

Organic Local: Company helps N.C. farmers sell their produce



Sandi Kronick (center) and Todd Dumke of Eastern Carolina Organics examine green bell peppers grown at Black River Organic Farm, owned by Danielle Ackley (left) and her husband, Noel Mooney (not pictured).

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Interest in local food is greater than ever, partly because of recent contamination of foods. But for people not able to visit farms or farmers markets, Eastern Carolina Organics helps make the connection from the farm to the table.

"The purpose of the company is to keep North Carolina farms viable by meeting the huge demand for local, organic produce," said Sandi Kronick, a co-owner and the marketing manager for Eastern Carolina Organics, based in Pittsboro.

By acting as a distributor and marketer for about 40 farms across the state, the company also gives consumers greater access to local organic food, by selling to restaurants, markets and wholesalers.

The company is a limited partnership. Kronick and Todd Dumke, the operations manager, share ownership with 17 of the farms that grow produce for the company.

Eastern Carolina Organics, also known as ECO, is similar to a co-op. But it is set up to give farmers flexibility in finding outlets.

"Our farmers have the option to sell directly to any of our customers," Kronick said. "Anyone with any business acumen would say, 'Hey, that makes them your competition.' But my answer is we do everything different from regular businesses. We're here to be a support system for sustainable farmers."

Kronick said that many farmers want to concentrate on farming and have no interest in negotiating with restaurants and markets. ECO handles the business end for them, finding buyers and delivering the produce. "We have absolute faith that there's enough demand between the farmers who don't want to do any of their own marketing, and restaurants who don't want to call 10 different farmers for 10 different items."

The marketing part of that attracted Tyler Faucette, who runs a farm with his father, Mike, in Guilford County. "They move it for you. That takes the work out of it for you," Faucette said.

Quaintance-Weaver Restaurants & Hotels likes working with ECO for similar reasons. Quaintance-Weaver, which owns Lucky 32, the Green Valley Grill and Print Works Bistro in Greensboro and a second Lucky 32 in Cary, is committed to local food. It tried dealing with farmers directly a few years ago. It even had an employee drive from farm to farm to collect local produce and distribute it to the company's restaurants.

"ECO has so much more buying power. We didn't have enough buying power to say to the farmer, 'We're sure we can use 400 pounds of X in July,' for two reasons," said Dennis Quaintance, the president of the company. "One, we weren't as organized as they were. Second, we didn't have the flexibility. If we needed 300, they might have only 180 one week, and we'd be upset. The next week, they might have 400, and they'd be upset that we only needed 300. "

ECO is set up so that 80 percent of the revenue goes to the farmers, and the other 20 percent is used to cover rent, transportation, salaries and other expenses.

Kronick said that giving such a large share of its revenue to the growers makes it different from other distributors and wholesalers, as does the fact that some of the growers are part owners of the business. In addition, the produce is actually offered to customers before the farmers harvest it to make sure it is as fresh as possible.

Kronick said that the revenue split makes it tricky to be profitable, but ECO has survived five years. This year, it even had enough money to expand, building a new walk-in cooler that will approximately triple its refrigerated storage space.

ECO got off to a good start. It was formed with a \$48,000 grant from the **Tobacco Trust Fund Commission** to help tobacco farmers diversify.

At the time, Kronick was working for the Carolina Farm Stewardship Association, which supports farmers. She saw a need to help them market and distribute produce. "Some of the grant application was to establish a long-term, for-profit, self-sustaining, grower-owned entity," she said. "A lot of people are putting together programs to help farmers, then a year or two goes by and the money dries up."

Todd Dumke was one of ECO's first customers when Kronick drove the truck to make deliveries. "It's a funny story," Dumke said. "I was a chef at Carolina Inn (in Chapel Hill), and I was buying strawberries. I looked at her and said, 'Are you all alone? Do you need help?'"

ECO got 13 farmers to become owners that first year. Eventually, they added four more. At some point, all the owners agreed to pitch in \$1,000 to help keep the business solid financially.

Now ECO does business directly with 18 grocery stores, almost 50 restaurants, 10 corporate cafeterias (including the UNC hospital in Chapel Hill), and 10 distributors.

