



# **Farm Stops: A Novel Approach for Growing Local Food Ecosystems**

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# Local food is **at risk.**



## Farms in Washtenaw County

	<u>1950</u>	<u>2012</u>	<u>% change</u>
# of farms	2,884	1,236	-57%
<b># of farms with:</b>			
Milk	1,232	25	-98%
Orchards	1,659	39	-98%
Pigs	1,407	48	-97%
Cattle	2,079	161	-92%
Poultry	1,686	148	-91%
Vegetables	181	109	-40%
Honey	26	16	-38%
<b>Michigan</b>			
	155,589	52,194	-66%
<b>Indiana</b>			
	166,627	58,695	-65%
<b>Ohio</b>			
	199,359	75,462	-62%
<b>Nation</b>			
	5,382,162	2,109,303	-61%

- Average age of a farmer is 58
- 40% of agricultural land in the US will transition in ownership within 20 years
- Once farms are lost, they are very hard to replace

Sources: USDA Census of Agriculture 1950, 2012; American Farmland Trust

# Farmers make **little money.**

Farm Share  
**\$0.15**



Marketing  
Share  
**\$0.85**

- Selling through traditional channels, farmers receive **only 15 cents** per dollar.
- Middlemen, distributors, retail space **take 85 cents** per dollar in shipping, receiving, and markup costs.

**Source:** USDA Economic Research Service, 2022

# How can we make it easier to shop local?

## FARMERS' MARKETS

- Farmers receive most of the sale
- Local, fresh, and in-season
- Authentic
- Educational
- Builds community

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## GROCERY STORES

- High quality refrigeration and display
- Convenient
  - Open year-round
  - Offers one-stop shopping

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## FARM STOPS

- Combining the best of both shopping experiences
- Amazing local products for customers
- Sustainable margins for local farms

# What is a Farm Stop?

- Year-round, everyday market stocked almost exclusively with local products
- Single checkout line to purchase from all farms at once
- Consignment model is an important component for most Farm Stops



# Why Consignment Sales?

- Producers for most items own their products and set their prices
- Breaks traditional wholesale paradigm
- Customers understand the math (e.g. 70% paid to farms). Farms paid 4-5 times the national average.
- “Ultra Local” model highly differentiated from traditional grocery. Not subject to “local-washing”

# The Farm Stop “experiment” has been successful

- Organized as a L3C entity (mission-driven LLC)
- Mission: Grow our Local Food Economy



# Argus Impact

- We opened in August 2014 with 40 producers and have grown to over 200 today.
- 2023 another year of growth
  - \$6.6 million in sales
  - Top 87 farms had over \$10,000 in sales at Argus, with an average of \$50,676
- Argus has paid out over \$20 million to local farms and food producers since 2014.



# Farm Stops provide year-round income for farms

Yellow  = "extended season"

Purple  = "storage"

- Farm Stops have reliable & comfortable year-round shopping
- Expanded use of cold weather growing and storage techniques
- 36% of Argus annual produce sales take place from January - May.

