



# The Power of The Purchase Order

Michelle Klieger | Co-Founder | Helianth Partners



Higher prices are problematic.  
Shortages are devastating.

# Supply vs. Value Chains

## Supply Chain

The entire system of producing and delivering a product or service, from sourcing the raw materials to the final delivery of the product to end-users.

## Food Value Chain

A business model in which producers and buyers of agricultural products form **strategic alliances with other supply chain**, such as aggregators, processors, distributors, retailers, and consumers, **to enhance financial returns through product differentiation that advances social or environmental goals.**

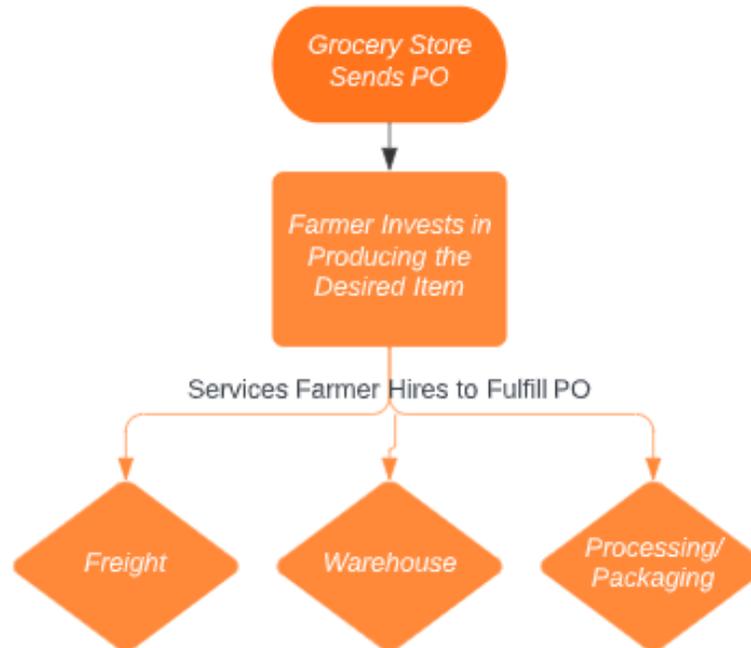
-Diamond et al. 2014

Value chains offer opportunities for local development through **entrepreneurship** that focuses on **creating specialty and value-added products** and use innovative marketing techniques to **reconnect producers and consumers.**

Local Food Systems:  
Concepts, Impacts, Issues  
USDA/ERS

# Rural Grocers Drive Value Chain Creation

## Value Chain Creation



## Rural Grocer Advantage

- Communication
  - Rural grocers understand customer demand, including the type and quantities.
- Consumers favor meat and local produce from grocery stores.
- The value of local is captured in a local premium.

