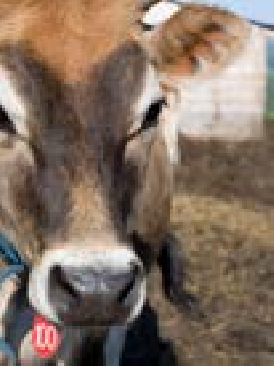
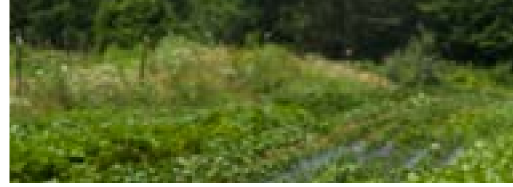


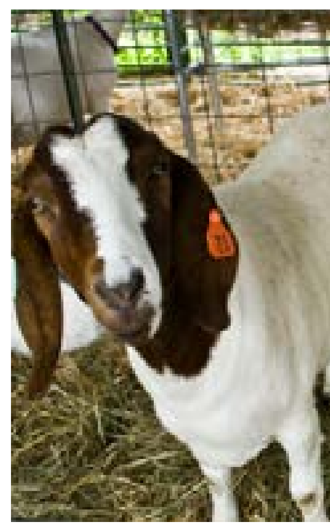



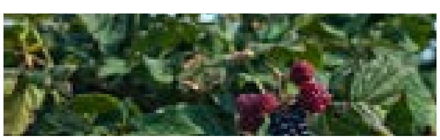

Central Peninsula Agricultural Market Analysis

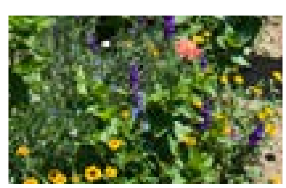
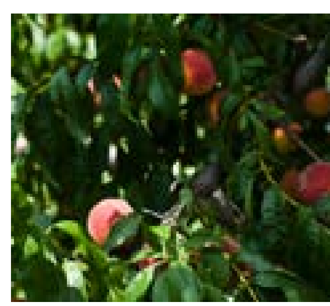
Authored by Melissa Heuer
SPORK Consulting | April, 2017

KENAI SOIL & WATER CONSERVATION DISTRICT








Central Peninsula Agricultural Market Analysis:

Authored by Melissa Heuer
SPORK Consulting

Contents

Executive Summary

Now is the ideal time for local food expansion in the Central Peninsula. Businesses and organizations are interested in buying more local food; growers are interested in expanding their production and there are few barriers limiting this increased growth. Currently local Central Peninsula produce is only filling a sliver of the potential market. With demand from buyers high and the potential scalability of local farms, mutually beneficial opportunities exist.

According to the American Independent Business Alliance, every dollar spent on locally grown produce generates $1.48 of economic impact, compared to the $1.14 that is generated from products grown outside of the area.[1] An increase in local purchases can result in substantial economic growth for the Central Peninsula. Kenai Peninsula residents could generate an additional $1.1 million[2] in the local economy by purchasing 10% of their produce from local growers. Additionally, if the 126 Central Peninsula small businesses that were identified as produce purchasers buy 15% of their produce locally, an additional $165,000[3] economic impact is generated. While there is currently not enough supply from the Central Peninsula, larger grocery chains on the Central Peninsula could generate an additional $340,000[4] in Alaska's economy by purchasing 5% of their produce from Alaskan farmers. When it comes to local produce in the Central Peninsula, small increases allow for sustained growth and financial benefit to the local economy.

Farmer Interest

In 2016, farm production increased from the prior year for 70% of participating farmers through a variety of improvements, including the total area farmed, new products being grown, and infrastructure changes to allow for a longer season through the addition of high tunnels and heated facilities. There is potential for exponential agricultural growth in the Central Peninsula, with more than 95% of participants indicating the ability to scale up their production and over 80% intending to increase their production levels in 2017.

Buyer Interest

All participating Central Peninsula buyers want to buy more local produce. If quantities become available, more than three-quarters of buyers indicated they would source more than 50% of their produce locally in the future. The majority of buyers are willing to pay more for local produce and there are no pre-existing loyalty agreements that would prevent any of the organizations from working with any number of local producers.

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[1] American Independent Business Alliance, 2017. The Multiplier Effect of Local Independent Businesses. https://www.amiba.net/resources/multiplier-effect/

[2] Assumptions: Price per serving fruits and veggies $0.50 (USDA, 2010); 3 servings of fruits/veggies consumed for average Alaskan (State of Alaska DHSS, 2013); 58,506 Kenai Peninsula population (US Census, 2016)

[3] Based on annual average produce purchases of $25,800 per organization.

[4] Based on annual produce purchases of $2 million in the Central Peninsula

Promising Growth Potential

The Central Peninsula is prime for local food growth. Businesses and organizations are seeking more local foods and have the flexibility and capacity to increase their local food purchases. Larger grocery chains and institutions are interested in purchasing local foods, but because of the requirements, the most promising sales avenues for small-scale producers are restaurants, small grocery stores, and smaller institutions.

Potential Market

Smaller, local, non-chain restaurants and institutions are the largest consumers of Central Peninsula produce. This is likely because they can work with a smaller produce quantity; they are more amenable to working with the seasonality of Central Peninsula produce and often have a more direct link with Central Peninsula growers. As small-scale farmers expand, the survey indicates that smaller local businesses have fewer barriers to market entry and are more likely to support local producers than larger businesses.

Project History

In the fall of 2016, the Kenai Soil and Water Conservation District (SWCD) contracted SPORK Consulting to conduct a market analysis based on the methodology used in the *Interior Alaska 2014 Market Study,* by the Alaska Cooperative Development Program. While the 2014 study was focused on the interest in forming a cooperative enterprise, the study methodology informed the direction of this study. This project was made possible by a Rural Business Development Grant from USDA Rural Development and was coordinated with a market study steering committee to ensure the needs of both farmer and purchaser insight and interests. The committee members include: Heidi Chay from Kenai Soil and Water Conservation District; Abraham England from Abundant Blessings Farm; Louise Heite from Eagle Glade Farm; Ben Shaw from Garden of Spices; Amy Seitz with the Alaska Farm Bureau and Lancashire Farms; and Megan Schaafsma with Odie's Deli and Honeywheat Catering.

Photo Credit: Alaska Dispatch

Photo Credit: Travel Alaska

Background

In recent years, interest in and demand for local foods in Alaska has increased substantially. This trend has been spurred by consumers' desire for supporting local communities, diversifying our state economy, having more nutritious and flavorful dining options, and in response to recent concerns around the lack of independent food security in the State of Alaska. According to a July 2014 report by the Alaska Food Policy Council and Ken Meter with Crossroads Resource Center, of the $2 billion spent annually on food purchased in Alaska, 95% is spent on imported food.[5]

On the Kenai Peninsula, most of the current market farms grew out of the high tunnel boom that started in 2010. According to the most recent Census of Agriculture, the Kenai Peninsula outpaced the state as a whole in the rate of farm formation between 2007 and 2012.[6] In that period, the number of Kenai Peninsula farms selling food direct to consumers more than doubled (27 to 56). Total farms increased 30% (124 to 162) while average farm size, including pasture, woodland and other uses, decreased by 42% (309 acres to 180 acres). Growth in the local food sector has continued since 2012 as evidenced by increasing high tunnel numbers and numerous experimental efforts to develop the production and marketing infrastructure necessary to expand local food production. The typical new farm business is small in size (1-5 acres) and headed by a farmer with less than five years of experience on their current farm.

Kenai Soil and Water Conservation District

Area homesteaders founded the Kenai Soil and Water Conservation District soon after Alaska statehood in 1959. Originally known as the Kenai-Kasilof Soil Conservation District, the District is a locally controlled, state-authorized entity with responsibilities delegated by the Alaska Department of Natural Resources Commissioner under Alaska Statute 41.10. A five-member volunteer Board of Supervisors elected from among the District's cooperators oversees District staff and establishes goals and projects to meet cooperators' needs. District sources of funding include private, state and federal grants, donations and fees-for-services.

[5] Meter and Goldenberg, 2014. Building Food Security in Alaska. https://static1.squarespace.com/static/584221c6725e25d0d2a19363/t/58b47081e6f2e17fc47f4656/1488220290961/14-09-17_building-food-security-in-ak_exec-summary-recommendations.pdf

[6] USDA, 2012. Census of Agriculture, Area Profile, Kenai Peninsula Area Alaska. https://www.agcensus.usda.gov/Publications/2012/Online_Resources/County_Profiles/Alaska/cp02122.pdf

Incorporating lessons learned from the 1930's Dust Bowl disaster, the initial focus of the soil and water conservation districts in Alaska was to promote environmentally responsible methods of farming to prevent soil erosion. Today, Alaska's 12 districts carry out projects not only to promote sustainable agriculture and conserve farmland, but also to protect wetlands and watersheds, promote forest health, fight the spread of invasive plants, and engage youth in learning about resource conservation. The SWCD contracted SPORK Consulting to conduct this survey in aims of meeting their goals to strengthen the local food system.

Project Objectives

Photo Credit: Spenard Farmers Market

This market analysis aims to provide an improved understanding of both farmer and wholesale customer needs and identify the current state of relationships between buyers and local producers, as well as the potential for growth and improvement. The intent of this study is to facilitate informed decision-making by farmers regarding key areas such as crop choice, expansion, marketing options, value-added production, and input and machinery purchases. It will aid in the development of processing, storage, and transportation infrastructure and the business framework necessary to manage such enterprises.

The ultimate goal is to enable farmers to be more profitable and to provide significantly improved access to local produce to Kenai Peninsula consumers through the development of the Kenai Peninsula's agriculture production and consumption, with subsequent increases in food security and economic development. Through this study, producers will gain the knowledge they need to grow their businesses to meet local demand and increase their overall profits. The local community will have better access to local produce and will contribute financially to strengthening and maintaining local economies by spending resources on local businesses.

Study Methodology

The information in this study is derived from the best available information published by the United States Department of Agriculture, the United States Census, and the State of Alaska. Survey data was collected on a volunteer basis with producer and commercial buyers who expressed an interest and willingness to participate. The surveys were broadly distributed through community list-serves, Facebook advertising tools, postcard invites, and the Kenai and Soldotna Chamber of Commerce as well as direct phone calls. A potential bias may exist in this study because of the voluntary basis of participation. Buyers and producers who are interested in expanding and incorporating locally grown produce may be more likely to participate in this survey.

Local
The term “local” in this report refers to farms and organizations located within the Central Peninsula including the communities of Kenai, Nikiski, Soldotna, Sterling, Funny River, Kasilof, Clam Gulch and one producer from Anchor Point who sells most of his produce in the Central Peninsula. Although the Alaska Grown definition of local includes produce from throughout the state of Alaska, the focus of this study is the Central Peninsula.

Agricultural Scope
The aims of this study were solely focused on produce, which includes vegetables, fruits, and herbs. There are a number of farmers on the Central Peninsula growing flowers, shellfish, and livestock who were intentionally excluded from this study.

