

# The Mid-Atlantic Grains Program: A Case Study

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The Mid-Atlantic Grains Program is the result of a collaboration between Common Grain Alliance and FRESHFARM to build market opportunities for local grain farmers and millers while fostering a vibrant regional grain economy in the Mid-Atlantic.



## About FRESHFARM

Since 1997, FRESHFARM has worked to build a more equitable, sustainable, and resilient food system in the Mid-Atlantic region by producing innovative solutions in partnership with local organizations and communities. FRESHFARM creates systemic change by addressing crucial issues at every level of the food system through transformative programs. In kitchens and in schools, at farms and farmers markets, and across the community, FRESHFARM's innovative programs impact the entire regional food system.

## About Common Grain Alliance

Common Grain Alliance (CGA) was established in 2018 by a group of artisan bakers, millers, and grain farmers in Roseland, Virginia. Their mission is to connect grain farmers, processors, and artisans to build a vibrant, regenerative, and integrated regional grain economy in the Mid-Atlantic. Since its inception, CGA has expanded into a network of over 160 members, including farmers, millers, maltsters, bakers, brewers, distillers, and food businesses, spanning from southern Pennsylvania to northern North Carolina.



# FRESHFARM





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## COMMODITY GRAINS

In industrial agriculture, crops are commodities, and quantity is valued above quality. The typical commodity grain farm covers thousands of acres. Grain is harvested and sold to a grain elevator, then blended with other sources to meet industry standards. There is little consideration of source, variety, or growing practice.

The majority of large-scale commodity grain farming produces grain to feed livestock rather than people. In 2020, less than 2% of corn grown in the United States was for human consumption, while 35% was for animal feed and 31% was for biofuel.

Successful farms must produce a large enough volume of grain to sell at a low price while maintaining economic viability. Small and medium-sized growers, whose acreages range from 5 to 500 acres, cannot achieve sufficient high-volume production.

How can these smaller growers participate in growing grain, an essential part of our diet? The answer is to differentiate their offering by focusing on high-quality, specialty grain production.

### Challenges of the Commodity Grain Model

- Low price per bushel
- Anonymous supply chain
- Limited grain varieties
- No incentive for sustainability and quality



## ALTERNATIVE DIRECT-TO-CONSUMER MODEL

Despite the Mid-Atlantic region's long history of grain production, this sector is not well represented in the local food movement. The public tends to think of local food as limited to fruits and vegetables, and increasingly meat and dairy. It is rare to find flour, oats, grits, rice, or other grain products at farmers markets.

Local grains have become less accessible for both the producer and the consumer. Growing and harvesting grains has always required higher levels of investment in equipment and infrastructure than other local crops. As the market consolidates, traditional cost-sharing practices, such as centralized grain processing (community mills), are increasingly abandoned.

In 2022, FRESHFARM and the Common Grain Alliance launched the Mid-Atlantic Grain Stand and Grain Share, a CSA-style program, and developed a strategic marketing plan to embed consumer education and awareness of local grains into a retail business model.

Farmers markets serve as a platform for both distribution and education. Grain stands build a market for regional grain growers and generate curiosity and awareness for customers looking to learn about the role grains play in the local food system.





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## GRAIN STAND & GRAIN SHARE MODEL

The Mid-Atlantic Grain Stand launched at the FRESHFARM Dupont Circle Market, one of Washington, DC’s largest and oldest outdoor farmers markets. The Grains Program expanded to four FRESHFARM markets for the 2024 season and is currently offered at three FRESHFARM markets. This ensures that a large customer base is exposed to the region’s budding grain economy.

Grains are procured from farms and mills within 200 miles of Washington, DC and stored at a central FRESHFARM warehouse. Grain products arrive at the warehouse packaged for consumer retail. Products are inventoried, sorted, and packed for each market weekly by the Grains Program Manager. On market day, Grain Stand Specialists retrieve their inventory from the warehouse, transport products to market to educate and sell grains to consumers, and later return unsold grains.

The Mid-Atlantic Grain Share is a CSA-style weekly offering of a curated selection of grains, pasta, grits, rice, and more. The Grain Share is marketed as an add-on to the Market Share CSA program offered by FRESHFARM’s Pop-Up Food Hub. This is a weekly produce share sourced from FRESHFARM’s network of small- and mid-sized Mid-Atlantic farmers. Shares are picked up by customers at FRESHFARM markets or delivered to their door.

