



E-Commerce in California

Using E-Commerce to Add-Value to Small Farming Businesses in California

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Introduction

"People are hungry for information, connection and community, and the Internet provides that." says Nigel Walker, owner of Eatwell Farms, a small farm near Winters, California, that specializes in Community Supported Agriculture (CSA) produce subscriptions and nine varieties of lavender. This, says Walker, is the primary reason to develop a Web site for his business. Walker's opinion is echoed by a growing number of small-scale family farmers whose businesses are based on direct marketing techniques. They are discovering that the Web is one more tool for expanding their business. But the advantages lie not so much in direct profits from Web-based orders as the opportunities the Web offers for 24-hour a day visibility and the ability to make contacts with people all over the globe.

The USDA National Commission on Small Farms describes small farms as "farms with less than \$250,000 gross receipts annually" and farms "on which day-to-day labor and management are provided by the farmer and/or the farm family."² Small-scale family farmers distinguish themselves from larger, more conventional farming operations in additional ways. First, they consider the number of acres they work: they can work as few as five to ten, but usually don't exceed 150 acres. Second, they typically grow a diversity of crops. Very often small farmers grow at least a dozen different kinds of fruits and vegetables, and sometimes support livestock on their land as well. Third, family farmers take pride in the fact that they do not rely on institutional distributors or brokers to sell their products. This last factor, selling direct to customers, is what drives them to continually seek new and cost effective ways of connecting

with people. One of the more innovative ways to do this is through the World Wide Web.

This case study looks at how small-scale farmers are using "e-commerce" or Web-based business as an extension of their overall direct marketing enterprises. Although the sample is small—four California farmers and one Web-based brokerage organization designed to serve small farmers—the insights these farmers offer are telling. The study focuses on a number of issues relating to the ways small-scale farmers use e-commerce: how they decided to embark upon e-commerce, how they integrate it into the other aspects of their business, what impacts it has on their overall business enterprise; what relationship e-commerce has to their farmers market business; and what challenges they face with this business technique.

Farmers Explore Innovative Farming Techniques

Using the Web as a business tool is not yet common among small- or large-scale farmers. Many farmers are either too intimidated or simply too busy to develop a Web presence. Also, research has shown that, in general, farmers under the age of 49 are more frequent users of the Internet, yet the average age of California farmers is about 55.³ Therefore, the farmers we interviewed for this case study are on the cutting edge by using this method of marketing. In this as well as other aspects of their farming, they have been willing to take risks, explore alternative agriculture practices and incorporate new technologies into their farming operations.

All of the farmers interviewed are certified organic growers and are committed to sustainable farming practices and sustainable business practices. This is also true for **America Fresh**, the broker organization. That is, they not only eliminate toxic chemical inputs into their crops but employ other practices that promote sustainability such as fair labor relations and reductions in the use of fossil fuels. Two farms, **Eatwell Farm** and **Terra Firma Farm**, are located in the Winters/Capay Valley area in Yolo County of northern California. These farmers primarily maintain their farming operations through Community Supported Agriculture (CSA) subscriptions and their presence at farmers markets. **Frog Hollow Farm**, situated between the San Francisco Bay Area and the Central Valley sells specialty fruit through the farmers market and direct orders. **Anderson Almonds**, located in California's Central Valley, sells only directly to customers from his farm and Web site.

Terra Firma Farm currently accommodates over 530 CSA subscribers in the San Francisco Bay Area and sells weekly at farmers markets in San Francisco, Davis, and Marin County. Their sales are made to individuals, groups of individuals, workplaces, restaurants and specialty grocery stores. Their premium organic products attract high-end as well as health conscious customers. For example, Terra Firma sells

to exclusive restaurants in the Bay Area such as Chez Panisse in Berkeley and Oliveto's in Oakland as well as to several well-known Bay Area markets such as Bill Fujimoto's Monterey Market.

Similarly, **Eatwell Farm** supports about 220 CSA subscriptions and sells directly at four markets per week, two in San Francisco, and one each in Oakland and Marin. In recent years, Eatwell Farm's lavender business has taken off and now accounts for a substantial percentage of their farmers market and mail order sales.

