



Food Hub Market Manual

The mission of the Whidbey Island Grown Cooperative (WIGC) is to support a viable agricultural economy, to increase the production and sales of agricultural products on Whidbey Island and to build a resilient, healthy and sustainable community.

To do this, WIGC will create programs within the local economy in order to enhance the economic viability of the local agricultural systems and address challenges faced by stakeholders in organizing shared resources, streamlining sales opportunities, and reducing barriers to participation within the agricultural community. To these ends, WIGC has created the Food Hub program.

The Food Hub operates an online marketplace where Whidbey and regional farmers and producers can sell product that they grow, produce, raise and/or process. The Food Hub aggregates product and distributes orders to both wholesale buyers and retail customers.

- We're making it convenient for businesses, institutions, and retail customers to buy source-identified, local food directly from local farms with an online marketplace, streamlined payment options and aggregated delivery to pick-up sites or directly to businesses.
- Shared marketing, infrastructure, and purchasing opens up markets for farms to increase sales, reduce costs and waste, and decrease carbon footprint due to coordinated and combined delivery.
- Farms own their product through the supply chain – their production methods are transparent and food is traceable to the farm. With their name connected to every product they sell, farms develop and maintain direct customer relationships, negotiate their own prices and nurture business growth.
- Traveling distance between farm to customer is shortened or removed, freeing up time for producers to be on the farm and expanding each farmer's reach and customer base.

How it works:

The Food Hub uses a web-based platform, Local Food Marketplace (LFM), that allows producers to upload products for sale, set their own prices, and update weekly inventory.

Customers are able to view available products, along with producer profiles that communicate each farm or value-added producer's story, growing practices, and certifications. Customers are able to purchase items from multiple farms, receive one invoice, and either pick up in one order (retail) or receive one delivery (wholesale) with all the items they ordered, thus providing ease and convenience in accessing multiple farms and producers at once.

Producers receive a weekly "pick list" with orders and make one delivery to the closest Food Hub aggregation point. They are paid weekly for the product they sold.

Products are aggregated and packed by Food Hub staff, then delivered to pick up locations (retail) or businesses (wholesale) across Whidbey Island.

Food Hub Producer Guidelines

Sellers Definitions

Producers are members of the WIGC who sell on the Food Hub.

Vendors are non-members of the WIGC who sell on the Food Hub.

Sellers refers to both producers and vendors.

WIGC membership obligations, procedures, and guidelines apply to all Food Hub sellers.

ALL sellers on the Food Hub must be current on membership or vendor fee payments to sell on the Food Hub. Food Hub sellers may choose to become WIGC members by buying an ownership share in the cooperative for a one time \$250 plus annual dues of \$50, or they may choose to pay an annual vendor fee of \$150 and NOT become members of the cooperative.

Sellers - may sell products that they themselves have raised, gathered, grown, or processed on Whidbey Island. Sellers may not buy wholesale from someone else and retail the product through WIGC

Sellers operating on Whidbey Island will be prioritized when selecting products for sale through the online marketplace Skagit and San Juan County and Camano Island

vendors have second priority. Whatcom, and Snohomish County vendors have third priority. Vendors from outside Whidbey island must have a product that is not easily grown on Whidbey or that Whidbey sellers consistently can't provide.

The Board of Directors may authorize sales of local products from secondary suppliers or processors in the area. Examples could include locally produced yogurt or dairy products, or locally grown produce from a wholesale distributor. These vendors and products must be approved by the Board and must be reevaluated annually.

Value added Sellers --Sellers may only sell value-added products through The Food Hub that they themselves have raised, grown, or processed. Value-added products for sale through The Food Hub should use as many ingredients as possible produced by the seller, or purchased from Washington farmers. An exception will be made if the ingredients cannot be raised, grown or processed in Washington; for example coffee beans locally roasted for sale through The Food Hub. In addition, an exception exists for ingredients that cannot be raised, grown or processed in Washington in sufficient quantity, or with adequate quality. When ingredients cannot be sourced locally we prefer sellers to seek out products grown using sustainable farming methods, and fair trade and fair labor practices.

Sellers of all value-added products must list all ingredients and identify those that are from Washington farmers in the "product description" on the online marketplace website. The location of the kitchen or processing facility for each product is also required to be submitted to The Food Hub, along with current copies of licenses for those facilities. Full disclosure of all ingredients and production practices is required to list products for sale through The Food Hub.

