

# FARM FARE HUB/VENDOR POLICY & GUIDELINES

*Looking to increase your sales and distribution reach without pounding the pavement? Farm Fare can help. Learn how within.*



**The following information is an explanation of Farm Fare’s policies, procedures, and basic operations and is intended to provide food hubs and their vendors with policies and guidelines as they relates to doing business with Farm Fare. This document is updated on a regular basis to incorporate suggestions and make improvements to our business.**

**Last updated March 20, 2018.**

## Table of Contents

<b>Our Local Food System and Its Players</b>	<b>4</b>
Local Foods Matter	4
The Power of the Food Hub	4
What Is Farm Fare?	4
How Farm Fare Can Help Hubs	5
About Us	6
<b>Farm Fare’s Collaborative Hub Network Model</b>	<b>6</b>
What Makes Farm Fare Different	6
<i>Software Built Specifically for Hubs</i>	6
<i>Hassle-free Delivery Services</i>	6
<i>A Systems-based Approach</i>	7
<b>How It Works: The Big Picture</b>	<b>7</b>
Defining Your Region	7
Establishing Your Customer and Producer Base	7
Sourcing from Outside the Home Hub	7
<b>How It Works: The Detailed View</b>	<b>8</b>
Start with Inventory	8
Sell, Baby, Sell	9
Aggregate that Ag	9
Prep for Delivery	9
Load Up & Out	10
Uh-Oh’s & Oh-No’s	10
Onward & Upward	11
<b>Farm Fare’s Transportation &amp; Logistics Model</b>	<b>11</b>
Overview	11

Frequently Asked Questions	11
<i>How can I be sure my delivery will be delivered safely, courteously and on time?</i>	11
<i>What types of vehicles does Farm Fare dispatch?</i>	12
<i>What's the lead time on shipments?</i>	12
<i>Who owns the product throughout the supply chain?</i>	12
<b>Pricing &amp; Payment</b>	<b>13</b>
Payments to You	13
Costs of Using Farm Fare	13
<b>Getting Started with Farm Fare</b>	<b>14</b>
Gauging Interest in Your Region	14
Onboarding	14
Documentation & Requirements	15
<b>Appendices</b>	<b>15</b>
Recommended Best Practices	15
<i>Food Safety</i>	15
Code of Ethics	16
<b>Legalese</b>	<b>16</b>

## Our Local Food System and Its Players

### Local Foods Matter

Not that we have to tell you, but we feel pretty strongly that buying locally produced food is:

1. **Better for our health:** When you shorten the supply chain, you can grow and harvest plant varieties that taste the best and provide the most nutrition, rather than the ones that produce the most abundantly and stand up to the rigors of long-haul trucking. A regional supply chain is also generally more transparent, which makes food safety concerns less common and easier to trace.
2. **Better for our planet:** Buying from within your region reduces waste by cutting down on packaging and dramatically shortening the distance between the point of origin and the destination (we promised we wouldn't say "farm to fork"). A dramatically shorter driving distance means less fossil fuel consumption and fewer carbon emissions.
3. **Better for our communities:** Supporting local agriculture and other food-based businesses makes good economic sense. By cutting out a factor of middlemen in the global food supply chain, food producers can command a more equitable share of the sales of their goods. In turn, that brings the cost of fresh, healthy foods down, at the same time creating a "multiplier effect" of money circulating and being spent within your community.

Plus we think it's kind of silly to eat a salad with greens from 2,000 miles away when it grows in our own backyards!

### The Power of the Food Hub

Food hubs are a CRITICAL part of our vision for a better food system!

Relationships are *everything* in this industry, and no one does it better than the 350-plus food hubs sprouting up in towns throughout the U.S. We recognize the value of living, working, eating and playing in the same community as our producers and buyers, and we remain genuinely excited and motivated by the impact a stronger local food system can have on our communities.