Producer Survey
This survey focused on produce farmers based within the Central Peninsula, with the exception of one producer in Anchor Point. Producer data was gathered over the phone and digitally collected using Survey Monkey during November and December, 2016. The Alaska Grown Online Source book lists over 62 farms in the Kenai Peninsula, however only 23 of these are vegetable producers within the study region.[7] Email invitations were sent to 44 known producers. 26 producers took the survey, and 23 producers completed the survey fully. See Appendix A for the Producer Survey template.

Buyer Survey
A buyer list was developed of businesses listed with the Kenai and Soldotna Chamber of Commerce, the Kenai Peninsula Tourism Marketing Council, and word-of-mouth. Buyer data was gathered over the phone and digitally collected using Survey Monkey in November and December, 2016. Postcard invitations were sent to 128 food purchasers including restaurants, seasonal lodges, bed and breakfasts, grocery retailers, distributors and institutions. 27 organizations participated in the study. See Appendix B for the Buyer Survey template.

Photo Credit: Melissa Heuer

[7] USDA, 2016. Alaska Department of Natural Resources, Division of Agriculture, Alaska Grown Source Book 2016-2017 Edition, Kenai Peninsula Alaska Farms, http://dnr.alaska.gov/ag/sourcebook/KNindex2016.html

Figure 1. Map of the Kenai Peninsula, Alaska

The Kenai Peninsula

The Central Peninsula is experiencing steady growth with an estimated population of 59,000.[8] Residents of the Central Peninsula access food from a diverse supply chain operating under challenging variables. According to the State of Alaska Department of Health and Social Services, 65% of all Alaskans participate in the harvesting of wild foods by gathering, hunting or fishing at least once per year.[9] Furthermore, 50% of the population purchases fresh produce from farmers' markets, farm stands, U-pick farms or Community Supported Agriculture (CSA), while 34% of the population eats produce from their own garden.

Table 1: Farmer Participant Distribution

Farm Location	# Interviewed
Anchor Point	1
Kasilof	4
Kenai	10
Soldotna	7
Sterling	4
Total Participants	26

Central Peninsula Producers

Twenty-six farmers from Kasilof, Kenai, Soldotna, Sterling, and Anchor Point participated in the study. While the Anchor Point participant was outside of the original study boundary, their results were included because of their almost exclusive sale and distribution in the Central Peninsula.

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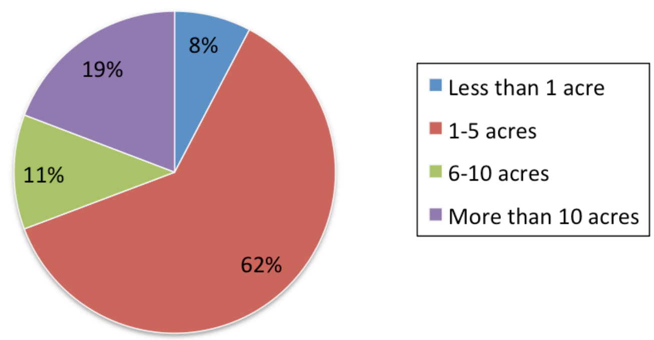
[8] United States Census Bureau, Quick Facts, Kenai Peninsula Borough, Alaska, https://www.census.gov/quickfacts/table/PST045215/02122

[9] DHSS, 2013. Alaska Department of Health and Social Services Obesity Prevention and Control Program, Alaska Obesity Facts: Local Foods, http://dhss.alaska.gov/dph/Chronic/Documents/Obesity/pubs/factsheet_LocalFoods.pdf

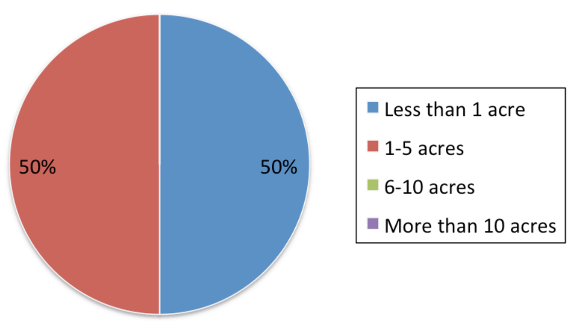
Figure 2. Size of Farm in Acres



Farm Size

Of the participating farms, approximately 70% had access to five acres or less of farmland.

Figure 3. Number of Acres in Production



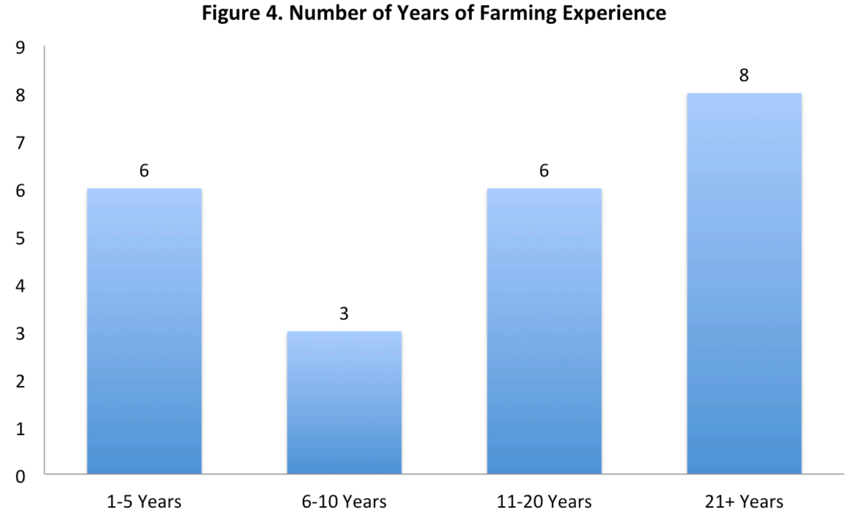
Acres of Production

All of the participating farmers are actively farming fewer than five acres while half of the participants were actively farming on less than 1 acre. This is significantly smaller than the national average of 434 acres[10] and highlights the importance for smaller, direct to market sales in the Central Peninsula region.

Central Peninsula Farmers

Generally, Central Peninsula farmers have experience farming, with more than 70% having been farming for six or more years and 60% having more than 11 years of farming experience.

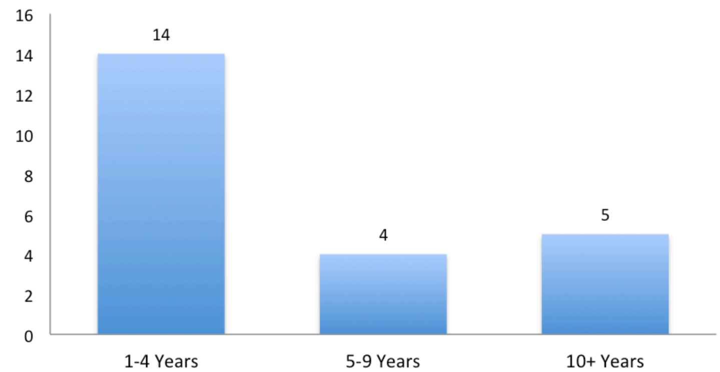
Figure 4. Number of Years of Farming Experience



[10] USDA, 2012. Average Size of Farms in Acres: 2012. https://www.agcensus.usda.gov/Publications/2012/Online_Resources/Ag_Atlas_Maps/Farms/Size/12-M003-RGBChor-largetext.pdf

In contrast, the number of years farmers have been working on their current farm is lower than their total farming experience. This highlights the expansion in number of farms in the Central Peninsula region.

Figure 5. Number of Years on Current Farm



The majority of farmers, 65%, have been farming on their farm for less than five years while 30% have been farming their current land for less than two years. Slightly over 20% of farmers have been farming their current land for ten years or more, with the remaining having 5-9 years of experience on their farms. More than half of current farmers are working another job outside of farming, with the expressed hope that many would be able to become full time farmers in the near future.

Sales Avenues

Business to Business

Overall, the majority (65%) of participants felt that supplying local food to local businesses was extremely important, while about a quarter of the participants were indiscriminant about where they sold their produce and did not feel it was important to sell their produce to local businesses. Just over 20% of local farmers are marketing their products outside of the Central Peninsula to other Alaska communities, including Seward and Anchorage.

Kenai Peninsula Food Hub

Fewer than a quarter of growers are selling through the Kenai Peninsula Food Hub, an online farmers market launched in early 2016. Only 17% of growers are choosing this route, and the reasons varied from a perceived lack of suppy and variety within their own production, a lack of knowledge that the food hub was an option, and a lack of need for additional sales avenues. Some participants indicated an intent to begin using the food hub in 2017, and those that were using it found it to be "a very convenient way to sell efficiently to indviduals." Generally, growers did not see this as a viable way to reach wholesale customers. Participants reported that they most commonly sold mushrooms, greens, herbs, garlic, peppers, cucumbers, green beans, and squash through the food hub.

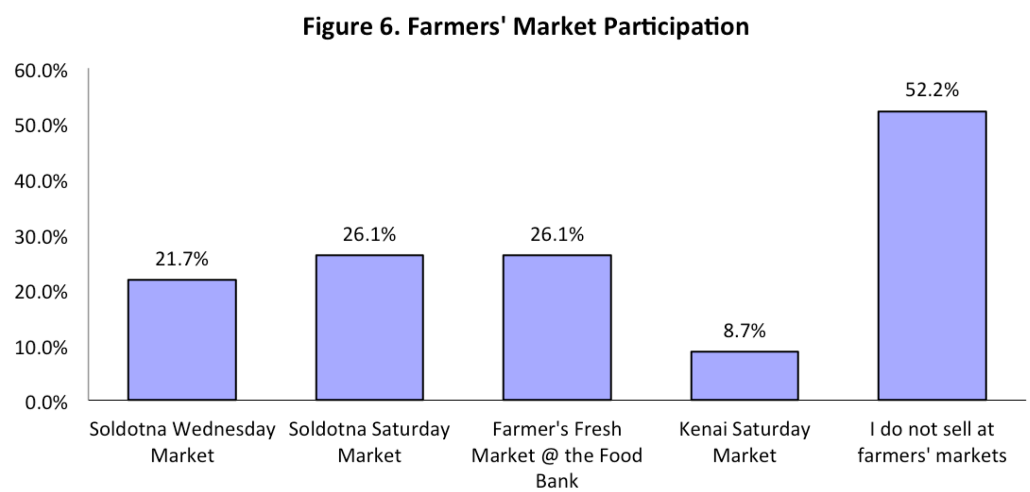
The Kenai Peninsula Food Hub reported $3,820 of produce sales in the Central Peninsula Region in 2016, with carrots, green cabbage, mixed greens, tomatoes and bunching onions amongst the highest sellers yielding the greatest revenue.[11] White onions, Yukon Gold potatoes, tomatoes, green cabbage, salad greens, cilantro, orange carrots, spicy salad mix, and arugula were identified in the top ten most popular items by volume. Every week, the hub sold out of carrots, broccoli, cucumbers, spinach, peppers, radishes and white turnips, and frequently ran out of sugar snap

[11] Kenai Peninsula Food Hub, 2016. Kenai Peninsula Food Hub: Pilot Project, One-Year Review Community Meeting.

peas, cherry tomatoes, white cauliflower, cilantro, celery, mushrooms, and salad greens. The Kenai Peninsula Food Hub continues to grow and can be a low barrier way to sell to consumers.