Meat Sellers - Beef, pork, lamb, goat, broilers, and other meat products sold through The Food Hub must be processed in a USDA or state inspected plant. Each package must have either a USDA or state approved stamp. Meats processed by custom butchers with packages stamped "Not for Sale" cannot be sold through The Food Hub.

A seller may not simply buy animals and have them processed for sale through the cooperative as though it were their own. Sellers may purchase feeder pigs or feeder calves, or other young animals, for meat sales through the Food Hub. A general guideline is: an animal offered for sale through the Food Hub should have been residing on the member farm for approximately 2/3 of its life. If a seller plans on selling animals which they have not raised from birth, records must be available detailing when and where the animal was purchased, and this fact must be clearly stated in the seller's profile.

Non-Food value added sellers - Sellers may sell non-food items that they themselves make. Non-food products that can be sold through the Food Hub may include soaps and household cleaning supplies. All non-food items must be approved in advance by the Board. Except during the holidays, the number of non-food items shall be limited to 20% of market products.

Live plants: No live plant sales at this time. Cut flower bouquets are accepted on the Food Hub.

Production practice disclosures and transparency

Sellers of Certified Organic, Certified Naturally Grown, Animal Welfare Approved products, or with any other certified claim, must provide a copy of all current certificates. Sellers are encouraged to use descriptions and details of non-certified practices in their producer profiles rather than generic terms like 'natural'.

Licenses, regulations, and insurance

Every seller is responsible to know and be in compliance with all appropriate federal, state and local inspections, licenses, statutes, taxes and ordinances. Sellers must comply with any relevant health codes or agricultural laws regarding direct sales of farm and food products to the public. Copies of current licenses and renewals need to be provided to the Food Hub to verify compliance. If copies of current licenses are not made available, the Food Hub may restrict the ability of the seller to sell through the Food Hub.

Every seller selling products through the Food Hub must fully disclose information on their products and production practices by using the standard Application provided by the Food Hub and posted on WIGC's website. Examples of production practices that must be fully disclosed include the use of hormones or antibiotics in livestock, and the application of chemical fertilizers, herbicides, insecticides or fungicides on fruits or vegetables. Full disclosure of all ingredients and production practices is necessary so customers can choose products based on both grower practices and price, and is a guiding principle of the cooperative.

All information from the Application Form will be reviewed for approval by the WIGC Board. Sellers will be notified when they have been approved to sell products through the Food Hub.

WIGC reserves the right to verify all production claims made by members. Verification may include unannounced farm/business visits.

Insurance requirements

WIGC Food Hub requires all sellers to provide hold Liability Insurance of \$1,000,000/\$2,000,000. A copy of the insurance with Whidbey Island Grown Cooperative named as Certificate Holder should be provided to WIGC prior to selling on the Food Hub.

Food safety plan:

Every WIGC Food Hub Seller is responsible for complying with all appropriate federal, state and local inspections, licenses, statutes, taxes, and ordinances. Sellers must

comply with any relevant health codes or agricultural laws regarding direct sales of farm and food products to the public.

Before being allowed to sell through WIGC Food Hub, sellers must provide copies of current licenses and renewals to WIGC Food Hub to verify compliance (see application checklist at <https://whidbeyislandgrown.com/i-want-to-sell/>).

The Food Safety Modernization Act (FSMA) is the overarching food safety rule for the U.S. food industry. FSMA rules and guidance may be found here:

<https://www.fda.gov/food/guidance-regulation-food-and-dietary-supplements/food-safety-modernization-act-fsma>

For Food and Drug Administration (FDA) guidance on labeling for retail food products during the COVID-19 outbreak, go to:

<https://www.fda.gov/food/cfsan-constituent-updates/fda-provides-temporary-flexibility-regarding-nutrition-labeling-certain-packaged-food-response-covid>

For specific food safety directives during the COVID-19 pandemic, go to:

<https://www.fda.gov/food/food-safety-during-emergencies/food-safety-and-coronavirus-disease2019-covid-19>

Food Hub processes

Product Ownership

Products that go through the Food Hub's distribution system are owned by sellers, who then sell these products directly to customers. The WIGC Food Hub facilitates the transaction but does not take title to the products and assumes no liability for them.

If a concern arises with a customer over a product's quality, the Food Hub manager will connect the customer directly with the producer to resolve the issue.

Pricing

Sellers set their own prices for their products, and the Food Hub adds an 18% mark-up to the listed price.

WIGC Food Hub will not restrict the number of food sellers who are selling specific products through the Food Hub, in fact, multiple sellers of a product can lead to more availability of that product, better quality, and more customers. The Board reserves the right to oversee price fairness.