Frog Hollow Farm is located in Brentwood, on the cusp of the Bay Area and California's Great Central Valley. Al Courchesne, the farm's owner, considers his farm to be geographically a part of the valley, with its rich soil and wider variations in seasonal weather patterns. However, he readily acknowledges that he has the best of both worlds, close as he is to the culture and markets of the Bay Area. Frog Hollow specializes in at least 30 varieties of stone fruit-peaches, nectarines, apricots, cherries, plums and pluots (an apricot/plum hybrid). The exquisite quality of his fruit has attracted national attention and high-end customers. He, too, sells to Chez Panisse, Oliveto's and other specialty restaurants and markets. Frog Hollow has sold at Bay Area farmers markets for 20 years; this is the foundation from which the rest of his business springs.

Glenn Anderson of **Anderson Almonds** has been farming in the Central Valley of California for over 20 years and has been certified organic for 10 years. The Anderson farm is a small home-based farming business that uses a variety of methods to create biodiversity throughout its almond orchards. Over the years, the Andersons have also developed a "certified organic almond production community, consisting of over 20 farms in the immediate area." This acts as an informal cooperative, where if one farm cannot supply a customer, it will refer the customer to a neighboring farm. These kinds of innovative social as well as agricultural practices are what set farmers like Anderson apart from the conventional grower.

Anderson has sold at farmers markets in the past, but is the only farmer of this group who does not currently sell at farmers markets. Because his farm is located in Merced, Anderson does not have easy access to large urban areas and has discovered that he can do a lively business selling his organic almonds through the Web to customers across the U.S., in Canada, Europe and Japan.

The minimum number of years these farmers have been farming is 17; their farmed acres range from 40 to 120 acres. Eatwell and Terra Firma grow the widest variety of crops. This is a reflection of the fact that their main business is CSA boxes, which need to offer customers a range of seasonal produce each week throughout the year. Frog Hollow, though more specialized, nevertheless grows a wide variety of stone fruit. Anderson Almonds is the least diverse in terms of crop, offering only three types of almonds,

yet Anderson has definitely found a niche market by only growing organic almonds.

In a different category, **America Fresh** is a young and growing distributor/brokerage business founded by Brian and Robin Gardiner in Santa Cruz County. The company is designed to facilitate direct marketing from local small-scale organic farms to local restaurants and some retail stores. America Fresh streamlines the process of getting fresh, local produce to local restaurants. Gardiner communicates with growers several times a week, recording what they are expecting to harvest in the coming week. He then compiles this information and communicates it to chefs of local restaurants, who plan their menus around the freshest produce available. Orders are relayed back to growers, who prepare and pack the produce. America Fresh sends a refrigerated truck to pick it up, and they deliver it to the restaurants within 24 hours of harvest.

Unlike conventional distributors, who often store produce in a warehouse for at least a few days, America Fresh takes orders to harvest and turns them around daily. The truck serves as a "mobile warehouse," bringing seasonal and specialty produce directly to the restaurants. Thus, America Fresh fills a niche market on both ends of the marketing cycle from producer to consumer.

For farmers, America Fresh offers economy of scale. Because these farmers are small scale, it would be prohibitive for them to go out individually and line up 20 restaurant accounts. But America Fresh can set up a list of customers, and aggregate the demand for the restaurants and the supply for the farmers. By using America Fresh, farmers are able to save transportation, labor and administrative costs. Similarly, restaurants benefit because chefs can count on regular deliveries of fresh, organic product, and can plan their menus around seasonal availability.

Although America Fresh is a relatively new business, it has generated much interest among small-scale farmers and specialty restaurants in the region.

E-commerce is a valuable communication tool

In general, all farmers confirmed the value of using the Web as a business tool for reaching out to new customers, maintaining a healthy visibility, offering flexibility to their customers, and streamlining their administrative processing. Despite these advantages, farmers acknowledged several challenges related to establishing a presence on the Web. The most common complaint was termed "the hassle factor." Essentially, this referred to the administrative attention that the Web requires and the extra costs it incurs.