Its largest customers include Whole Foods Market; the Weaver Street Markets in Cary, Hillsborough and Chapel Hill; and the Quaintance-Weaver restaurant group. It also sells a lot to distributors outside the state.

One North Carolina distributor is W.R. Vernon Produce Co. in Winston-Salem, which has been buying ECO's blueberries to supply to The Fresh Market.

Jim Whitler, a buyer for Vernon, said that consistency and quality can be an issue with organic food, if only because some of it doesn't look as pretty. But, he said, "We support ECO because it's local and it's a dependable product. And as far as I know, they do have a bigger collection of organic growers than anyone else in the area."

ECO has a complicated system that's designed to match what farmers grow with what customers want.

The harvest process starts in the fall or winter, with ECO's production coordinator, Tony Kleese, talking with farmers about what to plant and how much to plant for the next year.

"Tony reviews the previous year, good and bad," Kronick said. "Then we set goals for the coming year, based on feedback, any new interest from customers. We might want more strawberries and less yellow squash."

After Faucette met with ECO's staff, he said, they told him exactly what they wanted him to plant: two acres of sweet potatoes, one of zucchini, one of cucumbers, one of pie pumpkins, one of spaghetti squash, 7/8 of an acre of sweet (bell) peppers and 1/8 of tomatillos.

ECO develops charts for farms and for each crop, as well as a master chart.

Estimates on what to plant are conservative, to get farmers to plant just a little less than ECO thinks it can sell. "A perfect match for us is selling out," Kronick said.

Kleese checks the crops' progress with all the farms every few weeks, updating the charts as he goes.

Each week, farmers will call in estimates of what and how much they will have to harvest the next week.

ECO will then send out order forms by e-mail or fax to customers based on those estimates.

As orders come in, ECO passes them along to farmers. Then farmers deliver just enough to cover the orders.

ECO's refrigerated truck delivers once or twice a week to the Triad and twice a week to the Triangle.

If farmers have more coming out of the fields than was initially ordered, ECO tries to get additional orders. "As owners, there's an onus on us to pick up the phone and sell more if we can," Dumke said. If ECO can't take it all, though, the farmer will sell the rest through another outlet.

"All the farmers pretty much have other places where they sell their products," Dumke said.

Charles Church of Watauga River Farms in Valle Crucis sells kohlrabi, onions, broccoli and cabbage to a variety of places. Some go to a co-op, some are sold right off the farm, and some are sold at three or four farmers markets.

But, Church said, "I can't sell it all up here. So (ECO) takes my overflow."

Just a few years ago, Church had to dump some produce that he couldn't sell. "Now a lot of my things are sold before I ever pick them. That's an ideal situation for a farmer," he said.

Alan Souther of Rocking S Farm in Alleghany County said he likes working with ECO because he can sell a large volume of produce at one time. "I can sell them bins (800 to 900 pounds each) of pumpkins instead of boxes (35 pounds each)," he said.

Kronick said that ECO's business model works because its system wastes little, and the company has diversified so it has different produce from different sources to sell to different types of customers at different times of the year.

Organic food is still a niche product, but ECO's business is growing. It had revenue of \$900,000 last year, up from \$760,000 in 2006 despite last year's drought. Kronick expects revenue to hit \$1.25 million this year.

With 80 percent of that going to farmers, Kronick hopes that ECO is fulfilling its mission to sustain North Carolina farms.

"Sustainability is not just environmental, which everyone thinks of," Kronick said. "It has three components: environmental, financial and social.

"Economically, we need thriving local communities to help breed more opportunities for people. Financial sustainability is knowing that the garlic you're growing actually has a market.

"Socially, it's farmers knowing they are sustaining their family farms for the next generation. For the consumer, it's knowing they have choices and the opportunity to support a local food system.

"We started ECO to see if people were going to put their money where their mouth is. Everywhere you go, people say they like the idea of organic local farms. It was about restaurants and grocery stores saying there wasn't enough consistency in local organic food. Are they going to anecdotally support us or place orders from us every week? Are they going to order \$100 of produce or \$1,000 of produce?"

It seems to be working.

As Kronick said, "We do run our truck three or more times a week, 52 weeks a year, and it's full most of the time -- sometimes needing to come back to reload at the warehouse before completing all deliveries."