Thus, we've built our business *specifically to support you*, the experts, on getting the job done. We know you're responsible for A LOT, because we've been there. We want to help, using our experience and that of fellow hubbers like you and others we've met through organizations such as the National Good Food Network.

### What Is Farm Fare?

Farm Fare is a platform that coordinates and organizes the local food supply chain on a regional scale to deliver more local food to wholesale outlets using existing regional assets.

Said simply, Farm Fare provides *software* — like an inventory management database, automated invoicing, a mobile marketplace app and more — and *services* — namely delivery services and sales support — that help decentralized food warehouses (hubs) aggregate and distribute local food.

We created this short rack card (video coming soon!) to help you better visualize how Farm Fare organizes the supply chain to support local farmers, consumers and carriers. Check it out [here!](#)

## How Farm Fare Can Help Hubs

Food hubs juggle a thousand things on any given week, but we've identified the following key business tasks that we think every hub could use a helping hand with:

- **Business Development:** Our administrative tools save you time so you can skip the desk work and beat the streets to renegotiate contracts and drum up more sales. Think CRM database meets administrative software for polished invoices, purchase orders and more. We offer electronic payment processing, a Dashboard to keep you on track with metrics and a mobile app your customers can use for streamlined ordering. But we're so dedicated to ensuring your success we'll even help you with person-to-person sales — particularly if you're just getting started with wholesaling. Moreover, our own Local Food Sales Rep, Dave, is here to help. Look him up [here!](#)
- **Producer Development:** We help organize communications with your producers, letting you focus less on red tape and lists and more on developing, supporting and growing with these food-based businesses. We're also working hard to bring you sophisticated but easy-to-use production planning tools that will assist with matching supply and demand *on a regional scale*. Stay tuned for news on these developments.
- **Inventory Management:** Just as list accuracy is important to your buyers, the relationships you have with your suppliers are critical to capturing and sharing the region's inventory with your buyers. You know best how your producers prefer to be contacted and how to get a response. Laura is our inventory wizard; for more information how our inventory works, give Laura a shout [here!](#)
- **Food Safety:** Bottom line, we want people to consume safe food — and we know you do too! We're grateful for your work in ensuring your farms are following best practices in their production and packing environments, and we're confident you'll say the same about our transportation partners. Read more about our food safety recommendations and practices [here](#). But generally, we're big fans of the [Produce Safety Alliance](#) & [Family Farmed](#) -- offering super helpful tools on the subject.
- **Vetting & Curation:** You know what's the worst? When you think you're buying "local" only to find out it's NOT. Farm to fable is a real issue, and it saps value from the local food supply chain! You know your community, and you're our best ally in combatting deceptive marketing so buyers can feel confident without spending time verifying producers' sourcing and growing practices.
- **Logistics:** This is the big one. Why mess with truck leasing, maintenance, scheduling, on-the-fly repairs and more when we'll do it all for you? Logistics and transportation is a business in and of itself, and when you don't have to spend your time on the road, in the shop or on the phone, that's more time you have to focus on the hub's core offerings.

[s here.](#)

## About Us

Unlike a lot of agtech companies, our team got our start not in software development but in food. We started out as food hub managers, chefs and restaurateurs, so we have a deep understanding of the challenges facing local food from the ground up.

Even more importantly, we believe a better food system is worth the effort and recognize that players like YOU are critical to its success. We succeed when you do, because we've built our business *specifically to support you.*

[team here.](#)

## Farm Fare's Collaborative Hub Network Model

### What Makes Farm Fare Different

#### Software Built Specifically for Hubs

Business management software isn't new, and there are other software solutions out there that do a pretty good job of catering specifically to food hubs. What *is* new is our collaborative regional model.

Contrary to a one-off software program, Farm Fare works not with a single hubs but rather with an entire region's, bridging them to create a centralized e-commerce and inventory management system. This does two things:

1. First, it gives buyers more consistent and broader access to local foods, which is particularly important for institutional or high-volume purchasing.
2. Second, it allows neighboring hubs (that is, hubs within a 100-mile radius) to work together in an organized and efficient way. By sharing resources and collaborating, hubs can lower overhead, increase profits, return better margins to farmers and provide more consistent service to customers.