HOW THEY GOT STARTED

What motivated these farmers to establish a presence on the Web and pursue developing the site as a tool for commerce? Typically, farmers complain about not having enough hours in the day to do their farming and are reluctant to take on another major task. For the most part, the farmers interviewed felt the "time had come." They reported an awareness of both the opportunities the Web offers as well as the inevitability of the Web as a "virtual" place to do business.

Two farmers had a Web site for several years before expanding it into a business site. Nigel Walker of Eatwell Farm, for example, first set up a Web page "in the dinosaur age of the Internet—1995." Starting this early kept costs down, since it was not as expensive at that time. Walker was initially given free access to the Internet through the Davis Community Network (DCN), a local nonprofit organization that offers technical support for communications systems. DCN offered a free course on Web design, from which Walker constructed the early site. Following that, he took a community college course to learn more about Web design and architecture. For design help, he enlisted a friend and offered a CSA basket in exchange for services. Later, Walker's brother helped out with design and programming. In all, set-up costs for Eatwell were low, with very little cash changing hands. Walker estimates that set-up cost about \$1000 maximum in trade.

Frog Hollow also had a Web site for several years before they added the commercial piece. For Al Courchesne, the costs were higher. He estimates close to \$8000 for set-up costs. Of the farms interviewed, this farm's site is the most complex, which no doubt accounts for higher costs. For example, in addition to sophisticated graphics and links to published articles, this site hosts a "shopping basket" for ordering Frog Hollow's value-added products such as jams, chutneys, and preserves. The "shopping cart" feature adds significantly to Web design and setup costs, and these features also add to upkeep costs. In addition, the ordering process is more complex on this site than on the other sites, which use email as the means of processing orders. The Frog Hollow site is modeled more closely after commercial Web enterprises.

Farmers from both Terra Firma and Anderson Almonds cited similar motivations for establishing a Web-based business. They reiterated that the time was right to use the Web as a tool and both developed their site for very little cost. As soon as Amazon.com started selling books on-line, Glenn Anderson realized that the Web would be ideal for him because his almonds are a non-perishable product. With this idea in mind, he talked to many people and surfed the Web extensively to see what kinds of sites were out there, what he liked and didn't like, and how different sites worked. At the time, he wasn't ready to set it up, but a year or so later, his daughter was taking a class in Web design and needed a project for her class. She designed his site and he has taken it from there.

Like Anderson and Walker, Valerie Engelman of Terra Firma Farm constructed the Web site primarily on her own. It had become obvious that there was an on-line market, one that "cost very little to enter." She also recognized the tremendous communication potential of a Web presence. Engelman started by using Netscape and accessing its help files. With additional help from their local Internet provider technicians, she gradually built up a very successful Web site. Once again, costs were minimal, about \$200.00, which was a factor in the decision to take on the project.

For America Fresh, the motivation was different, but the process similar. America Fresh's owners saw a Web presence as a vital part of the business from the beginning. It was seen as a tool for marketing their business, facilitating transactions and maintaining communication with customers. Brian Gardiner started by sending letters to all California Certified Organic Farmers (CCOF) in Santa Cruz, Monterey and San Benito counties, and then following up with personal visits to their farms. The visits established a solid relationship with his customers and encouraged growth through word-of-mouth. Costs of developing the Web site have been low so far, says Barbara Meister, business partner. They are keeping it a low-budget effort by making use of Gardiner's neighbor, who is a Web designer, and drawing on tools from various Web companies. Despite this seemingly low-tech approach, the site itself hosts high quality photographs and graphics, extensive information about the business and farmers, and many links to related sites.

ONCE IT WAS UP AND RUNNING...

In the beginning, farmers saw the Web as another way to expand their business. However, once they established their Web sites, they realized that the business advantages, ("money-making opportunities") were not the main assets of e-commerce. In fact, all acknowledged that if it were possible to separate the Web business out from the rest of the business operation, it did not pay for itself, at least not yet. Nevertheless, they saw the advantages of a Web presence far outweighing the disadvantages. The positive reasons offered for developing a business extension on the Web were numerous, with communication and customer connection at the top of the list.

THE WEB COMMUNICATES A VISIBLE IDENTITY

A recurring theme in the interviews was that the Web holds tremendous communication potential. First the Internet allows small farmers to communicate with customers on an equal footing with large corporations. People can access a site just as easily whether the business behind it has poured thousands of dollars into its design, or only a few hundred. In fact, it is arguable that a Web presence, if the site is well-constructed, gives small business enterprise a competitive advantage.