The Grain Share is curated by the Grains Program Manager at the beginning of the season. The selection celebrates the region’s diverse offerings while maintaining the flexibility to respond to changes in crop availability and customer interest.



## THE FRESHFARM GRAIN STAND & SHARE MODEL

### PRODUCTION

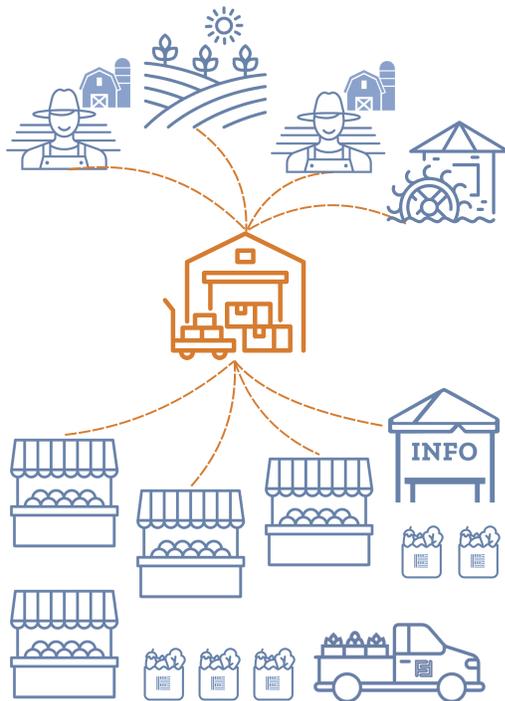
Local farmers make direct deliveries to wholesale clients.

### AGGREGATION

The Grains Program receives inventory from farmers and producers at the warehouse. Inventory is distributed to multiple locations and outlets.

### CONSUMPTION

Shoppers visit their local Grain Stand. Grains are delivered with produce shares for pickup.



### GRAINS PROGRAM IMPACT

Leveraging already existing infrastructure—FRESHFARM’s network of farmers markets and the Pop-Up Food Hub’s equipment—to offer opportunities for small- and medium-sized farmers to earn a price premium for higher-quality, more sustainably grown grain.

Farmers sell directly to consumers through farmers markets and the Market Share, or to wholesale buyers, including artisan millers, craft malshouses, and bakeries and restaurants. These market channels can offer farmers two to four times higher prices. Their grain retains its identity, going to end users who are motivated to promote local sourcing.

Customers respond positively to the direct connection to local land, which justifies premium prices.



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## BENEFITS OF THE AGGREGATOR MODEL

- Farms and mills can add revenue, gain market visibility, and reach a larger customer base without the direct costs of operating a solo stand.
- Cost efficiencies are created by operating a shared stand that represents multiple producers, rather than each producer operating their own solo stand.
- With these efficiencies, the shared stand can operate at multiple markets, and consumers gain access to a greater diversity of local foods.
- A central warehouse can also operate as a pick-up point for other wholesale orders from nearby food businesses or retailers.

By taking advantage of the farmer's trip to the city, food travels shorter distances from the farmers market to the consumer, reducing carbon emissions associated with transportation.

## HOW ADAPTABLE IS THIS MODEL?

This model can be adapted to different farmers markets by an operator with access to a shared warehouse space and transportation to market.

The most significant constraints are access to cold storage and access to a customer market that is a good fit for a premium-priced specialty local food product. Grant funding is recommended to support program operations and manage risk as you grow the market for local grains.

An aggregated grain distribution model creates a strong, diversified network of businesses by:

- Increasing retail and wholesale business for small farmers and processors.
- Increasing market visibility for local grain, which is underrepresented in regional food systems (retail and wholesale).
- Reducing farmers market risks and costs for producers.
- Conducting market research on behalf of farmers/producers.



***Our vision is to grow regional grain production to a scale at which it is accessible for all consumers. As awareness of and demand for local grains and knowledge of grain use grows, production can increase and operations can be expanded. When grain production scales up, costs decrease overall.***



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## LESSONS LEARNED

Over the course of this pilot Grains Program, FRESHFARM and CGA learned valuable lessons about growing the local grain economy.