We call this *economies of collaboration*, and we believe this is the only way to compete with the *economies of scale* leveraged by the industrial food supply chain.

#### Hassle-free Delivery Services

Another thing that makes Farm Fare really stand out from competitors is our focus on managed transportation services. That is, we take care of your deliveries — one of the most costly, disruptive and headache-inducing components of the food distribution business — from hub to buyer.

Think of it this way: Most of the trucks and vans you see driving around your city are owned by small businesses, and about half aren't used as efficiently as they could be, costing their owners money. We identify and recruit food-safe vehicles and organize their routes to work for the collective network. Our big-picture perspective into where and when food is moving around the region allows us to optimize routes to save time, frustration and — what you really want to hear — money. Now you can get off the road and back to what you do best: being a local food hero!

Do you already own or lease a delivery vehicle? Put it to work — for yourself and your neighbor hubs — at a premium! We currently pay an LTL rate to Farm Fare network drivers depending on the type of route they're running - offering between a flat \$50 fee to \$1.50/mile plus stop charges.

## **A Systems-based Approach**

We're rethinking how the local food system works, and in the process, supporting community-based businesses, decreasing carbon emissions, and making local foods more accessible. That's why we say we're *Driving Local Food Forward*.

## **How It Works: The Big Picture**

### **Defining Your Region**

In general, we identify regions by its largest metropolitan area, which is usually where business buyers are the densest. From this center, we draw a radius of 100 miles — the most commonly accepted definition of “local” — and identify all food hubs that fall within this area.

### **Establishing Your Customer and Producer Base**

Because you do most of your business in the areas closest to your hub, combined with our emphasis on sustainability and efficiency, customers are assigned a “home hub” based on zip code/geographic distance. Your customers will shop from your customized home page within the Farm Fare app, though they will be able to access all products within the region.

Likewise, producers will work with their nearest hub, as they will be expected to deliver to you unless you make other arrangements.

### **Sourcing from Outside the Home Hub**

Customers who wish to purchase products from outside their home hub so may do so at their discretion, though most items are subject to an additional small markup to encourage hyper-local sourcing decisions (and helps offset the added transportation costs). Thus products, particularly specialty or value-added items, frequently circulate throughout the region's supply chain.

Likewise, other hubs near you may sell products you wish to offer your own customers. With our regionally based inventory system, you can do this easily, either by purchasing directly from your neighboring hubs for your own on-hand inventory, or by encouraging your buyers to source from other hubs when you can't offer every product they need.

## How It Works: The Detailed View

### Start with Inventory

Once your hub is up and running with Farm Fare, a typical transaction starts with inventory. Our intuitive inventory management tools ensure that the online marketplace reflects actual availability. How?

1. Use your existing relationships and substantial wit to collect inventory information from your producers, using our inventory template and recommended best practices to stay on track and on time.
2. Upload your hub's aggregate inventory with a few clicks of the mouse.
3. Keep your inventory updated regularly.
  - A complete on-hand hub inventory must be updated at least once per week. Simply review your inventory spreadsheet, adjust counts or zero out unavailable products where appropriate and upload.
  - A complete on-farm inventory — that is, a count of items your producers tell you they can safely commit to providing — should be updated twice weekly. We're found most significant updates are made after weather events (such as rain) and popular farmers market days.
4. View your entire region's inventory. This is one of Farm Fare's central functions; the items you upload become part of a larger network of local food for sale in your region, which helps all hubs fulfill orders more consistently and coordinate supply to better match demand.

Soon, Farm Fare will also offer tools to assist with production planning and inventory forecasting. This upgrade will allow for a more automated inventory management approach with fewer check-ins with farmers and the ability for customers to place orders well ahead of need. This will make hub inventory management more hands-off, give producers more sales surety and secure better pricing for buyers — a win-win-win.