MICHIGAN PRODUCE AVAILABILITY



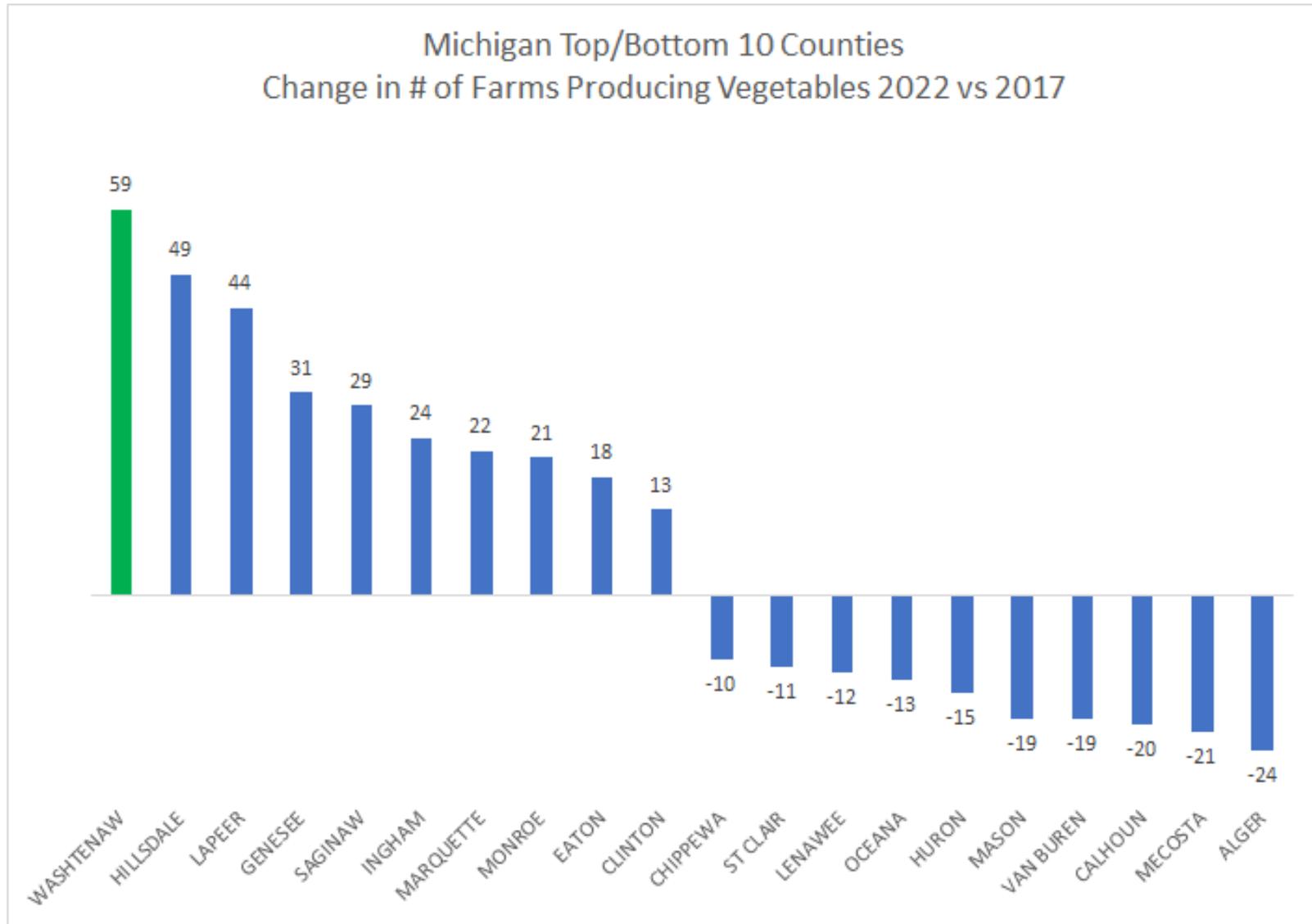
Typical farmer's market season here in MI



Source: MSU Center for Regional Food Systems



# Washtenaw is #1 County in Michigan for Growth in Number of Farms Producing Vegetables



Source: USDA Ag Census 2022 and 2017

# Farm Stops are Opening Across the Country



# Take-aways

- A vibrant local food economy is a crucial part of a well functioning local community.
- The pendulum has swung too far in the direction of industrial agriculture.
  - Food is produced far away from where it is consumed
  - Economics are stacked impossibly against small-to-medium sized farms.
- Our communities and local food systems are at great risk as the industrial model favors huge stores selling food from huge, distant producers.
- Innovative approaches are essential that make shopping local easier and are economically sustain for farms.

**“Farm Stop” stores represent a breakthrough economic model that super-charges local food economies.**