- Grain farmers and producers may have difficulties in distributing their products due to their small scale and the high cost of transporting small product volumes. A strong grain economy will likely need strong distribution assistance and guidance.
- Cold and humidity-controlled grain storage is needed to keep products fresh and pest-free.
- It is important to set customer expectations on what crops grow well in their region and the true cost of grain production.
- Consumer education is critical to building the market for local grain. Share recipes and baking tips to build consumer confidence and encourage people to try new products.
- Farmers market staff who operate the Grain Stand are the best resource for educating consumers. Educational handouts and signs are great, but many customers do not read them when shopping at the market. Customers have questions, and well-informed and passionate market staff are the best resource for educating consumers and building confidence in trying new products.
- For aggregator models, pricing strategy needs to balance offering a fair price to producers, an accessible price to customers, and covering the operational costs of the program. This is a major challenge as many grain producers operate with slim profit margins. Producing specialty grain products is labor intensive, and many producers have not yet reached true economies of scale. Grant funding is critical in mitigating the risk of operations.



Program Growth Over Time	2022	2023	2024	2025 (5% increase)
# of grain distribution sites	5	7	11	11
# of transactions	2,179	3,696	9,479	10,000
\$ revenue for Grains Program farmers	\$11,215	\$41,891	\$121,280	\$127,000



# The Mid-Atlantic Grains Program: A Case Study Workbook

## CONSIDERING CREATING A DIRECT-TO-CONSUMER CHANNEL FOR YOUR NETWORK?

Use these questions as preliminary prompts to consider developing a Grain Program:

- What are your potential aggregation sites (warehouse, cold-storage room)? Where is it located, what are the days and hours of operation, and what are the access limits of each potential aggregation site? Are farmers able to access this site for deliveries and is there enough space to consolidate many products to make the delivery worth it for the farmer?
- How will the grains travel between aggregation site and distribution site? Consider if this will be part of the farmers market staff's position or specific grain staff.
- What is your existing farmers market and local food business network? Are you going to sell grains to CSA-style programs? Are you going to offer wholesale deliveries? What grain products are available and is there a demand or interest for them?

### PROCUREMENT

- Identify existing grain farmers and producers in your region or farmers and producers interested in growing and producing grain products.
- Conduct outreach to gauge interest in program.
- Ask questions such as: what items do you grow/offer, are they of interest and affordable to potential customers; pricing, quantity, packaging.

### STORAGE & OPERATIONS

- Review existing cold storage availability to aggregate grains from multiple producers.
- Consider limitations regarding grain storage and market radius, where will market supplies be stored, how will products get to market, and who will run the stand.
- Labor is an investment; a sales-oriented staff well versed in grains is essential to success.

### PRICING

- Identify core program needs and values and how product pricing affects it.
- Consider dynamics of pricing and operation model between the program and the farmers/producers.
- Ask questions such as: Who is the governing body to decide prices? What shelf space does a producer get? How will participants get contacted for wholesale inquiries?





# The Mid-Atlantic Grains Program: A Case Study Workbook

## FURTHER PLANNING CONSIDERATIONS

### PROCUREMENT

- Current capacity and limitations
  - Consider what the farmer is currently growing and how much of their harvest can be sold. Are they already making scheduled deliveries near your storage site? If so, are there pain points that this aggregated model can address?
- Typical schedule and sales outlets
  - Consider how many farmers markets you will attend, what days of the week, and stop/start dates.
  - How will you receive the grains upon delivery, and will the farmer or producer be able to deliver consistently?
  - How often and how far in advance will you need to place an order for the product to arrive on time?
- Crop/product plan:
  - What is the current pricing and availability sheet for each farmer/producer? Do they know how much grain will be available? Are they growing something experimental or trialing a new product, and do they want to gauge customer reaction?
- Payment system for producers. Do any of them require specific terms for payment?

### STORAGE & OPERATIONS

- Is the storage space susceptible to moisture? Moisture spoils grains quickly and is important to combat, especially during humid summer months.
- Is storage accessible to farmers for drop-off or to wholesale customers for pickup? Do you want storage to be accessible? How will the farmers/producers deliver or ship their grain products to you? Who will receive these products and complete inventory?
- Who will be the point of contact for all warehouse/storage issues? What if the fridge shuts down in the summer? What if moisture starts building up due to humidity? What if there are pests?
- How will the aggregated grains get to market? Who prepares the grains for market?
- Where will farmers market equipment such as tents, tables, shelves, etc. be stored?
- Will you distribute to CSA-style operations or wholesale customers? If so, how will that distribution occur?
- Who will sell the grains at market? Are they knowledgeable about each featured product and producer?
- What is the process for handling quality-related customer complaints? What is the general return/refund/credit policy for customers?