Farmers' Markets

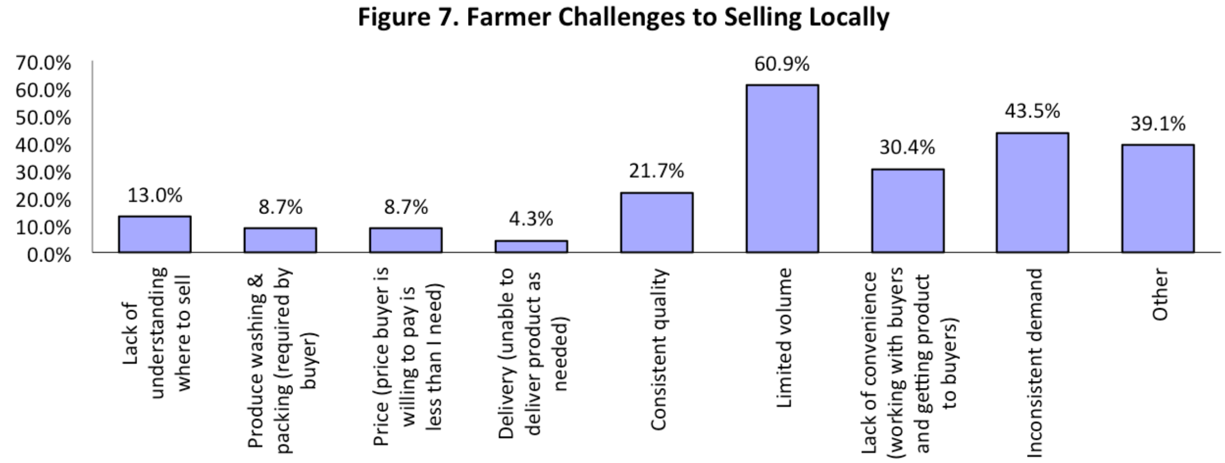
Slightly under half of all growers sell at one or more of the Central Peninsula farmers' markets with the Soldotna Saturday Market and the Farmer's Fresh Market being the most common markets and the Kenai Saturday Market being the least used market. Many of the participants indicated that they had sold at farmers' markets in past but were now selling directly from their farms or directly to businesses. One of the greatest reasons for not participating in farmers' markets is the time commitment, which detracts from working directly on the farm while sitting through intermittent crowds and experiencing variable sales.



Farmer Challenges

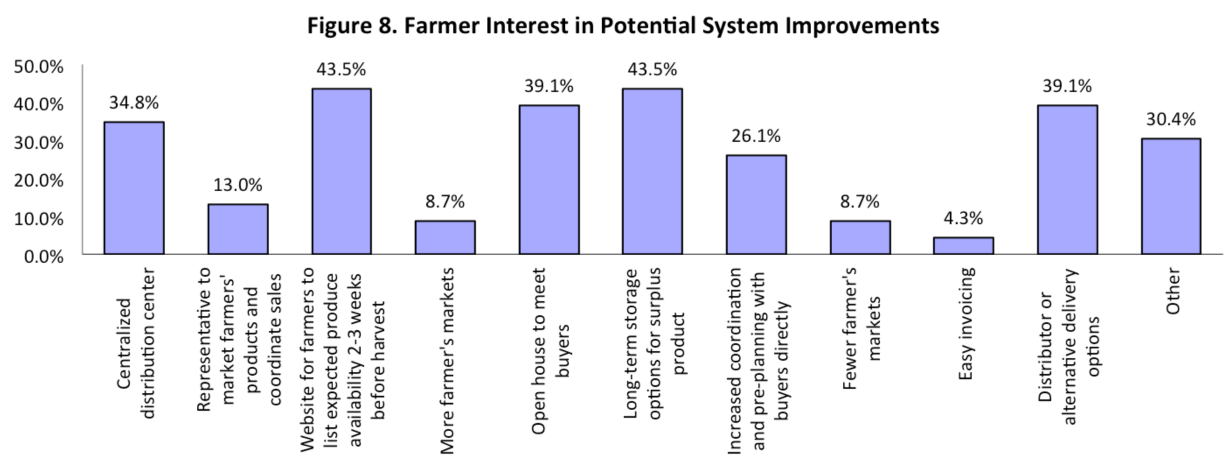
Photo Credit: Alaska Public Media

The Central Peninsula is comprised of small-scale farmers, many of whom work secondary non-farming jobs. While few farmers indicated a problem selling all of their produce, they indicated that lack of quantity, lack of demand, and working with buyers are their greatest challenges. Time management was a challenge for part time farmers (balancing demands of other employment with farming) and full time farmers (managing all aspects of planting, harvesting, selling, etc.). Lack of winter storage was an additional challenge. While many people did indicate that it was an inconvenience or a challenge to work with and get produce to buyers, only one farmer indicated that delivery was an issue. These results highlight the need for better communication between growers and purchasers and an opportunity to aid farmers and purchasers in identifying the markets and time lines for product demand.



Farmer Solutions

Farmers indicated a number of solutions that could help alleviate some of the challenges that accompany farming. Farmers focused on areas that help them identify and communicate with potential purchasers. Two of the most helpful tools were a website for farmers to post their expected harvest (see Appendix C for possible platforms) and continued open houses to connect farmers and buyers. Increased coordination and pre-planning with buyers directly were indicated as some of the most helpful tools.

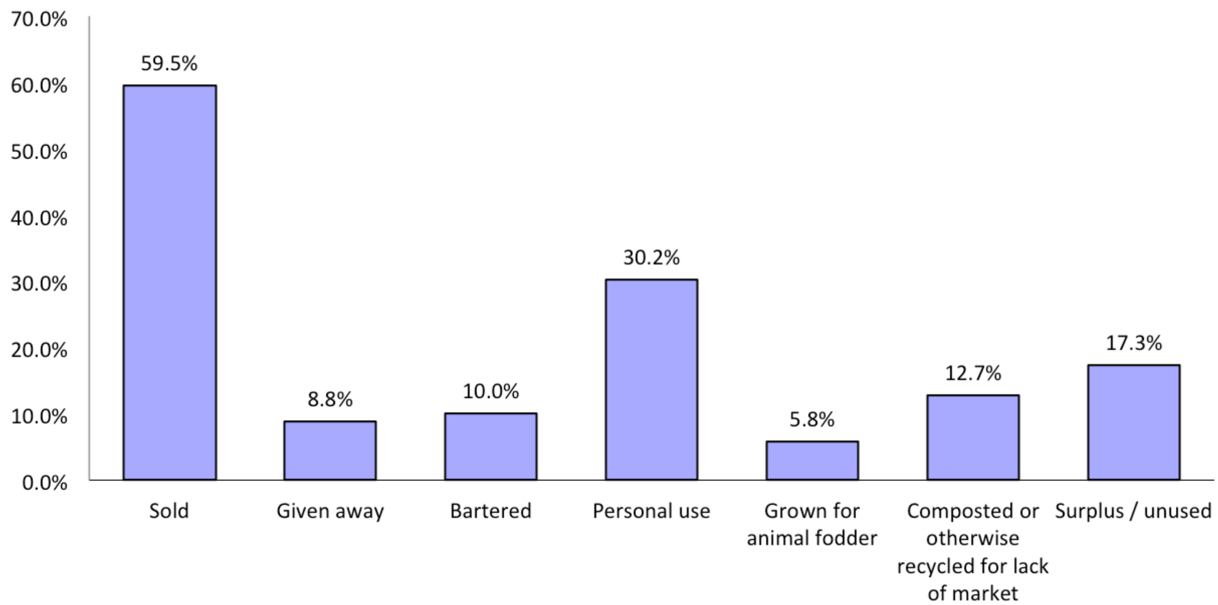


Farmers also indicated long-term storage options would allow them to produce and sell more in the winter. In addition to farmer delivery and a centralized distribution center, farmers indicated a need for a local distributor or alternative delivery option. During the survey period, a number of local residents and the Kenai Peninsula Food Hub discussed their mutual interest in starting a local distribution business in the Central Peninsula. Based on conversations and data from this survey, part of the distribution center need could be met by educating people about the existence, role, and availability of the Kenai Peninsula Food Hub.

What are Farmers Doing with Their Product?

Based on survey results, 60% of the total produce grown by surveyed farmers was sold. However, not all participating farmers were growing food for sale. Of the farmers that were trying to sell their food, 40% sold more than 90% of their crops while 20% of farmers kept 50% or more of their crops for personal use. Almost one-third of total produce grown was for personal use, animal fodder, or for bartering. With the exception of one farm who composted 80% of their crop, the majority of farmers had less than 10% waste and most indicated 0-5% surplus or unused crop.

Figure 9. Average Farmer Produce Usage



As these are small-scale farms, it seems reasonable that some of the produce would be grown for personal consumption. As these farms expand and their markets increase, we can expect to see the total percent of overall sales increase and personal use decrease as a percentage of the entire crop. While none of the farmers we surveyed are using a distributor, two of the farmers are growing for their personal restaurants with 100% of their food going directly to their business, but not necessarily being identified as "sold".

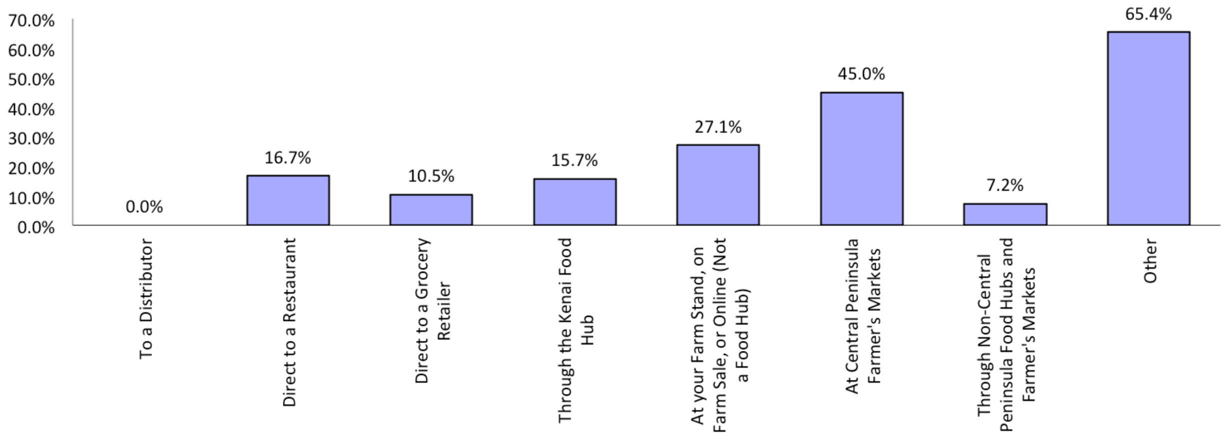
Crop Cycles and Planning

Farmers plan their crops up to 36 months in advance, though on average they plan about eight months in advance. Farmers purchase the majority of their seeds for the following season in the fall and spring with some hoop house and green house growers buying seeds and planting year round. Less than 15% of farmers take into account buyers' schedules when planning, noting that many of them grow what they think will sell and then find a market for it once it has been harvested. Many farmers indicated concern about growing for a specific buyer without non-reimbursable payment upfront in fear they may be left with a crop that the buyer has changed their mind about and that they can no longer sell. Buyers have been hesitant to pre-purchase a crop for fear that the product may not be the quality they need nor the quantity they are expecting.