# Right-Sized Market Opportunities

The story of Trader Joe's AAA eggs



# Short Value Chains



FEW INTERMEDIARIES  
– CONNECTS LOCAL



REDUCE OVERHEAD &  
TRANSACTION COSTS



DISRUPT INDUSTRIAL  
FOOD SYSTEM

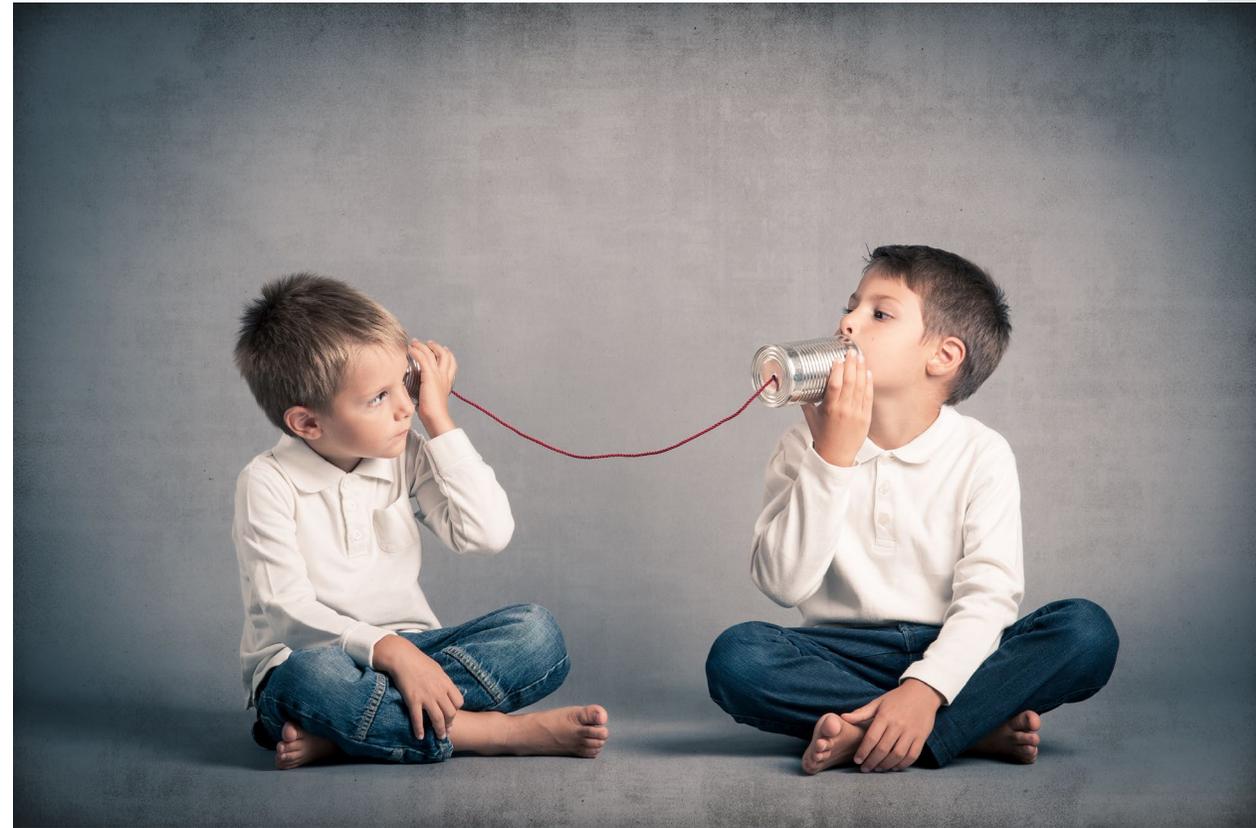
# Understanding Customers



Consumers tell grocers:  
Demand, willingness to pay,  
and interest in new products



Grocers tell consumers:  
Stories behind the products,  
possibly tips & tricks



# Leveling the Playing Field

- Many national companies are vertically integrated, have high throughput, and are cost efficient.
- Short value chains are competitive because the players are coordinated, which allows them to reduce risk, share resources, manage costs, and reduce costly errors.
- Short value chains are most successful when there is trust between parties, which is most likely to exist in small communities.

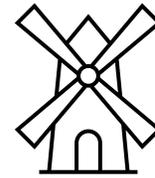
# Robust Rural Food Systems

Grocery led coordination looks different in each community.

Additional investment in hard and soft assets allows the system to grow and expand.



FarmFED Co-op



Shared Processing Resources (Mill)



What does your community need?

# Never Let a Crisis go to Waste

- Rahm Emanuel

- Rural America feeds the world. Yet, many communities struggle with food security and access to the products they value.
- Supply chain disruptions, unreliable distribution, closing grocery stores make consumers question traditional food system.
- Rural communities can leverage their short value chains to increase economic activity and food security.
- This change requires a first step, & we believe that purchase orders are the catalyst.

# Thank you!



[michelle@helianthpartners.com](mailto:michelle@helianthpartners.com)



[@michelleklieger](https://twitter.com/michelleklieger)



[in/michelleklieger](https://www.linkedin.com/in/michelleklieger)