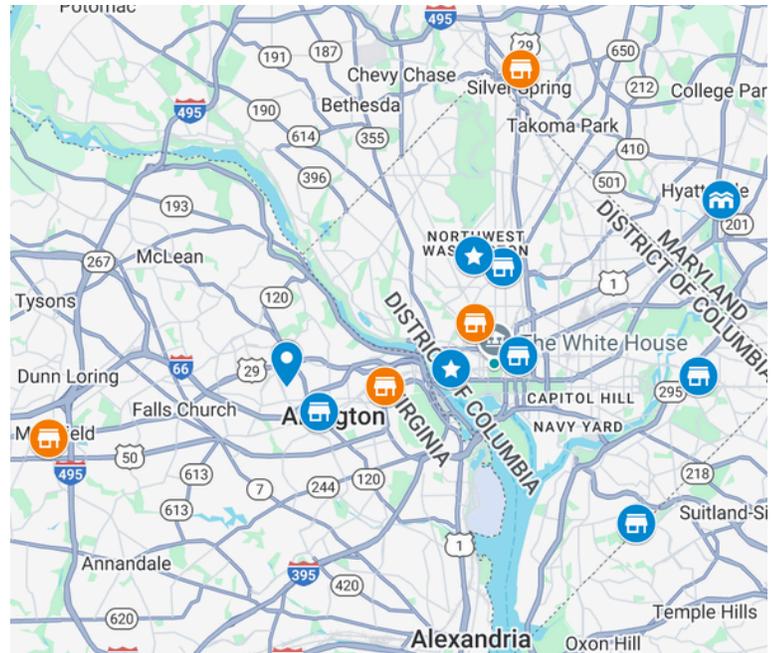
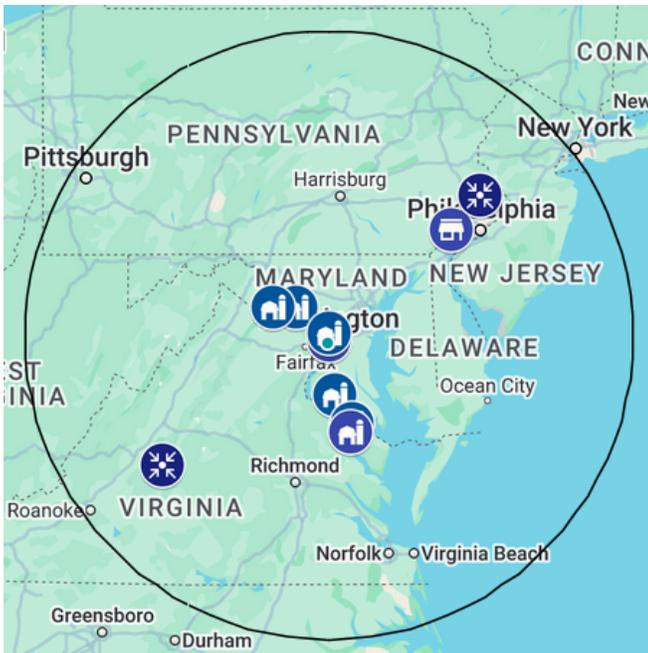
# The Mid-Atlantic Grains Program: A Case Study Workbook

## FURTHER PLANNING CONSIDERATIONS, CONT.

### PRICING

- Though grains have a longer shelf life than produce, milling grains into flour breaks that protective barrier and exposes the grain to oxidation and spoilage. Who will manage the risk—the farmers and producers or the grains program—for damaged goods, unpopular products, and bad weather days leading to low sales and slow inventory movement?
- Will grains purchased from the farmers/producers be at wholesale pricing or at their retail pricing? Who will then determine the retail price?
- What are the goals and needs of the program? Will the program pay for storage, transportation, labor, and equipment repair, or will this be a shared responsibility?
- What is the average customer's budget? The true cost of local grains is often much higher than commodity grains at grocery stores. Can the market support this cost?
- How are payments being processed? What point-of-sale program will be used? Who will manage this account?

## GRAIN FARMERS & PRODUCERS — DISTRIBUTION SITES



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