Farmer Sales

Central Peninsula farmers' markets were the most common way that farmers sold their produce, followed by on-farm sales. While some farmers sold exclusively at markets or on their farms, most sold in a variety of places focusing their time on one avenue, but also have a secondary or tertiary option. Farmers who did not sell produce were placed in the "other" category as well as farmers who were growing explicitly for their own restaurants or businesses.

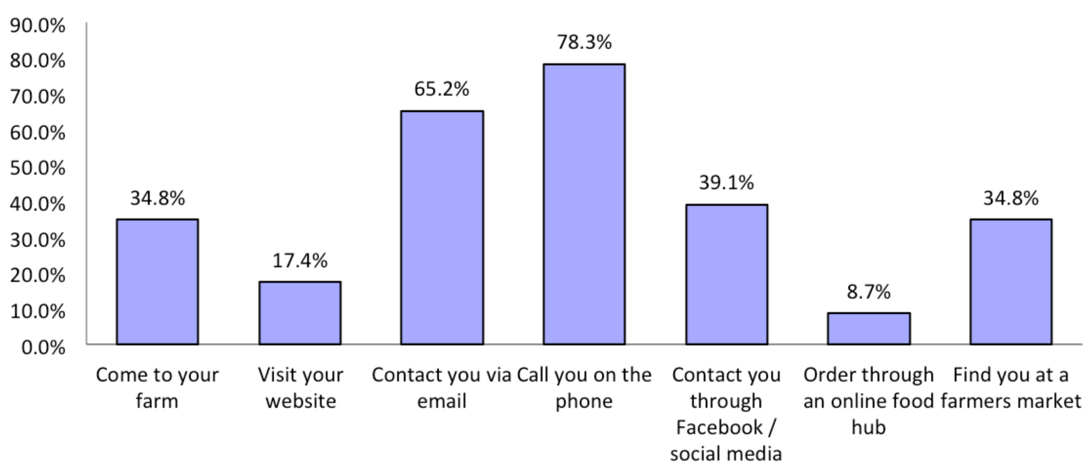
Figure 10. Produce Sales Channels



Connecting with a Farmer

The majority of farmers, 78%, preferred to be reached by phone, followed closely at 65% who preferred email. Contacting farmers through their Facebook sites, visiting them at the farm and speaking with them at farmers' markets were all acceptable ways to contact them as well. Farmers did indicate that they check email and Facebook less reliably outside of the growing season. Farmers showed a slight preference to be contacted in the fall to work out details for the following season, but generally they could be contacted any day of the week or time of the year.

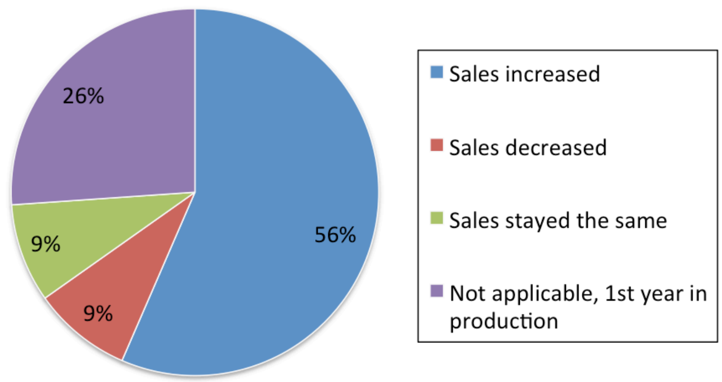
Figure 11. What is the best way for a local business to contact you?



Sales Growth and Potential

The Central Peninsula farmer population is growing, as is overall production. Sales from 2016 compared to 2015 increased for more than 50% of farmers, with some farmers indicating that their sales increase every year and others reporting that their sales double every year. Over 25% of farmers were farming for commercial use for the first time in 2016 and had nothing to compare sales to, while only 2 farmers saw an overall decrease in sales on the previous year.

Figure 12. 2016 Sales vs. 2015 Sales



In 2016, farm production increased for 70% of participating farmers through a variety of improvements, including the total area farmed, new products being grown, and infrastructure changes to allow for a longer season through the addition of high tunnels and heated facilities. There is potential for exponential agricultural growth in the Central Peninsula, with more than 95% of participants indicating the ability to scale up their production and over 80% intending to increase their production levels in 2017.

More than 65% of farmers are planning to expand their production area by opening up new land to farming during the 2017 season. Farmers are also expecting to extend their growing seasons by adding additional high tunnels and introducing new crops. Some farmers are focusing on “planting more wisely” by focusing on quality over quantity while more than 25% will be focused on more intensive growing techniques to increase their overall yields. More than half of the growers indicated that they would like to see their overall production increase by 50% or more of their current production levels over the next five years.

Figure 13. Five Year Expected Production Growth

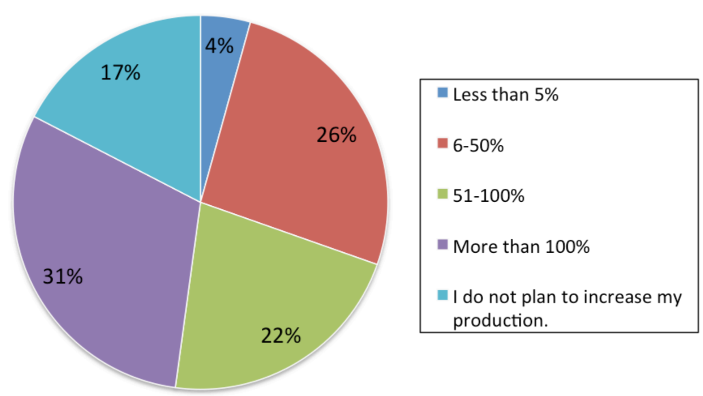
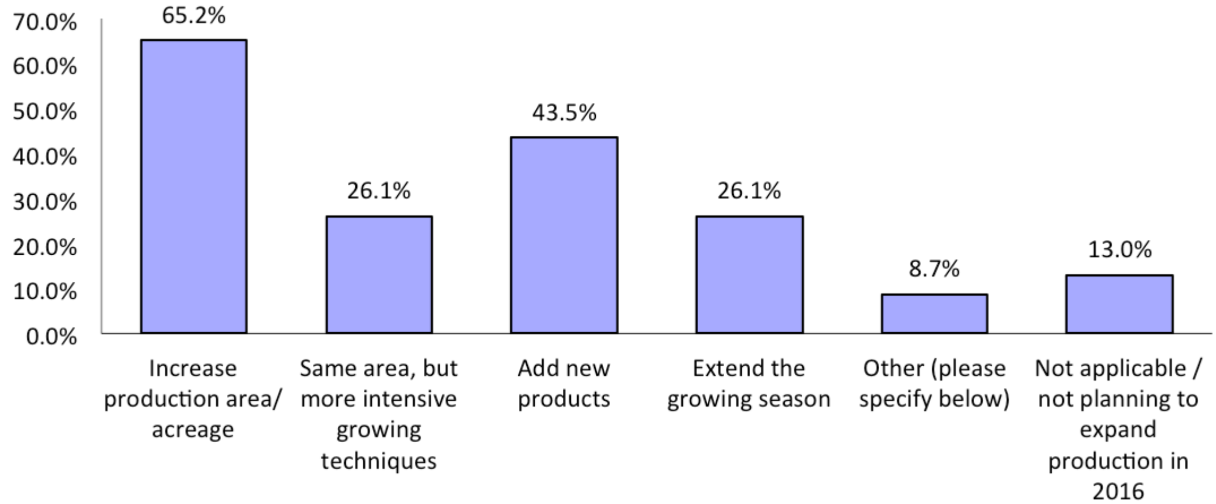


Figure 14. Expected Increase in Production in 2017



Product Growth

Central Peninsula growers are producing a wide range of products. With the addition of high tunnels and heated green houses, the variety of produce goes far beyond the traditional limitations of Alaskan agriculture. When farmers were asked what the top five, high-volume items they were most interested in selling, the response was quite varied. Tomatoes, fruit, strawberries, cucumbers, and beets rated the most highly. The growers' preferences for low-quantity, specialty crop items are also highly diverse, with farmers most interested in growing herbs, fruits, garlic, onions, and brussel sprouts. There is also some interest from farmers in expanding to other locally grown and value-added products outside of produce.

Photo Credit: Redoubt Reporter

Table 2: Buyer Participant Distribution

Business Location	# Interviewed
Bed and Breakfast	2
Catering Company	1
Grocery Retailer; Independent	1
Grocery Retailer; Chain	1
Institution; Rehabilitation Center	2
Institution; Senior Center	3
Institution; Other	2
Lodge	3
Restaurant; Casual Dining	2
Restaurant; Cafe	1
Restaurant; Fine Dining	3
Restaurant; Food Truck	2
Restaurant; Seasonal	2
Other	2

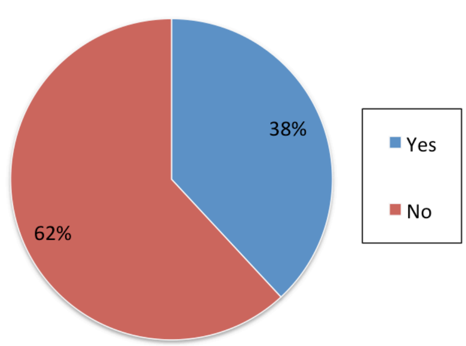
Central Peninsula Buyers

Twenty-seven local buyers and five chain retailers and distributors from the Central Peninsula participated in this survey. The organizations who responded are based in Soldotna, Kenai, Cooper Landing, Sterling, Kasilof, Homer, and Ninilchik and represented a number of regional produce purchasers.

Over 70% of the businesses that participated have been in business for five or more years, while fewer than 10% had been in business for less than two years. However, the majority of representatives that answered the survey had been making purchasing decisions for their organization for five years or less.

Local Purchasing

Figure 15. Does your business currently buy produce from Central Peninsula Growers? (Not including food hubs or farmers' markets.)