Most family farm sites combine business information with a personal component that is highly appealing to customers or people surfing the Web. For example, Walker's Eatwell Farm site shows engaging pictures of his twin boys; Frog Hollow's site features the farm's personnel as well as Courchesne's own strawbale house; the Terra Firma site has established an amusing mascot that serves as a theme for its CSA advertising. Anderson Almonds presents an entire "picture gallery," with photos of the farm, the animals, cover crops, and various stages of almond bloom. This fosters the personal communication that begins to take place when a customer accesses a small farm site. Because of the personal nature of the site, the customers engage in more personal dialogue, either by email or by phone, and in this way develop a personal connection to the farmer and the business, typically becoming repeat customers.

The way to build a business is to "be out there in the community," says Courchesne. The Web "gives that all important name recognition," he says. "It's a way people can know about the business." Frog Hollow has been featured in national magazines and newspapers, and Courchesne sees the Web as a convenient way for readers to learn more about the farm and the produce. Like advertising, but much more extensive, the Web offers farmers the ability to display their products and at the same time educate their potential customers about how their produce is grown.

Glenn Anderson, who does a large percentage of his business in overseas sales, sees this advantage. He has 24-hour presence anywhere in the world. He has designed his site so that browsers can access it through several related key words such as "almond," "organic," "agriculture," "biodiversity." This way, browsers do not need specific information to reach his site.

The range of information farmers can offer through the Web is enormous. They can give important information about their farms and growing practices—especially crucial for organic and specialty farmers—about the availability of certain crops, about seasonality and weather conditions affecting crops, about varieties and uses of certain crops. They can offer recipes and information about markets and restaurants that feature their products. They can give links to other sites or articles that expand information and philosophies about sustainable farming practices.

All of this information is offered on the America Fresh Web site, making it much more than just a site for a business transaction, though it serves that function as well. The site also promotes itself as an integral part of the growing network of people who care about organics, family farms and sustainable agriculture.

THE WEB FORGES CONNECTIONS WITH CUSTOMERS

These avenues of communication all point to the greatest advantage farmers cited: connection with customers. "People are hungry to build community, and the Web is a way of fostering that," says Walker. A Web site that has photographs of the farm, family and workers, products, celebrations that take place at the farm—all these draw people in and make them want to visit. They can check schedules to see when to visit for tours or activities. If they don't live within driving distance, they can pick up the phone and call to extend the contact.

Courchesne finds that people still prefer to place orders by phone and use the Web as a starting point, even when the on-line ordering process is easy. People simply like to talk to people, he says. And these conversations, though time consuming and not particularly cost effective, are enjoyable for both parties. Courchesne reports, "Timewise, the Web is not too effective. But it's nice to talk to people. How did they find out about us and what are they doing in their lives? And with the Web, you get people calling from all over, from the South, from New York, all over. So you get a good sense of what is going on in other parts of the country and what people's concerns are, what their lives are like. This balances out the inefficiency factor."

For many, the Web is a "virtual" extension of word of mouth. Walker tells of responding to a customer in San Francisco who ordered lavender for his mother for Mother's Day. The mother lives in New York. Thrilled with the surprise and the unusual gift, she told several of her friends about it. One of them then went on-line and filled out an order to send lavender to her friend who lives in Florida. This kind of ripple effect is a common feature of Web business, and the 24-hour presence means that anyone can visit the site for information at any time.

Since America Fresh offers a service, it features both farmer and restaurant customers on its Web site. Chefs and restaurateurs can go to the site to learn more about the farms and farmers whose produce they use. For example, New Natives Farm specializes in organic sprouts; Live Earth Farm grows organic fruits and vegetables; and AMO Organics, which is a cooperative of farmworker families transitioning to becoming farm owners, grows over 30 varieties of cool-weather leafy greens plus Mexican specialty items such as purple tomatillos, nopales cactus, various peppers and red corn.