Price fairness - sellers must price their products according to their own value or margins. WIGC expects sellers to act ethically in determining prices. Unethical pricing practices include temporarily reducing pricing to a degree that pushes smaller sellers

out of competition so that the seller may raise prices once the competition has been priced out. The board reserves the right to determine ethical pricing practices.

Food Hub Seller Payments

Food Hub charges customers credit cards on Mondays, after the customer picks up and is satisfied with their order. After funds are received from the credit card processing company, which takes a few days, producer payments in the form of producer checking-account-debits are processed by the WIGC Food Hub bookkeeper. Another few days may elapse before the producer payments appear in producer checking accounts through direct deposit.

Retail Sales Tax

The minimum combined 2020 sales tax rate for Island County, Washington is 8.7%. This is the total of state and county sales tax rates. The Washington state sales tax rate is currently 6.5%. The Island County sales tax rate is 2.2%.

The Food Hub charges and pays the sales tax for all items sold on the Food Hub. If a producer has a taxable product, WIGC will provide them with its resale certificate.

WIGC Food Hub revenue - what do we do with it

- Pays for 3 percent credit card processing fee
- Pays for packing supplies, ie, boxes, tape, markers, printer paper
- Pays for employees to drive, pack, and distribute product
- Pays for van insurance and gas
- Pays for marketing for Food Hub program and its sellers

Marketing

WIGC promotes food hub sellers in the following ways:

- Maintaining the food hub website
- Providing information on sellers to customers
- Promoting the Food Hub and Food Hub sellers on social media platforms weekly
- WIG Week and future events as allowable

There are also actions that sellers can take to increase their sales on the Food Hub, starting with promoting the Food Hub to their existing customer base. Please visit our website at www.whidbeyislandgrown.com to learn more about marketing services and opportunities.

Product Labelling

The Food Hub Market Manager will work with sellers on a case by case basis for labelling requirements, but in general, all goods received at the aggregation site must have a packing slip included. Items may also require individual labels clearly indicating (1) customer name, (2) producer name, (3) product name, (4) pick-up location.

Value-added products must list all ingredients, and if the product requires specific preparation for consumption, directions for use must be included.

Labeling of fruits and vegetables for **retail orders** can be printed out on a piece of paper and put in a seller's container before dropping off for aggregation. This can be a seller's detailed pick ticket provided in the seller's LFM account. Items do not have to be individually labelled.

Fruits and vegetables for **wholesale orders** should be packaged by customer and labelled with (1) customer name, (2) producer name, (3) product name, (4) product quantity.

Handling and Delivery

Sellers are responsible for delivering to the designated aggregation site point during the pre-appointed time. Sellers are responsible for delivering high quality and safe products. WIGC Food Hub reserves the right to refuse products that do not appear to be of adequate quality, mislabeled, that are not acceptable for sale, or that appear to have been mishandled.

There are three seller aggregation points - Elk's Lodge in Oak Harbor, Sherman's Pioneer Farm in Coupeville and Mutiny Bay Blues Farmstand in Freeland. South end product is delivered to and orders are packed at Bell's Farm.

WHIDBEY ISLAND GROWN COOPERATIVE FOOD HUB OPERATIONS AND PROCESS

(Subject to change)

Sellers list their products beginning on Fridays at 6am of each week. Sellers may add and update their products at any time. Prime sales time is Monday morning - Tuesday eve.

When sellers add a new product, it must be approved by the Food Hub manager before it goes live for sale. Please contact the FH manager if adding product during prime sales time.

Customer order period is Friday at noon to Tuesday at 9pm.

Sellers receive pick tickets on Tuesday evening.

Sellers with wholesale and retail orders deliver their products on Thursday morning by 8AM Mutiny Bay Blues or 8:30AM Bells Farm for packing. Wholesale deliveries begin at 10:30AM.

Sellers with retail orders ONLY deliver their products by 10AM to Mutiny Bay Blues and 10:30AM to Bells Farm for packing. Retail orders are packed 10:30AM-complete, then delivered to pick up locations.

Customers pick up their orders on Fridays from 4-6pm. Pick-up locations are Mutiny Bay Blues in Freeland, Sherman's Pioneer Farm in Coupeville, and Elk's Lodge in Oak Harbor.

Producers receive payments for orders on Wednesdays or Thursdays.

As we build the Food Hub program, it is important to consistently provide customers with their full orders. Please deliver product on time and be available by phone on Thursdays and Fridays in case issues arise.

Detailed Calendar of Operations

Friday at 6:00 am, WIGC Food Hub order period begins.

