](#), [Management of Wildlife and Domestic Animals on Your Farm \(ID-243\)](#), [Understanding Produce Safety Programs and Making a Food Safety Plan \(IP-78\)](#), and [Dehydrating Fruits and Vegetables](#)

CCD resources update

New podcast, updated crop profiles now available

The CCD has a new podcast on growing and marketing sweet potatoes featuring Karissa Arnold of Elkhorn Oaks Farm in Midway, KY. Access the podcast at http://www.uky.edu/ccd/sites/www.uky.edu/ccd/files/sweetpotatoes_Arnold.mp3. We have also updated our crop profiles on [Apples \(CCD-CP-2\)](#), [Gourds \(CCD-CP-137\)](#), and [Bedding Plants \(CCD-CP-56\)](#). Look for additional new and updated resources in the coming months on our website, www.uky.edu/CCD.



[for Home Use \(CCD-PFS-3\)](#).

Produce Best Practices Training is a Kentucky-specific voluntary basic food safety training available through local extension offices. It is a prerequisite for sampling certificates, and a good idea for anyone growing produce. For more information and a list of upcoming PBPT trainings in Kentucky, visit <http://www.uky.edu/ccd/food-safety/pbpt>. Other resources include four videos on various PBPT topics, as well as information for growers who need a Third-Party GAP audit (a buyer-driven requirement). New publications are in the works for growers who are selling to wholesale markets. Look for these publications on the Food Safety section of the CCD website at <http://www.uky.edu/ccd/foodsafety/gap>. Stay tuned to the [CCD website](#) and [Facebook](#) for publications on getting started with wholesale marketing.

Thanks for reading!

If you know someone who would enjoy our newsletter, or you're not subscribed yet yourself, visit www.uky.edu/ccd/newsletter and click "Subscribe Now." Or call Brett Wolff at 859-218-4384, or Christy Cassady at 859-257-1477. Stay up to date with the Center on Facebook at <https://www.facebook.com/CenterforCropDiversification/>

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