Restaurants that use the organic products from America Fresh farmers are also featured on the Web site, which includes excerpts from restaurant reviews about the unique qualities and specialties of each establishment. Restaurant locations range from the north Bay Area down to the Santa Cruz region, and site visitors are able to download directions. In addition, the Web site features information on organic farming, national organic standards, weather and crop conditions, and links to many organizations related

to organic farming and sustainable agriculture, including non-profit organizations, university research programs and government organizations.

THE WEB SITE IS AN INTEGRAL PART OF THE WHOLE BUSINESS

All interviewees acknowledged that the Web presence by itself is not enough. "You can't just put up a Web site and expect people to be there," says one farmer. The Web absolutely cannot be separated from other aspects of the business. When asked about the percentage of business their Web traffic accounted for, all except Anderson say it accounts for a very small percentage. Al Courchesne noted that "no way" has he met the costs of establishing his Web site yet. Similarly, Glenn Anderson says that the Web may not be "a marketing tool at all, but primarily an educational tool."

Nevertheless, all farmers emphasize that they do not evaluate the Web part of their business in discrete, separate monetary terms. The Web is evaluated in terms of how it serves to integrate with and support all other parts of the business. "The whole operation is a complementary thing. The farmers market visits, the Web, the "800" numbers, the post cards, the brochures, the business cards—they all reinforce each other," says Nigel Walker. For example, someone may see Eatwell's lavender at the farmers market and take an order form. From there, the customer can fax an order, phone in an order or order from the Web. In that case, where does the sale originate? The point is moot for these farmers. All forms of information and communication are interwoven and all support the whole business. The fact that the Web may represent only about five percent of the income for the business is not as low as the figure might imply. The Web is one more tool for expanding the accessibility of their business, and that accessibility counts for more than the literal income it represents.

Anderson cites another way the Web information supports the whole business. His almonds bring in a premium price and are priced noticeably higher than sellers of non-organic almonds. Since he deals with overseas customers, he feels it is important to be clear about pricing. With his prices right up on the site and in the public domain, Anderson can feel secure that he will not be accused of price fixing or inflation. If a customer does not want to pay the higher price, he or she will be clear about the Anderson prices from the outset. At the same time, the customer can delve into the site and learn about the history of the organic farm and what exactly is involved with Anderson's growing practices. Thus, rather than only seeing the almonds as an end product, the buyer can truly see the whole product, from soil treatment to irrigation and water quality, to picking, handling and delivery.

Walker reports that Eatwell Farm recently conducted a customer survey through its Web site to try to discern the top 10 reasons people bought from them. Although "organic" was an important factor, they

were surprised to learn that the first reason that customers gave was that they wanted to support the farm for environmental reasons. The Web site freely offers Eatwell's philosophy, and customers subscribe to the farm's philosophy and practices as well as its food. "It was important to them that we farm this way. We offer them something very tangible: 70 acres of land in Yolo County that are not sprayed. It's valuable to people," says Walker.

THE WEB HAS ADMINISTRATIVE ADVANTAGES

All farmers in this case study as well as America Fresh emphasized that the Web has streamlined their business transactions. The ease with which they can perform transactions with customers and keep their records outweighs the costs. About 85 percent of Terra Firma's transactions are now done on-line. For others, it is over 50 percent. The majority of Glenn Anderson's customers are overseas, and now most of those transactions are carried out electronically. As a result, he has considerably reduced his monthly telephone bill from above \$200 per month to a normal, non-business user's rate. The other farmers do a significant portion of their business with Bay Area customers and mentioned in particular that the Web and email are easy and convenient ways to transact business and keep in touch with requests from these customers.

Most sites are set up with easy links to an email address through which customers can place an order. Anderson notes that it works something like a wholesale site. People order through the email system; Anderson ships their order to them and sends invoices to them. Eatwell and Terra Firma work similarly, though their operations are more complex because they are establishing and maintaining ongoing CSA boxes for customers. They must arrange a complex set of details including weekly composition of their CSA boxes, pick-up venues, and deliveries. Valerie Engelman at Terra Firma mentioned that email and the Web have been extremely convenient tools for streamlining this process. Customers typically have many basic questions about CSAs and how they work. Now that this information is on-line, Engelman has to spend less time answering the same questions over and over again. "Let's just say it's a non-intrusive way people can find out about the farm if they don't want to make a 'cold call' to find out," she says.

