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Due to the COVID-19 Pandemic, many farmers have lost significant markets and streams of revenue in restaurant and institutional wholesale accounts. With social distancing regulations and the general risk associated with being in public spaces, further sales limitations exist with in-person pick-your-own enterprises, and farm stands. Meanwhile, demand for local food remains and has perhaps increased. To address these challenges and opportunities, many farmers are pivoting to online sales and order taking, home delivery, and multiple farm product aggregation. Implementing these changes may require farms to make changes to their operational and financial management, marketing, and online platforms.

This document is meant as a guide for farms seeking to shift or expand sales to 10912 0 62t-4(r)12(equ)5(ire far)12#2

4. Could you downsize this year as a short-term solution to wait out the pandemic and return to your existing plan in the future? If not, why?
 - a. Product is already on hand and has limited shelf life.
 - b. Fixed expenses/financial obligations require that I meet my original sales and production projections.
 - c. Pandemic presents an opportunity to meet greater sales projections that originally anticipated.

If you must maintain your current production scale and/or ramp up to meet the new opportunity, can you redirect existing or planned product to existing market channels or do you need to create this new order and fulfillment mechanism?

If you decide your farm business needs to create a new order and fulfillment mechanism, think about the business implications so you implement a system designed for long term success. Do you have the financial and managerial to develop the infrastructure and logistics to roll out a new system?

Consider how you will dispatch your product in either a delivery or pickup system, what infrastructure

4. How does the solution track inventory? Can it be used to avoid over-or-under selling inventory?
5. How will this solution integrate with current systems I already have? (ex: QuickBooks/accounting, Market credit or CSA shares, newsletters, social media, etc.)
6. How is payment processed online and what are the associated fees? Are there options for deferring payment or paying in person instead of a credit card sale?
7. Will I require a minimum purchase amount?
8. What does the back end look like organizationally? Is it easy to print pack lists and inventory lists? Export to excel/quickbooks?
9. Does the platform offer extras? Delivery routes? IT support?
10. Will I need an e-commerce app integrated into my online presence?
11. Who will manage the e-commerce orders and customer service?

Farmers are having success bundling their products with other food staples during this time. Customers are voicing appreciation at being able to secure a box of staple foods and avoid the grocery store.

However, it is essential to figure out

[Black River Produce](#): Connects farms and producers and distributes to institutions, restaurants

Other: [Intervale Food Hub](#): While not a place to source items for resale, IFH can act as a docking place for arranging transfer of a product. Their standard cross-docking fees are \$20 for a pallet worth of product and \$5 for 5 cases or fewer. These fees are based on same day pick up, but there is often flexibility on timeframe. The Intervale Food Hub invoices for cross-docking at the end of each month. Based in Burlington, VT.

Key Considerations:

1. What do your customers want? Consider a survey.
2. What farmers/producers are nearby that have complementary brand values and could meet these product needs, or who have offerings you think your customers would like? Are these producers interested in selling product through you?
3. How will you price products purchased for resale? Industry standard is approximately a 35% margin which is equal to a 53% mark-up. For example, if you buy a bottle of hot sauce for \$3, the retail price would be \$4.61. At a minimum strive for a retail price that covers the associated overhead of storage and labor for the product
4. Where will you store products? Will you need additional freezer, refrigerator, and utilities expense? Do you have rodent-proof storage?
5. Can you safely receive products and purchase them during the pandemic?

If you are buying in products for resale, you need to have a retail license through the State of Vermont Agency of Agriculture. If you intend to purchase and re-sell dairy, meat, and/or ice cream, these each require an additional fee and check-off on your [license application](#). If you intend to sell milk, the license will cost \$20, including meat is an additional \$15, and including ice cream and frozen desserts is \$75. If you are selling pre- for (on the same application) for an additional \$15. This application must be filled out (and fees paid) annually.

Here is a [FAQ list](#) put together by Vermont Agency of Agriculture that answers many common questions related to retail licensing and COVID-19.

There is no license required to sell produce in Vermont. However, produce farms with over \$25,000 in annual produce sales may need to comply with food safety requirements under the Food Safety Modernization Act (FSMA) [Produce 72.024 217.13 Tm0 g0 G\(an\)4\(n\)3\(u\)3\(al p\)3\(ro\)-3\(d\)3\(u\)BT/F1JETQq0.0000912 0](#)

General best practices for employees include social distancing, wearing masks when employees must work in enclosed spaces or are unable to be socially distanced for a specific task, and staying home when sick or exposed to COVID-19.

The Vermont Occupational and Health Safety Association (VOSHA) has issued a requirement that all

