

Taste of Place

Tech Session #3, Meeting #5

March 26, 2010

Present: Patricia LeBlanc-Hazen Farm, John Clarke- Applecheek Farm, Mateo Kehler-Cellars at Jasper Hill, Abby Smith-CRS, Thomas DeSisto-CRS, Helen Jordan-VAAFAM, Monty Fischer-CAE, Steve Paddock-VtSBDC

Introduction of Steve Paddock of the Vermont Small Business Development Center

Steve is the Agricultural Program Director for VtSBDC and joined us to participate in the last session of our TOP feasibility study.

Topic:

Business structures around artisan cheese

How does that collective practice translate into a business and marketing structure that involves multiple producers, so that the future of a regional product does not depend on one person's skills and decisions?

- marketing
 - producers coming together to market collectively, where the government holds the standards (not a franchise, licensing agreement, etc)
 - example in Quebec: producer driven system
 - tend to organize to "protect" their designations and heritage of the area, limiting the scale. ie charlevoix lamb
 - \$1 million to certify and enforce standards that are collectively agreed on, made into a focal point and a priority by the Ministry of Agriculture and the Ministry of Tourism
 - creating identity or creating a market as a mechanization to preserve the landscape
 - The VAAFAM looks at Quebec as an example of a producer led system, but it relies heavily on government involvement to keep it public and manage integrity of labeling as well as provide assistance to the producers who are developing labels
- Agreed upon standards of production such as whey fed pigs or "new" veal
- what is the feedback to the State (VAAFAM) for making policy? How can Taste of Place (TOP) help farms in the short and medium term?
 - VAAFAM wants to support placed based farming/production
 - What variety of models are out there that allow working together to develop a common product and to gain market share?
 - Where do you see that coming into play in your own places?
 - What tools do you want/need to produce this cooperation?

Brainstorm Session:

Collective marketing under a common standard

- regional or statewide
- marketing is weakest link

- difficult to find the time, have the know-how
- what can be done to fix it?
- ideas on how to market & who to market too
 - nutrition focused/local focused
 - "foodies" or high end market groups
 - markets through posters, brochures, farmer's mkt,
- Distributor (ie Black River Produce) as the marketer
 - Second tier is to promote specific products
 - Understand the value chain, where we fit into it and what are the limitations
 - Distributors are poor marketers
 - limits are: small margins, lack of familiarity with product, too many other products and too much going on to be effective.
 - consolidation is happening in the food distribution business.
- Collective marketing
 - figure out how to partner with existing distribution companies and support them by putting own people out there to market
 - Greg Georgeakilis-distributor research for State of VT - Verdant valley direct to consumer distribution to Boston
 - Fresh Direct is example being used to build this model
 - vt producers collectively asking for better representation?

Production

- We create the market, but how do you get the volume of production there without losing quality?
- Are we marketing today's production or five/ten years out?

Options:

- specification manuals
- outsource specific components (marketing, selling milk <veal, pork, chicken> to cheese, etc)
- maintaining price options to make it worth the switch from commodity to cheese

Did not catch all this---<<<what are primary components of process of making marketing>>>---

What are the tools we need to help producers set up:

- infrastructure/production is lacking

- marketing help is lacking
 - have agency somehow facilitating the process of production
- mkt has expressed desire, but our capacity as farmers to produce is challenging
- top initiative creates the space for producers to collaborate
 - need critical mass of producers who are doing (vaguely) the same cheese in order to create the standards

Participant Comments:

Mateo Kehler:

Cheese selling: < or = 10k lbs of cheese can be sold with little or no energy
 > or = 20k to 60k cheese takes a LOT of work - quality issues
 > or = 100k lbs of cheese can be done

Easier to develop one product, scale that up, develop specificatin for milk but teaching 10 producers to do this may not be available

Producers who sell commodity milk can get together to hire cheesemaker with equipment to turn excess milk into cheese

- can negotiate price for milk, cheese makers margin (wisconsin)
- --<did not catch name of wisconsin group> 6 or 8 dairy farmers got together and hired a cheesemaker to make cheese
- one farm with 70 cows can produce a lot of cheese where one farm could scale up to provide for a modest urban market.

Collaboration might happen because it has to

- milk commodity side to talk to is grafton
 - buys from agrimark
 - in unique position to possibly buy 1/2 billion pounds of milk and pay premium for it if a spec can be developed
- Jasper Hill will be spec'ing out milk for the Vermont Food Venture Center
 - Bailey Hazen Blue
 - scale up one product (sell off, license, franchise, etc.), that volume among a group of producers

Next Steps:

VAAFM will review

Meet with Center for Rural Studies (Thomas, Abby) and Center for an Ag. Economy (Elena, Monty) to discuss next steps