America Fresh is excited about the Web's potential to save time. The partners plan to use it to do all kinds of accounting and record keeping. Barbara Meister emphasizes that "this will not replace human contact. We can concentrate our human contact more on relationship building rather than on the more mundane tasks of placing orders and bookkeeping." The Web will help them get orders filled in a timely and affordable way.

Costs of the Web

Overall, the farmers feel that Web advantages far outweigh costs, although predictably they bring costs. For example, Frog Hollow's Al Courchesne notes the "hassle factor." With a shopping cart on his site and a special order page, this site requires more administrative attention than the others. Even the less complex sites require constant attention, and the more pieces to the business, the more attention the site requires.

The most significant cost associated with the Web is employee costs. Frog Hollow Farm has to have a full-time employee to manage the Web site and orders coming from it. Eatwell Farm also hires a full time employee and an additional half-time employee during the summer months for billing, ordering and bookkeeping. These employees perform other duties as well, but there is definitely a greater need for personnel with the Web/email ordering system.

When a farmer talks costs, he or she typically talks about the whole business, not just one piece of it. Actual costs for renting or "hosting" a Web site are relatively low. One estimate was about \$700 per year for Web hosting and about \$100 per month for maintenance. In some cases, maintenance is traded for produce. Some other costs of doing business through the Web include setting up special bank accounts and accounting systems, setting up data bases to track the different kinds of sales for tax reporting, time for Web design and modifications, advertising costs, costs of computers and software, possible cost of a special computer for a server if a network is needed.

In addition there are ancillary business costs that farmers associate with Web transactions, even though these costs are not a direct result of the Web site itself. Some of these are shipping, packaging and labeling, delivery, upkeep for vehicles, UPS accounts, and office supplies. In addition, Frog Hollow has significant capital outlays for a professional kitchen to produce jams and chutneys as well as for a storage facility on its property.

Because the Web is now such an integral part of the whole business, no one interviewed suggests eliminating the Web site in order to save costs. Indeed, even though several mention that the Web does not yet pay for itself, they still consider it an essential component of their business.

Challenges to using the Web

Despite the very real value as a communication tool and as a way to expand the rest of their business, those interviewed note some downsides to having a Web site. For one thing, it is not always the most

efficient way to communicate with customers. Courchesne mentioned that he can easily spend 20 minutes on the phone for one \$30 sale. Compared to the farmers market, this is not a cost-effective way to do business. Still, he acknowledges that it is fun and valuable to talk to customers.

The safety and reliability of the Web were also a concern initially. Two interviewees mentioned that they worried about conducting business transactions on the Web. They thought customers might default payments on them. However, they have not found this to be the case. Over the years, Anderson has lost less than \$500, and Valerie Engelman says Terra Firma Farm has had no problems whatsoever with collecting on invoices.

The administrative attention required by the Web site and the accompanying computer systems can become burdensome, especially to the farmer who wants to be out in the fields harvesting his or her bounty. Yet this is a part of the package.

The Web and the Farmers Market

For this study, we were interested in the ways farmers' e-commerce business was integrated with their farmers market business. Three farmers maintain a strong presence at farmers markets while one, Anderson, no longer sells at farmers markets. All three farmers market farmers acknowledged that the Web is directly connected to the rest of their business. For Walker at Eatwell, the Web is completely integrated, whereas for the other two, the Web is seen as an extension of their farmers market business.

Frog Hollow Farm's Courchesne was adamant that the farmers market is the foundation for all their business. Courchesne uses the market as the place where he can determine the best prices for his products and test them out. "It is the platform; it sets the stage for everything else we do," he says. After considering the role of the Web, he points out that the Web is an extension of the farmers market and the business as a whole. He considers the Web "weak as a marketing tool," but powerful as a business tool that expands the ways he conducts his business.

Representatives from Terra Firma emphasize that their CSA business was already well established before they went on-line. The connection between the two in terms of a marketing tool seems to be rather weak. Engelman says that occasionally people who are members of the CSA come to the market to meet the farmers, but she cannot see another link. The Web, however, is an important extension of the CSA operation. The Web has become an indispensable tool for conducting their business and since a large part of it emanates from farmers market customers, the Web site is important.