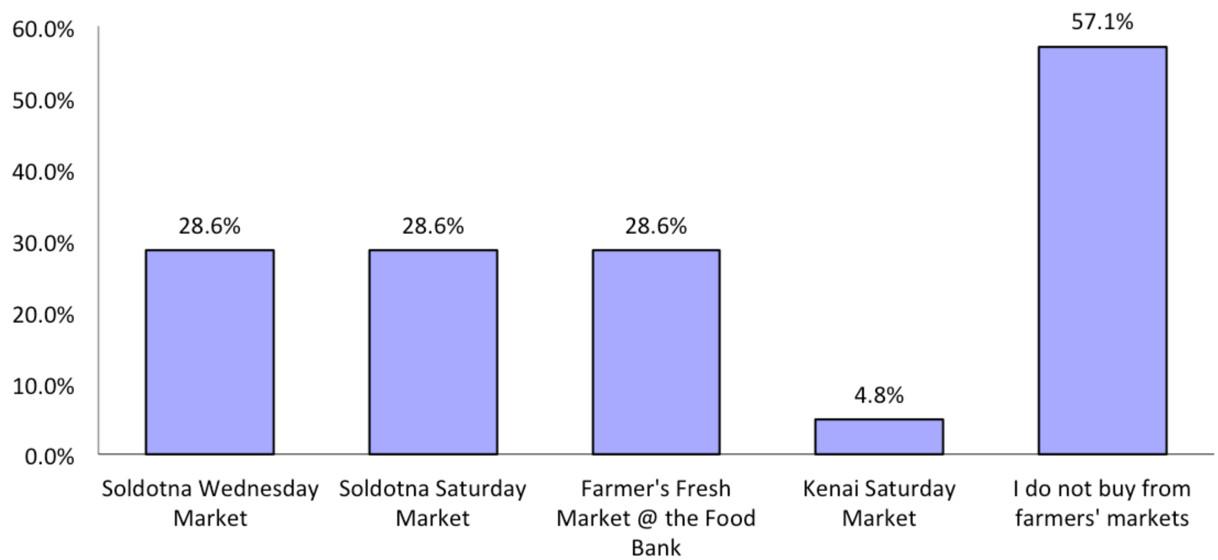


Slightly more than one-third of organizations stated that they purchased from Central Peninsula growers, however, many indicated that they bought from local chain grocery stores and distributors. These local chain outlets do not carry Central Peninsula produce. The amount of local produce bought is likely overestimated by purchasers who are buying produce with the Alaskan Grown label assuming that the produce is coming from their surrounding communities.

Source of Local Food Purchases

Very few businesses are purchasing from the Kenai Peninsula Food Hub, while slightly more than 40% are buying from local farmers' markets. The most popular markets for produce buyers are the Soldotna Wednesday and Saturday market and the Farmer's Fresh Market at the Food Bank, which is similar to usage reported by producers. Except for one organization, neither farmers nor purchasers indicated using the Kenai Saturday Market on a regular basis. With the exception of fresh greens, businesses are purchasing produce at markets based on what is available and looks fresh, rather than going to the market with specific needs in mind.

Figure 16. Buyer Farmers' Market Participation



At most, 30% of Central Peninsula businesses receive local produce from distributors or large grocery retailers, and that estimate may be high. As with purchasing local food directly, many businesses may be assuming that the "Alaskan Grown" label translates to "grown in the Central Peninsula" rather than in other parts of Alaska and are likely overestimating their purchases. It is likely more accurate that approximately 30% of businesses are receiving Alaskan Grown produce from their distributors.

Photo Credit: The Alaska State Fair

Local Businesses

In 2016, excluding large grocery chains and distributors, Central Peninsula businesses participating in this survey spent a total of $464,000 on produce, with an average of $25,800 a year per business. This figure fluctuates depending on the business size, with smaller businesses spending less than $1,000 a year and many of the larger businesses spending more than $100,000 a year.

Photo Credit: Redoubt Reporter

The majority of this produce is imported to Alaska. Most Central Peninsula businesses are using between 5-15% Alaskan Grown produce, which is substantially higher than the state average. This result could be due to the business demographic that participated in this survey or it could be due to a higher rate of local food consumption on the Central Peninsula.

Approximately 3% of all produce comes from Central Peninsula growers. These growers supply a large quantity to a small group of restaurants and businesses. Overall, smaller, local, non-chain restaurants and institutions are using more Central Peninsula produce. This is likely because they can work with a smaller produce quantity; they are more amenable to working with the seasonality of Central Peninsula produce and often have a more direct link with Central Peninsula growers. As small-scale farmers grow and expand, the survey indicates that smaller, local businesses have fewer barriers to entry, and are more likely to support local producers than larger businesses.

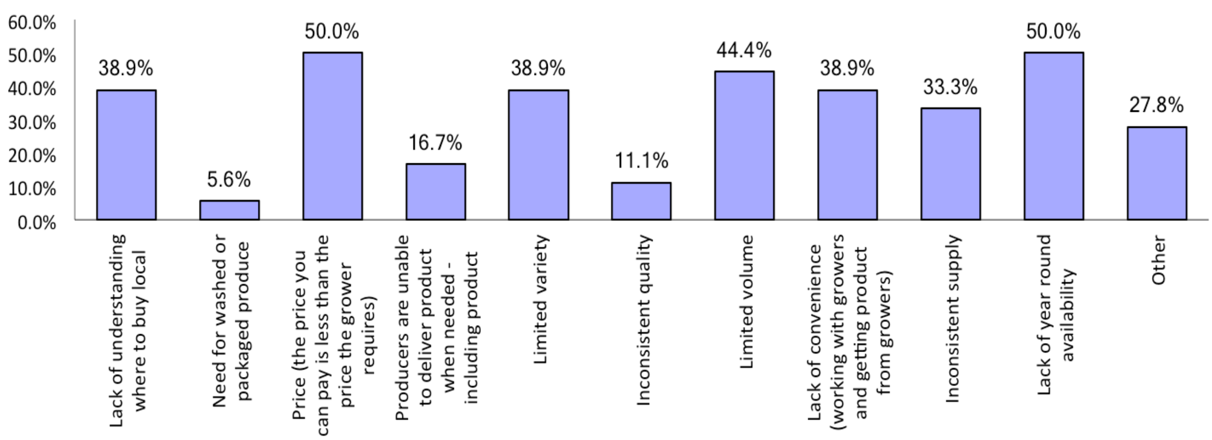
Organization leadership, rather than perceived consumer wants are driving the demand for local food. Businesses rated the importance of using locally grown produce as extremely important to their companies, giving an average rating of 8.0 out of a 1 to 10 scale. This is an encouraging, business-led direction, since businesses perceived providing local food to be less important to their customers, which received an average score of 5.9 on a 1 to 10 scale of importance.

Buyer Challenges

All buyers, including those who are currently buying local produce as well as those that are not, were asked what their current barriers were to buying local and what would make the process easier for buying local produce in the future.

Buyers indicated a number of challenges to purchasing locally. Lack of year round availability and the price for local produce were listed as the greatest challenges as was lack of reliable quantity.

Figure 17: Purchaser Challenges to Buying Locally



Even with additions such as high tunnels and hoop houses, the growing season for produce in Alaska is limited. [12] Other challenges were closely aligned with grower concerns: there is an obvious lack of understanding about where to get produce locally and the current systems that are in place for working with local growers are inconvenient. Other issues buyers are dealing with include limited variety of available produce and inconsistent supply to meet their needs.

Figure 18. Seasonal Produce Availability

Seasonal Produce Availability

	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB
Beans					★	★	★					
Beets	★	★			★	★	★	★	★	★	★	★
Broccoli				★	★	★	★					
Brussels Sprouts						★	★	★	★			
Cabbage					★	★	★	★	★	★		
Carrots	★	★				★	★	★	★	★	★	★
Cauliflower					★	★	★					
Celery						★	★					
Chard				★	★	★	★	★				
Collard Greens				★	★	★	★	★	★			
Cucumbers				★	★	★	★	★				
Kale				★	★	★	★	★	★			
Leeks							★	★	★			
Lettuce			★	★	★	★	★	★				
Onions				★	★	★	★	★	★	★	★	★
Peas					★	★						
Potatoes	★	★	★	★	★	★	★	★	★	★	★	★
Pumpkins							★	★				
Radishes				★	★	★	★	★				
Raspberries					★	★						
Rhubarb			★	★	★	★	★	★				
Spinach				★	★	★	★					
Strawberries				★	★	★	★					
Tomatoes			★	★	★	★	★	★	★			
Turnips					★	★	★	★	★	★	★	
Winter Squash						★	★	★				
Zucchini					★	★						

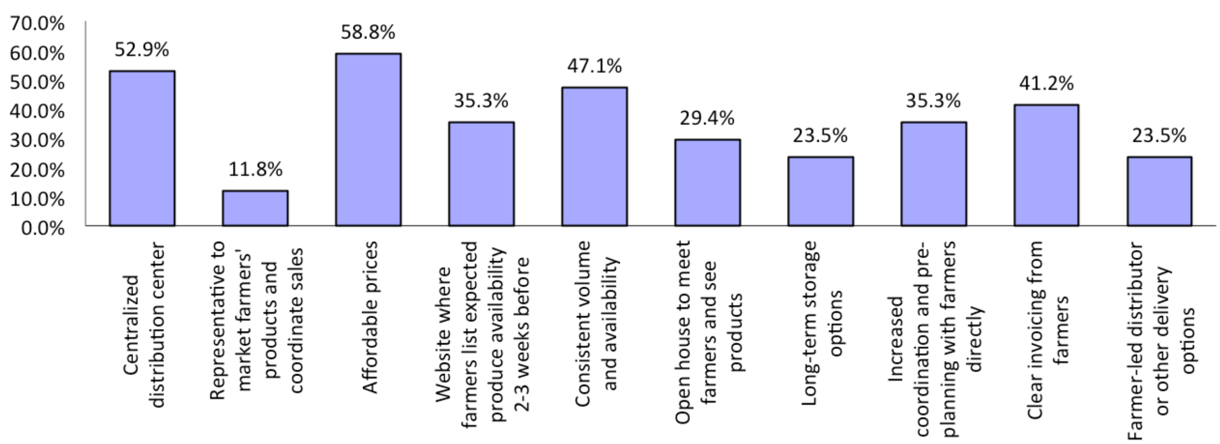
*Produce available between November and April is from storage

[12] DNR 2014. Alaska Department of Natural Resources, Seasonal Produce Availability. http://dnr.alaska.gov/ag/sourcebook/2014SBimages/Seasonalproduce.pdf

Buyer Solutions

Buyers felt a number of solutions could help alleviate some of these issues, including more affordable prices and a centralized distribution center as well as consistent quality and supply from farmers. Increased coordination and pre-planning with farmers as well as a website where farmers could list available produce a few weeks in advance was also thought to be helpful. Long-term storage options and farmer-led distribution choices were also seen as potential valuable solutions. In general, people did not see the need for a farmers' market representative to market farmers' produce. The demand from buyers exists, but they have a difficult time reliably connecting to a local produce supply.