### Sell, Baby, Sell

It is important to note that Farm Fare simply facilitates an easier sales process with your customers. Product questions, changes to orders, and any other communications related to sales take place directly between you and your buyer.

Here's what a sale looks like:

5. After your inventory is uploaded, buyers shop via Farm Fare's e-commerce site, currently a mobile application (also available on the web starting August 2017).
6. Once registered, your customers will shop directly from your custom-branded home page within the app.
7. Customers checkout directly in the app, and unless you choose to accept cash or check, will pay via credit card or electronic check.
8. Electronic payment methods will be authorized at the time of checkout but will not be charged until the day of delivery.

Post-sale, the Farm Fare platform generates:

- Sales orders, invoices and email notifications to the customer
- Purchase orders and USDA-approved product labels to producers
- Sales, receiving and recall reports to hubs
- Picking and packing lists for delivery

## Appendix B:

### Aggregate that Ag

Now it's time to get your hands on the products.

9. Producers harvest, pack, label and deliver their products to their assigned hub according to the purchase orders.
10. All products are due to the hub at least 24 hours before the delivery date and time.

In the event a producer cannot fulfill the requested order — an uncommon occurrence when inventory is kept regularly updated — they must notify the hub promptly. If necessary, the hub then searches the regional inventory system for other sources; if none are available, contact affected customers to offer substitutions or adjust invoices.

### Prep for Delivery

Farm Fare coordinates all delivery logistics, according to your and your customer's scheduling preferences. We will be in regular contact about pickup times and other pertinent information.

11. Pick products from storage or receiving area using the Pick List as a guide.
12. Organize and stage products according to the Delivery List (which is organized by customer).
13. Double-check that products are labeled, quality is assured and quantities are accurate.
14. We recommend using a color-code or dedicated symbol to denote each buyer in the dedicated blank space on each label. This visual guide makes things much easier for both you and the delivery driver to recognize and double-check!

Orders must be ready for loading 5 minutes prior to the delivery vehicle's scheduled arrival time.

We are also working on barcoding for hubs with scanning technology. Stay tuned for more on this update.

### Load Up & Out

Your driver has arrived. Now what?

15. The driver will assist you in loading the vehicle, starting with the last and ending with the first drop-offs along the route, for easiest unloading.
16. All items will be checked as the vehicle is loaded for additional quality assurance and accuracy.
17. Sign your John Hancock on the driver's mobile device to authorize release of the inventory and get back to the important stuff.

18. You and your customers will receive updates along the way, and we'll notify you if there's ever a problem or a refusal. Customers will sign for delivery in the same way you signed for pickup, and you will receive electronic proof of delivery documents with these signatures for your records.

In the unlikely event your driver is late or a no-show (generally, we monitor shipments closely and can notify you long before a driver is late), contact us right away and we will dispatch a replacement vehicle immediately.

## Uh-Oh's & Oh-No's

Sometimes, products get refused at the destination. It happens. In such an event, the driver will contact you directly to let you know the who/what/when/where/why.

It is your responsibility to follow up with the customer and issue a refund or credit as appropriate.

## Onward & Upward

Second verse, same as the first. Keep in touch with your customers, continue building those deep producer relationships, and let us know how we can support you — we're confident we can *Drive Local Food Forward... Together!*

# Farm Fare's Transportation & Logistics Model

## Overview

Just as local food producers need help with delivery operations, truck owners and operators can benefit from additional driving income. Farm Fare matches shipping routes between Food Hubs and their customers with food-safe trucks and experienced drivers already running similar routes in the same region.

We recruit small- and medium-sized cargo vehicles such as sprinter vans and box trucks, then match the days and times they're usually idle with your delivery needs. Because we're organizing shipping on a regional scale, we can capture savings individual hubs can't while working on their own.