Walker says that in his case, the on-line business and the farmers market business are "completely integrated. You can't separate the two. We can't even tell really which customers come from where." The market and the CSA business are still considered the foundations for the Web site, rather than the other way around, but he sees it all as one whole and integrated piece. Glenn Anderson echoes this idea even though he does not sell at markets. He suggests that if a farmer has a good farmers market presence, this will definitely help the Web business. At the same time, he notes that if a farmer develops an attractive Web site, this could enhance the farmers market business. Moreover, a good Web site will have links to the farmers markets that the farmer sells at, and this will help not only the business but farmers markets and direct marketing in general.

All the farmers America Fresh works with do their primary direct marketing at farmers markets according to Barbara Meister . She says that there is "real synergy" between the two channels. Chefs shop at the farmers market on Wednesdays. They know the farmers from the market and they trust them and their products. America Fresh allows the restaurants to order fresh on other days of the week.

America Fresh plans to take advantage of the opportunities the farmers market offers. Soon they will begin promoting restaurants that use organic products to farmers market customers. When a customer comes to the market stands, a brochure about the restaurants will show where these products are served or used. If customers like a certain kind of heirloom tomato, they will see which restaurants use it, and can choose those establishments when they dine out.

America Fresh sees this as an opportunity to promote dining choices while supporting family farmers. Some of the restaurants promote the farms either on their menus or in other information. From the growers perspective, this is another channel for marketing.

Conclusion

The farmers interviewed for this case study were very positive about the value of the Web as a business tool to augment their whole business. But they offer some cautionary words. If a farmer decides to develop a Web site to further business transactions, he or she should not expect to make huge profits from it. Glenn Anderson says, "Be completely realistic about expectations...Web presence fits into a larger context than just selling a product. No one should suggest that this is a new modern solution that will solve all economic problems. Think of it as a broader, more educational and networking tool."

This sentiment is generally echoed by all the interviewees. None of the farmers indicated that the Web on

its own had made a significant difference in their profit margin. Nevertheless, they fully recognize its value for:

- the visibility it offers the company. Information is available on the Web 24 hours a day all across the globe.
- the flexibility it offers. It allows them to conduct their business easily and process orders efficiently.
- the potential it holds for networking and communication. Farmers and customers can communicate in myriad ways.

Finally, in this day of electronic communication, the Web truly creates and reinforces a "Web" of connections much vaster and more global than was available in the past. The true value of the Web lies in this network of interwoven connections and in the potential for strengthening the links between farmer and consumer.

¹This case study is part of a tri-state research project on Retail Farmers Markets and Rural Development funded by the USDA.

² USDA, A Time to Act: A Report of the USDA National Commission on Small Farms, MP-1545, January 1998.

³ Jolly, Desmond, Marketing Patterns and Practices of Small-Scale Fresh Produce Operations in California: Implications for Technical Assistance and Marketing Education, USDA Agricultural Marketing Service (#12-25-A-3711), April 2000.

Resources

Farm Web sites

America Fresh Web site: www.americafresh.com

Phone: 1-408-353-6380 or 1-866-AF-FRESH

Email contact: brian@americafresh.com

Anderson Almonds Web site: www.andersonalmonds.com

Phone: (209) 667-7494

Email contact: glenn@andersonalmonds.com

Eatwell Farm Web site www.eatwell.com and www.lavenderfarm.com

Phone: 800-648-9894

Email contact: organic@eatwell.com

Frog Hollow Farm Web site: www.froghollow.com

Phone: 888-779-4511

Email contact: peaches@froghollow.com

Terra Firma Farm Web site: www.terrafirma.com

Phone: (530) 756-2800

Additional resources

Bamka, William J. Using the Internet as a Farm-Marketing Tool. *Journal of Extension*, April 2000, Vol. 38 No. 2.

Contact information: www.joe.org

Email contact: Bamka@aesop.rutgers.edu

Klotz, Jennifer-Claire. How to Direct Market Farm Products on the Internet. Wholesale and Alternative Markets Program, USDA. February 2000.

Contact information: Email: claire.klotz@usda.gov

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