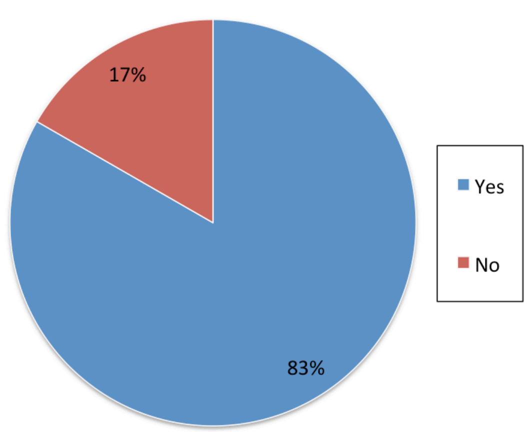
Figure 19. Buyer Interest in Potential System Improvements



Produce Planning

Working with restaurants could be a good starting point for smaller growers to expand outside of on-farm sales or farmers' markets. One benefit of working with restaurants and smaller institutions is their flexibility around menu planning and their ability to highlight premium local produce in their menus and in-store specials.

Figure 20. Buyer Ability to Scale up Local Food Purchases

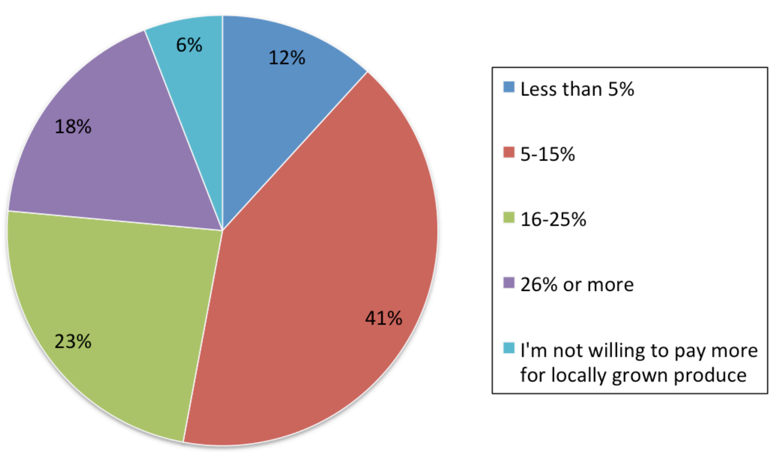


On the Central Peninsula, two-thirds of produce buyers plan their purchases on a weekly basis, while one-third plan their purchases daily. Very few buyers indicated that they plan their purchases on a monthly or yearly schedule. However, buyers indicated that they could communicate with farmers about their needs for the following growing season during the winter and spring. Additionally, more than 80% of buyers indicated that they could adjust their purchases throughout the year to carry more local, seasonal produce.

Buyers equally valued freshness and durability in their purchases and were more likely to buy locally if they knew that the produce was harvested in the last 48 hours. When choosing a vendor, buyers favored reliability over all else, but also valued produce selection and a relationship with their farmers.

For the farmer trying to connect with a buyer, direct communication from the farmer was overwhelmingly the first choice from buyers. Buyers prefer to be contacted on the phone, through email, or by stopping at their business. Listing their items on an online platform was also a popular choice. None of the buyers indicated that they would visit a farmers' website or that any of the farmers should wait for a buyer to approach them. Spring is the best time to approach a buyer, with the rest of the year being acceptable. Weekday contact is preferable to weekends. More than two-thirds of buyers have the ability to scale-up their local purchases immediately.

Figure 21. What Price % Increase Would you Pay for Local Produce



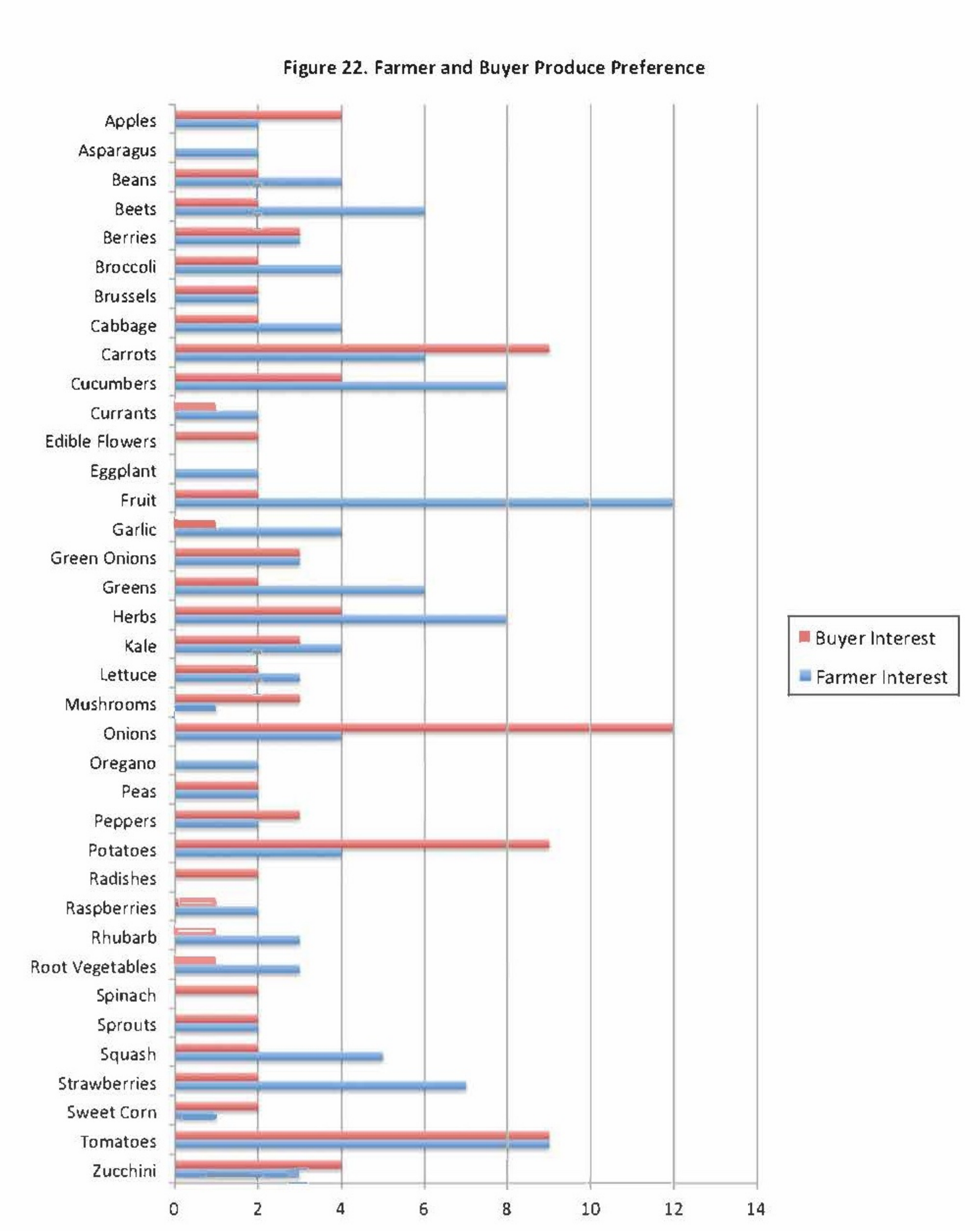
All of the buyers surveyed want to buy more local produce: if quantities were available more than three-quarters of the buyers indicated that they would like to see more than 50% of their produce supplied locally in the future. The majority of buyers are willing to pay more for local produce. Nearly half of the buyers are willing to pay a premium of 15% or more for local produce and there are no pre-existing loyalty agreements that would prevent any of the organizations from working directly with local producers.

Buyer Produce Preference

Buyers are looking for a range of produce. The most in-demand, high quantity items are lettuce, tomatoes, onions, carrots, and potatoes. The most in-demand low-volume, specialty items are onions, herbs, mushrooms, cucumbers, and radishes. (see Figure 22. Farmer and Buyer Produce Preference)

Photo Credit: Laurie Constantino

While this study focused on Central Peninsula produce, buyers indicated interest in purchasing other types of locally grown products. Buyers are especially interested in beef, chicken and eggs. The majority of the buyers are interested in or are currently buying value-added products, which are products that have been enhanced, through some form of processing.



*All items with two or more respondents are listed.

Chain Grocery Retailers and Distributors

The larger chain grocery stores and distributors including Sysco, Fred Meyer, Safeway, and Three Bears are selling well over a combined $20 million in produce annually. At most, 2% of their produce is Alaskan Grown and none of their produce is coming from the Central Peninsula. The produce they are carrying are potatoes and carrots from VanderWeele Farm in Palmer and tomatoes and cucumbers from Bell's Nursery in Anchorage.

Larger chains are looking for more specialty items that don't ship well from the lower-48, including berries, herbs, mushrooms and tomatoes. They are also interested in larger quantities of 3lb bag yellow potatoes, 5lb bag red potatoes, 5lb bag Yukon Gold potatoes, 10lb bag Yukon Gold potatoes, 5lb bag carrots and 2lb bag carrots, as well as broccoli, head lettuce, green lettuce, red leaf, romaine, green cabbage, red cabbage, cucumbers and hot house tomatoes.

When working with a distributor, generally the more a large company buys the less they pay. When calculating prices, there is usually a 15-25% mark-up in the final retail price: this market information can be used by local farmers to competitively price their produce to buyers from all sizes of organizations. All of the stores and distributors would like to carry more Central Peninsula and Alaskan Grown produce, but understand that there are barriers to entry for growers. Growers need to go through the stores' main offices and depending on the business, farmers will need to carry at least $1 million dollars of liability insurance and many require some form of an audit. Farmers who are interested in selling to large chain retailers or distributors should contact the stores' main office directly to learn what the specific requirements are for each organization. In Alaska, USDA GAP audits can be conducted through the Division of Agriculture Palmer office by Doug Warner. [13]

Conclusion

Now is the ideal time for local food expansion in the Central Peninsula. Businesses and organizations are interested in buying more local food; growers are interested in expanding their production and there are few barriers limiting this increased growth. Currently local Central Peninsula produce is only filling a sliver of the potential market. With demand from buyers high and the potential scalability of local farms, mutually beneficial opportunities exist.

Photo Credit: Melissa Heuer

[13] USDA, 2017. United States Department of Agriculture, Agriculture Marketing Service. How to Request a GAP and GHP Audit. https://www.ams.usda.gov/services/how-request-gap-and-ghp-audit

Appendix A
Producer Survey

Kenai Local Foods Market Study: Survey for Producers

LOCAL - For the purposes of this survey, "local" is defined to include the communities within the Central Peninsula, including Nikiski, Kenai, Soldotna, Sterling, Funny River, Kasilof and Clam Gulch.

PRODUCE ONLY - For the purposes of this study, we are only quantifying produce. "Produce" includes vegetables, fruits, and herbs. Please do not include other locally produced items in your response.

* 1 Contact Information

Your Name

Business Name

Address

Address 2 (optional)

City/Town

ZIP/Postal Code

Email Address

Phone Number

* 2 In acres, what is the size of your farm ?

Comments

* 3 How many acres are in production?

Comments

Kenai Local Foods Market Study: Survey for Producers

LOCAL - For the purposes of this survey, "local" is defined to include the communities within the Central Peninsula, including Nikiski, Kenai, Soldotna, Sterling, Funny River, Kasilof and Clam Gulch.