- a. Sellers can begin to update product availability for that order period
- b. Product Availability can be automatically determined based on last week's availability, or manually determined. Sellers must change the automatic setting if they want to update manually. Contact foodhub@whidbeyislandgrown.com to change your settings.

- c. Sellers may update inventory at any time. If inventory is added, let your customers/followers know!

Friday at Noon:

- a. Storefront opens for retail ordering at 12:00 pm for customers to pick up on the following Friday from 4pm to 6pm.
- b. If sellers have not updated their available products yet, customers will not see it. Ordering continues through Tuesdays at 9pm

Monday:

- a. Prime sales time begins
- b. Weekly newsletter goes out to 1400+ email list.
- c. Northwest Ag Business Center (NABC), a partner with WIGC Food Hub, batch processes credit card invoices for previous order period.

Tuesday:

- a. Unconfirmed order reminders send at 9:00 am.
- b. Ordering closes at 9:00 pm.
- c. Seller/Producer pick tickets sent at 9:30 pm.

Wednesday

- a. Sellers with weight specific items such as meat must input specific weights into LFM by Wednesday at 9PM so that the manager may finalize invoices.
- b. In the event that a Seller does not have sufficient product, the Seller calls the Food Hub Manager. The Food Hub Manager changes the quantity of the customer order, and includes a message in the order that will print out on the packing list / invoice.

Thursday

- a. Sellers receive deposits to their banks.
- b. Sellers with wholesale and retail orders deliver to aggregation drop off sites.
- c. Wholesale orders are packed and delivered to buyers.
- d. Sellers may update their inventory for the next week.

Friday:

- a. Retail customers receive pick up email reminders, based on pick up location.
- b. Sellers with retail orders ONLY deliver to aggregation drop off sites.
- c. Retail order packing begins at 10:30 am. Orders are packed and delivered to farm stand pick-up locations.
- d. Retail customers pick up between 4 pm - 6 pm. Checks and cash accepted for unpaid orders.
- e. If customer is a no-show, WIGC makes every effort to get orders to customers. No refunds for no-shows.



Seller Commitment

The Whidbey Island Grown Cooperative (WIGC) is committed to supporting Whidbey producers. All producers participating in WIGC have individually made a public statement about the standards of their farming practices and have received the “Food Hub Market Manual”.

Pledge:

By signing this pledge I agree to the WIGC Food Hub Market Manual General Guidelines and verify that all farm information I have provided to the WIGC and Food Hub about our farm operations in our Producer Profile and Product Descriptions is complete, accurate, true and valid. For certification claims, I have provided complete, appropriate and current information and documentation. As a participating producer I fully understand that any knowing inaccuracy or failure to provide complete, proper and updated information and documentation will jeopardize my access to WIGC’s distribution channels and participation in related activities.

Agreement to Terms and Conditions:

I agree that I have read and understand the WIGC “Membership Guide” and “Food Hub Market Manual” and agree to the terms and conditions outlined. I also understand that farms own their product through the supply chain and are at no time owned by WIGC.

Signed _____

Print Name _____

Business _____



Whidbey Island Grown Cooperative Food Hub

CHECKLIST FOR WIGC Food Hub Sellers

Templates available at: whidbeyislandgrown.com/i-want-to-sell/

- Application Form (link)
- Member dues or Vendor Fee (See Membership Details Below)
- Business license
- W-9
- Proof of insurance \$1 million per occurrence & \$2 million aggregate with Whidbey Island Grown Cooperative named as Certificate Holder
- Seller Commitment
- Direct Deposit Form (if applicable)
- Any other certifications necessary (Organic, Naturally Grown, Grass Fed, etc.)

Membership dues are as follows:

Cooperative Share: \$250

A cooperative share is a one time purchase of an ownership share in WIGC, which gives the member a vote in WIGC business, and an opportunity to be on the WIGC board.

Annual dues: \$50

Annual dues for members ensure continued support and participation from WIGC shareholders in the operations of WIGC and its programs.

Non-member Vendor Annual Fee: \$150

Annual Vendor Fees apply to those sellers who wish to participate in the WIGC Food Hub without becoming shareholding members of WIGC, or who aren't able to join because they live off-island, such as regionally sourced dairy producers. Vendors commit to the same standards as WIGC members to sell through the WIGC Food Hub.

In addition to these membership and vendor fees, WIGC is offering a Founding Member Package for those members who purchase shares by December 31, 2020.

Founding Member Package- \$275 (share and one year annual dues)