Our goal is twofold:

- Assist food hubs in delivering food — using existing trucks to reduce costs and free up time and human resources better spent off the road.
- Assist truck owners and drivers in maximizing their load and route capacity — reducing carbon emissions and generating more revenue for every route run.

## Frequently Asked Questions

### How can I be sure my delivery will be delivered safely, courteously and on time?

Our success depends on your success, so safe and reliable delivery is critical to your business as well as our own.

First, we focus our driver recruitment efforts on transportation professionals who know food and know how to handle it. Every Farm Fare driver also goes through a brief orientation that ensures they're up to speed on our high handling standards.

Next, we use a sophisticated dispatching software that includes real-time GPS tracking, so we can keep an eye on progress throughout each route and stay ahead of any potential problems. Driver in a traffic jam? We'll let your customer know before the delivery is late. Truck's got a flat? We'll dispatch another vehicle in our network who can fill in on the double.

While we don't always use refrigerated vehicles (since it's not always necessary in a short supply chain or with shelf-stable products), temperature-sensitive products are always shipped under refrigeration or in coolers.

Finally, we regularly solicit feedback from our customers on driver professionalism and courtesy, and make every effort to dispatch familiar faces on pre-planned routes where possible.

### What types of vehicles does Farm Fare dispatch?

Farm Fare will coordinate and dispatch a variety of vehicles according to the requirements of the product and shipment. We give **strong** preference to those vehicles that only transport food. We do not anticipate needing 53-foot semis in our network; primarily, that's a function of the short and nimble supply chain represented by the regional food system.

We welcome the following types of vehicles into our network:

- 14'-16' box (straight) trucks
- 14'-16' refrigerated trucks, aka "reefers"
- Cargo or sprinter vans
- Refrigerated cargo or sprinter vans
- Small sprinter van
- Commercially insured pickup trucks

### What's the lead time on shipments?

We like to give our drivers as much advance notice as possible (usually a week or more), so it's best to start with a set schedule, such as offering deliveries every Thursday or every Wednesday and Friday. However, we are working hard to offer delivery service on a rolling basis with just 36 hours' lead time, which most business customers prefer. You're a crucial part of this service improvement, however, so stay tuned for more on those plans.

## Who owns the product throughout the supply chain?

All loads are considered **FOB Destination**, which means the hub or Farm Fare is responsible for inventory until the buyer takes possession at the point of delivery.

If a product is lost, damaged or refused because of damage during shipment or mishandling, Farm Fare assumes liability for the cost of replacement. However, product that is refused due to circumstances outside of our control — such as discrepancies in quality, freshness or grading specifications — are the responsibility of the hub and subject to reasonable handling or re-shipping fees.

## Pricing & Payment

### Payments to You

Again, Farm Fare is a sales platform. Your customers are your own. You negotiate product costs with your own producers and set your sales price.

Currently, Farm Fare allows customers to pay by check (COD or terms) or credit card.

All credit card payments are processed through [Stripe](#), a payment processing company with the most rigorous security protocols currently available. We collect your bank information before your first transaction on the Farm Fare platform. That information is never stored in our database but instead is sent directly to Stripe, which means our system could get hacked all day long and your financial data will never be compromised. For more information on Stripe's security protocol, please see [here](#).

Payments are automatically collected and deposited directly into your checking account just five business days from the transaction date.

### Costs of Using Farm Fare

Farm Fare charges a 15% processing fee to food hubs on each transaction. This fee covers our operational and administrative costs and covers your access to the software platform PLUS your transportation.

While at first glance 15% may seem daunting, particularly for startup hubs with thin margins, keep in mind that when you consider the cost of administrative software and transportation expenses, Farm Fare is extremely cost-competitive (not even counting the additional time we anticipate you'll save using our system).

[Appendix C.](#)

We are a for-profit company but consider ourselves a social enterprise. We expect to make a profit by taking a more nimble and innovative approach to the supply chain, not by stripping your margins or your ability to pay producers fairly.