PRODUCE ONLY - For the purposes of this study, we are only quantifying produce. "Produce" includes vegetables, fruits, and herbs. Please do not include other locally produced items in your response.

* 4 Do you currently sell produce directly to local businesses on the Central Peninsula? (For example, restaurants, grocery stores, and seasonal lodges. This does not include sales through food hubs or farmer's markets.)

- ◯ Yes
- ◯ No

Comments

* 5 Do you sell produce through the Kenai Peninsula Food Hub? If so what products?

- ◯ Yes
- ◯ No

Products sold and additional comments:

* 6 Do you sell produce at Central Peninsula Farmer's Markets? (Please select all that apply.)

- [ ] Soldotna Wednesday Market
- [ ] Soldotna Saturday Market
- [ ] Farmer's Fresh Market @ the Food Bank
- [ ] Kenai Saturday Market
- [ ] I do not sell at farmer's markets

Product(s) sold:

* 7 On a scale of 1-10, how important to you is supplying locally grown produce to local businesses? (1 = Not at all important, 10 = Extremely important)

1 - Not at all Important	2	3	4	5	6	7	8	9	10 - Extremely Important
☆	☆	☆	☆	☆	☆	☆	☆	☆	☆

* 8 Are you marketing your produce beyond the Central Peninsula? If so, where?

- ◯ Yes
- ◯ No

Where are you marketing your produce outside of the Central Peninsula?

* 9 What are your biggest challenges to selling your products locally? Please select (up to) your 5 greatest challenges.

- [ ] Lack of understanding where to sell
- [ ] Produce washing & packing (required by buyer)
- [ ] Price (price buyer is willing to pay is less than I need)
- [ ] Delivery (unable to deliver product as needed)
- [ ] Consistent quality
- [ ] Limited volume
- [ ] Lack of convenience (working with buyers and getting product to buyers)
- [ ] Inconsistent demand
- [ ] Other (please specify)

* 10 What would make it easier for you to sell your product locally? Please select (up to) your top 5 choices.

- [ ] Centralized distribution center
- [ ] Representative to market farmers' products and coordinate sales
- [ ] Website for farmers to list expected produce availability 2-3 weeks before harvest
- [ ] More farmer's markets
- [ ] Open house to meet buyers
- [ ] Long-term storage options for surplus product
- [ ] Increased coordination and pre-planning with buyers directly
- [ ] Fewer farmer's markets
- [ ] Easy invoicing
- [ ] Distributor or alternative delivery options
- [ ] Other (please specify)

Kenai Local Foods Market Study: Survey for Producers

LOCAL - For the purposes of this survey, "local" is defined to include the communities within the Central Peninsula, including Nikiski, Kenai, Soldotna, Sterling, Funny River, Kasilof and Clam Gulch.

PRODUCE ONLY - For the purposes of this study, we are only quantifying produce. "Produce" includes vegetables, fruits, and herbs. Please do not include other locally produced items in your response.

* 11 In 2016, approximately what percentage of your farm produce did you sell, give away, barter, use in your own household or on the farm, and what percentage was not used? (Please answer in whole numbers. The total must equal 100.)

% Sold

% Given away

% Bartered

% Personal use

% Grown for animal fodder

% Composted or otherwise recycled for lack of market

% Surplus / unused

* 12 In 2016, what percentage of produce did you sell through each of the following channels? (Please answer in whole numbers. The total must equal 100.)

% To a Distributor

% Direct to a Restaurant

% Direct to a Grocery Retailer

% Through the Kenai Food Hub

% At your Farm Stand, on Farm Sale, or Online (Not a Food Hub)

% At Central Peninsula Farmer's Markets

% Through Non-Central Peninsula Food Hubs and Farmer's Markets

% Other

* 13 Do you use a distributor? If so, what is the name of the distributor that you use?

- Yes
- No

Name of distributor(s):

14 Do you have any additional considerations when it comes to making local selling decisions? (Optional)

* 15 How many months in advance do you plan your crops? (Please list a whole number.)

* 16 When do you buy your seeds for the upcoming season? (Select all that apply.)

- [ ] January
- [ ] February
- [ ] March
- [ ] April
- [ ] May
- [ ] June
- [ ] July
- [ ] August
- [ ] September
- [ ] October
- [ ] November
- [ ] December

Comments:

* 17 Do local buyers' schedules impact your seed buying schedule?

- ( ) Yes
- ( ) No

Comments:

Kenai Local Foods Market Study: Survey for Producers

LOCAL - For the purposes of this survey, "local" is defined to include the communities within the Central Peninsula, including Nikiski, Kenai, Soldotna, Sterling, Funny River, Kasilof and Clam Gulch.

PRODUCE ONLY - For the purposes of this study, we are only quantifying produce. "Produce" includes vegetables, fruits, and herbs. Please do not include other locally produced items in your response.

* 18 If a local business is interested in buying your product, what is the best way for you to be contacted? (Check all that apply.)

- [ ] Come to your farm
- [ ] Visit your website
- [ ] Contact you via email
- [ ] Call you on the phone
- [ ] Contact you through Facebook / social media
- [ ] Order through an online food hub
- [ ] Find you at a farmers market

Other (please specify)

[ ]

* 19 If a local business is interested in buying from you when is the best time for you to be contacted? (Check all that apply.)

- [ ] Spring
- [ ] Summer
- [ ] Fall
- [ ] Winter
- [ ] Weekday
- [ ] Weekend
- [ ] Any / all of the above

Other (please specify)

* 20 In 2016, how did your farm sales compare to 2015 farm sales?

- ( ) Sales increased
- ( ) Sales decreased
- ( ) Sales stayed the same
- ( ) Not applicable, 1st year in production

Other (please specify)

* 21 Whether or not sales increased, did you expand production in 2016 compared with 2015? For example, did you do any of the following? (Check all that apply.)

- [ ] Increase volume?
- [ ] Increase area/acreage or production?
- [ ] Add new products?
- [ ] Extend your growing season?
- [ ] Expand in some other way?
- [ ] Not applicable / did not expand production

If you selected "expand in some other way," please specify how you expanded.

* 22 Do you have the capacity to scale up your production?

- Yes
- No

* 23 Are you planning to expand production in 2017? If so, how?

- [ ] Increase production area/acreage
- [ ] Same area, but more intensive growing techniques
- [ ] Add new products
- [ ] Extend the growing season
- [ ] Other (please specify below)
- [ ] Not applicable / not planning to expand production in 2016

Other (please specify)

* 24 Looking ahead 5 years, compared to 2016, how much do you plan to increase your production of produce?

- Less than 5%
- 6-25%
- 26-50%
- 51-75%
- 76-100%
- 150%
- 200%
- More than 200%
- I do not plan to increase my production.
- Other (please specify)

Kenai Local Foods Market Study: Survey for Producers

LOCAL - For the purposes of this survey, "local" is defined to include the communities within the Central Peninsula, including Nikiski, Kenai, Soldotna, Sterling, Funny River, Kasilof and Clam Gulch.

PRODUCE ONLY - For the purposes of this study, we are only quantifying produce. "Produce" includes vegetables, fruits, and herbs. Please do not include other locally produced items in your response.

* 25 What are the 5 top high-volume items that you are interested in selling?

Item 1

Item 2

Item 3

Item 4

Item 5

* 26 What are the top 5 low-volume, specialty items that you are interested in selling?

Item 1

Item 2

Item 3

Item 4

Item 5

* 27 In addition to produce, are you producing / interested in producing other locally grown products? Select items below.

	Producing	Interested in Producing	Not Interested in Producing
Beef	◯	◯	◯
Bison	◯	◯	◯
Elk	◯	◯	◯
Lamb	◯	◯	◯
Pork	◯	◯	◯
Reindeer	◯	◯	◯
Chicken	◯	◯	◯
Turkey	◯	◯	◯
Eggs	◯	◯	◯
Flour	◯	◯	◯
Honey	◯	◯	◯
Value Added Products	◯	◯	◯

Other (please specify)

* 28 How many years have you been farming?

* 29 How many years has your farm been in business?

* 30 Do you have another job outside of your farming business?

◯ Yes

◯ No

Comments

* 31 May we contact you if we have additional follow up questions?

◯ Yes

◯ No

32 Please list any questions or additional comments you may have: (Optional)

Appendix B
Buyer Survey

Kenai Local Foods Market Study: Survey for Buyers

LOCAL - For the purposes of this survey, "local" is defined to include the communities within the Central Peninsula, including Nikiski, Kenai, Soldotna, Sterling, Funny River, Kasilof and Clam Gulch.

PRODUCE ONLY - For the purposes of this study, we are only quantifying produce. "Produce" includes vegetables, fruits, and herbs. Please do not include other locally produced items in your response.

* 1 Contact Information

Your Name

Business Name

Address

Address 2 (optional)

City/Town

ZIP/Postal Code

Email Address

Phone Number

* 2 Which of the following best represents your business? (Check all that apply.)

- [ ] Bed and Breakfast
- [ ] Catering Company
- [ ] Grocery Retailer; Independent
- [ ] Grocery Retailer; Chain
- [ ] Institution; Hospital
- [ ] Institution; Rehabilitation Center
- [ ] Institution; School
- [ ] Institution; Senior Center
- [ ] Lodge
- [ ] Restaurant; Casual Dining
- [ ] Restaurant; Cafe
- [ ] Restaurant; Fine Dining
- [ ] Restaurant; Food Truck
- [ ] Restaurant; Seasonal
- [ ] Other (please specify)

* 3 How many years has your business been in operation? (Please answer with a number.)

* 4 How many years have you been operating your business? (Please answer with a number.)

* 5 Does your business currently buy produce from Central Peninsula growers? (Not including food hubs or farmer's markets.)

- Yes
- No

Which producers to you buy from?

* 6 Do you buy from the Kenai Peninsula Food Hub? If so what products?

- ◯ Yes
- ◯ No

Products purchased and additional comments:

* 7 Do you buy produce from Central Peninsula Farmer's Markets? (Please select all that apply.)

- ☐ Soldotna Wednesday Market
- ☐ Soldotna Saturday Market
- ☐ Farmer's Fresh Market @ the Food Bank
- ☐ Kenai Saturday Market
- ☐ I do not buy from farmer's markets

Product(s) purchased:

* 8 Do you use a distributor that supplies you with local produce?

- ◯ Yes
- ◯ No

Which distributor(s) do you use?

Kenai Local Foods Market Study: Survey for Buyers

LOCAL - For the purposes of this survey, "local" is defined to include the communities within the Central Peninsula, including Nikiski, Kenai, Soldotna, Sterling, Funny River, Kasilof and Clam Gulch.

PRODUCE ONLY - For the purposes of this study, we are only quantifying produce. "Produce" includes vegetables, fruits, and herbs. Please do not include other locally produced items in your response.

* 9 Estimated total amount spent, in dollars, on produce products purchased annually. (Enter a whole number without decimals or symbols.)
This information is confidential and will only be used in aggregated (summary) answers.

* 10 In 2016, approximately what percentage of the produce you purchased (or will purchase) was grown in the following locations:
(The total must equal 100 - please answer in whole numbers.)

% Grown in the Central Peninsula

% Grown in Alaska, but not the Central Peninsula

% Other, i.e. imported to Alaska

* 11 On a scale of 1-10, how important to you is using locally grown produce in your business?
(1 = Not at all important, 10 = Extremely important)

1 - Not at all Important	2	3	4	5	6	7	8	9	10 - Extremely Important
☆	☆	☆	☆	☆	☆	☆	☆	☆	☆

* 12 On a scale of 1-10, how important to your customers is having the option of locally grown produce at your establishment?
(1 = Not at all important, 10 = Extremely important)

1 - Not at all Important	2	3	4	5	6	7	8	9	10 - Extremely Important
☆	☆	☆	☆	☆	☆	☆	☆	☆	☆

* 13 What are your biggest challenges to buying your produce locally? Please select (up to) your 5 greatest challenges.

- [ ] Lack of understanding where to buy local
- [ ] Need for washed or packaged produce
- [ ] Price (the price you can pay is less than the price the grower requires)
- [ ] Producers are unable to deliver product when needed - including product delivery flexibility and delivery times
- [ ] Limited variety
- [ ] Inconsistent quality
- [ ] Limited volume
- [ ] Lack of convenience (working with growers and getting product from growers)
- [ ] Inconsistent supply
- [ ] Lack of year round availability
- [ ] Other (please specify)

* 14 What would make it easier for you to secure local food purchases? Please select (up to) your top 5 choices.

- [ ] Centralized distribution center
- [ ] Representative to market farmers' products and coordinate sales
- [ ] Affordable prices
- [ ] Website where farmers list expected produce availability 2-3 weeks before harvest
- [ ] Consistent volume and availability
- [ ] Open house to meet farmers and see products
- [ ] Long-term storage options
- [ ] Increased coordination and pre-planning with farmers directly
- [ ] Clear invoicing from farmers
- [ ] Farmer-led distributor or other delivery options

Other (please specify)

Kenai Local Foods Market Study: Survey for Buyers

LOCAL - For the purposes of this survey, "local" is defined to include the communities within the Central Peninsula, including Nikiski, Kenai, Soldotna, Sterling, Funny River, Kasilof and Clam Gulch.

PRODUCE ONLY - For the purposes of this study, we are only quantifying produce. "Produce" includes vegetables, fruits, and herbs. Please do not include other locally produced items in your response.

* 15 What are the factors that affect your produce purchases? (For example: how much time do you need for purchasing, product delivery, determining floor space or menu items, and staff to prepare and stock items?)

16 What additional considerations affect your local purchasing decisions? (For example: knowledge of point of origin, uniformity of vegetables, packaging consistency, etc.) (Optional)

* 17 How often do you plan your produce purchases?

- [ ] Daily
- [ ] Weekly
- [ ] Monthly
- [ ] Seasonally
- [ ] Yearly
- [ ] Other (please specify)

* 18 At what point in the year could you communicate with a farmer about your needs for the **following** year? (For instance, if you know you consistently need 3 pounds of arugula a week for the entire summer, at what point could you communicate with a farmer so that they can grow what you need?)

- ◯ Spring (March, April, May)
- ◯ Summer (June, July, August)
- ◯ Fall (September, October, November)
- ◯ Winter (December, January, February)

Other (please specify)

* 19 Do you have the ability to adjust your purchases seasonally throughout the year? (For example, do you have a flexible menu that can change or the ability to carry seasonal items?)

- ◯ Yes
- ◯ No

Comments:

* 20 How often do you make changes to your menu/inventory?

- ☐ Daily
- ☐ Weekly
- ☐ Bi-Weekly
- ☐ Monthly
- ☐ Quarterly
- ☐ Bi-Annually
- ☐ Yearly
- ☐ Seasonally
- ☐ As needed
- ☐ The menu / produce inventory is fixed and does not change throughout the year.

Comments:

* 21 On a scale of 1-10, how much do you value fresh produce vs produce durability when making purchasing decisions? (1 = Value produce freshness more, 10 = Value produce durability more)

1 - Value Produce Freshness More	2	3	4	5 - Value Produce Freshness and Durability Equally	6	7	8	9	10 - Value Produce Durability More
☆	☆	☆	☆	☆	☆	☆	☆	☆	☆

* 22 On a scale of 1-10, would you be more inclined to buy locally grown produce if you knew it was harvested at its peak in the last 48 hours? (1 = Not at all inclined, 10 = Extremely inclined)

1 - Not at all Inclined	2	3	4	5	6	7	8	9	10 - Extremely Inclined
☆	☆	☆	☆	☆	☆	☆	☆	☆	☆

Kenai Local Foods Market Study: Survey for Buyers

LOCAL - For the purposes of this survey, "local" is defined to include the communities within the Central Peninsula, including Nikiski, Kenai, Soldotna, Sterling, Funny River, Kasilof and Clam Gulch.

PRODUCE ONLY - For the purposes of this study, we are only quantifying produce. "Produce" includes vegetables, fruits, and herbs. Please do not include other locally produced items in your response.

* 23 When you choose a vendor, what are the factors that influence your decisions? (Select all that apply.)

- [ ] Delivery schedule
- [ ] Size of company
- [ ] Word of mouth
- [ ] Reliability
- [ ] Produce selection

Other (please specify)

* 24 If a local producer is interested in selling to your business, what is the best way for you to be approached? (Check all that apply.)

- [ ] Come to your business
- [ ] Visit your website
- [ ] Connect with them at a buyer / producer networking event
- [ ] Contact you via email
- [ ] Contact you through Facebook / social media
- [ ] Call you on the phone
- [ ] List their items on an online food hub
- [ ] Wait for you to approach them

Other (please specify)

* 25 If a local business is interested in selling to you, when is the best time for you to be contacted? (Check all that apply.)

- [ ] Spring
- [ ] Summer
- [ ] Winter
- [ ] Fall
- [ ] Weekday
- [ ] Weekend
- [ ] Any / all of the above

Other (please specify)

* 26 Do you have the capacity to scale up your local purchases?

- ( ) Yes
- ( ) No

* 27 By percent, if quantities are available, how much of your produce supply would you like to see being sourced locally in the future?

- Less than 5%
- 5-10%
- 11-15%
- 16-20%
- 21-25%
- 26-30%
- 31-35%
- 36-40%
- 41-45%
- 46-50%
- 51% or more

* 28 Would you be willing to pay more for locally grown produce? If so, how much?

- Less than 5%
- 5-10%
- 11-15%
- 16-20%
- 21-25%
- 26-30%
- 31-35%
- 36-40%
- 41% or more
- I'm not willing to pay more for locally grown produce

* 29 Would any loyalty agreements with existing partnerships affect your capacity to scale up locally grown purchases? (For example, have distributors required exclusive or year round purchasing requirements to use their service?)

- ◯ Yes
- ◯ No
- ◯ N/A
- ◯ Other (please specify)

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*30 What are the top 5 high volume produce items that you are interested in buying?

Item 1

Item 2

Item 3

Item 4

Item 5

*31 What are the top 5 low volume, specialty produce items that you are interested in buying?

Item 1

Item 2

Item 3

Item 4

Item 5

* 32 In addition to produce, are you purchasing / interested in purchasing other locally grown products? Select items below.

	Currently Buying	Interested in Buying	Not Interested in Buying
Beef	◯	◯	◯
Bison	◯	◯	◯
Elk	◯	◯	◯
Lamb	◯	◯	◯
Pork	◯	◯	◯
Reindeer	◯	◯	◯
Chicken	◯	◯	◯
Turkey	◯	◯	◯
Eggs	◯	◯	◯
Honey	◯	◯	◯

Other (please specify)

* 33 Are you currently buying or interested in buying value-added products from local sources? (A value-added product has been changed in either physical state or form, such as milling wheat into flour or making strawberries into jam.)

◯ I am currently buying value-added products

◯ I am interested in buying value-added products

◯ I am not interested in buying value-added products

What value added products are you buying/interested in buying?

* 34 May we contact you if we have additional follow up questions?

◯ Yes

◯ No

35 Do you have any questions or additional comments? (Optional)

Appendix C
Online Platforms

Online Platforms

Farmers and purchasers both expressed interest in an "online bulletin board" that would allow farmers to post their expected crops a few weeks ahead of time and allow buyers the ability to see what is expected to be available. While this was slightly less important to buyers, it was critical to growers in the survey results. Buyers indicated a need for more variety and quantity before the online platform. This issue is more challenging to overcome in the short-term, but housing all of the products in one place could potentially begin to address this concern. While the Kenai Peninsula Food Hub could work in this way, there was little interest from any of the stakeholder groups in using the food hub. Part of the reason for this may because many people don't understand how the food hub works and others are less interested in working with a middle-man that doesn't eliminate the need to organize and provide transportation. Many of the participants expressed interest in an online platform, and an alternative model could entice more participation locally from both sectors.

Examples of online platforms:

Local Orbit – https://localorbit.com/ **-** Highly recommended directly from farmer and rancher connections in Washington. They did note that there needs to be an intermediary organization to maintain the platform.

> Company Synopsis: Food buyers and suppliers are reinventing the way they operate to meet consumer demand for local, sustainably produced food. Local Orbit's platform supports these emerging supply chains that are changing the way we eat. Affordable, thoughtfully designed Sales and Business Management Tools for local food aggregators, distributors, and producers. Dashboard & Data Visualization Services that enable organizations to measure, track and improve local and sustainable procurement. A network that connects suppliers with new markets; buyers with new suppliers; and helps businesses leverage existing delivery capacity in their communities.

Eco Trust Food Hub Software - https://ecotrust.org/project/foodhub/ - This is a passive software that is designed for local food trade. This is aimed at Food Hub projects, but could be designed to work as a billboard.

> Company Synopsis: Similar to an online dating site for the local food trade, FoodHub is an online platform that connects farmers, ranchers, fishermen and specialty producers with wholesale food buyers in their region.

Local Food Marketplace - http://home.localfoodmarketplace.com/ **-** This is a software that is used by many Washington food hub groups. While this generally works well, the interface hard to work with.

> Company Synopsis: We support food hubs selling to consumers, restaurants, grocery stores, and institutions with tools dedicated to making it easy to support your customers as you grow. Our white label mobile app (branded for your food hub) is a favorite of consumers and restaurant chefs that are on the go, while our custom price lists and VIN and UPC integration help you serve grocery stores with multiple departments and buyers.

Farm Fan – http://about.farmfanapp.com/about/ - This platform is based off of texting consumers. I signed up through one of their test models for a week and found the interface to not be user friendly and not an experience that I would likely use as a consumer.

- Company Synopsis: A whopping 98% of all text messages are read by their recipients, versus only 25% of emails and as little as 4% for many social media channels. So while keeping Facebook pages and email accounts up to date is important for farms and other small businesses, text message marketing is where it's at. Our main goal is to bring farmers the easiest and most effective ways to market and grow their businesses, and keeping customers informed of farmer's market days and building reward systems are one of the best ways to do that.