# Getting Started with Farm Fare

## Gauging Interest in Your Region

Recognizing that a lot of the value of Farm Fare is in our collaborative approach, onboarding likewise begins with teamwork. There are three relatively quick steps that will allow us to get started with official onboarding:

1. **Watch a video:** [This short video](#) will help you better visualize how Farm Fare organizes your region's supply and demand.
2. **Sign up for a live demo:** One of our community managers will walk you through a demo of our cloud-based platform, including a glimpse of the logistics and distribution work that goes on behind the scenes. The more potential users present, the better the experience, as each party brings different perspectives, questions and insights!
3. **Schedule a visit:** After the live demo, if at least three regional hubs are interested in Farm Fare, our community manager will schedule a visit to listen and learn about your regional food system, walk you through our system as if you're a new user and make notes on any specific needs for your region.
4. **Sign a Letter of Intent:** When your region is ready to proceed to onboarding and training, we ask that you sign a simple letter of intent, which signifies you're serious about working together to create a better food system. This agreement will remain in place through the onboarding process and may be terminated at any time, should you decide Farm Fare isn't right for your hub(s).

## Onboarding

On average, it takes about 5 weeks from the moment you sign on with Farm Fare until your region can fully manage transactions on the platform. Here's a broad overview of this process:

1. **Week 1 – Networking:** First, we'll introduce you to the Product & Inventory spreadsheet template vendors will use to send you weekly updates on their products. While you communicate with your vendors about these changes and begin to collect this information, we'll be building the network of local delivery vehicles that will serve as your region's distributors.
2. **Week 2 – Training:** Next, you'll receive training on how to use the features of our software in test mode. Then we'll work closely with you as you upload the completed Product & Inventory template and apply your new skills to your own real data. At this time, we'll also ask you to gather relevant compliance documents to store on the Farm Fare platform, including certifications, insurance policies and the like.
3. **Week 3 – Ramping Up:** Now that you're familiar with the backend, you'll receive training on the front end of Farm Fare — that is, the Android/iOS app or website your wholesale customers will use to make purchases. We'll structure our training so you have everything you need to teach your buyers to use it (don't worry, it's designed for simplicity!) You'll also continue to upload compliance documents and will learn how to update these documents as well as products and inventory already on the platform.
4. **Week 4 – Piloting:** It's time to put plans into motion. You'll identify a few of your most enthusiastic buyers to test the new ordering system, and we'll deploy a few of the delivery vehicles we've been working with to make a few quality-assurance runs. We're by your side through this whole process as we get everyone —

the hub, your vendors and your customers — feeling comfortable with operations and excited about the big picture.

5. **Week 5 – Launching:** You're ready to use Farm Fare in full across your regional hub network! But before we go, we'll share our strategies for growing your customer base, working more effectively with your neighboring hubs and helping your vendors take a whole-system approach to production planning. We'll also help kickstart your sales with assistance attracting new customers and generating more sales. At this time, we ask hubs to sign the Farm Fare **Operating Agreement**.
6. **Week 6 and Beyond – Growing:** We'll be in touch regularly and are always just a call, email or text message away. We succeed when you do, so let us know how we can support your hub and region and we'll do all we can to make it happen.

## Documentation & Requirements

Prior to operating on the Farm Fare platform, all hubs must complete a brief registration form, which includes questions such as basic contact information, details about your business and a place to upload permits, insurance and other legally required certificates.

All hubs must have the following information on file:

- Signed Letter of Intent or Operating Agreement between Farm Fare and your hub
- Certificate of Insurance naming Farm Fare as an Additional Insured and confirming policy of a \$1million occurrence/\$2 aggregate general liability
- Completed W-9
- County Board of Health and/or Department of Agriculture inspection certificate
- All other relevant business, food storage, handling and processing licenses

In addition, we require hubs to read and agree to our recommended **food safety practices** and **code of ethics** to ensure buyers can purchase with confidence.