

Savour Muskoka – Delivery System Creation Discussion – Muskoka Meats, Dec.-16-2010

Attendees: Tom Morrissey(co-chair), Art Robertson(co-chair), Sue Smith, Elise Curry, Ken Riley, Katya Riley, Eyan Wheatley, Dianne Kretschmar, Matt French, Reed Curry, Jim Knox, Dave Purdon, James Murphy.

The question we addressed was: “What are the characteristics of a successful delivery?”

Convenient Ordering

- Chefs want centralized, web-based ordering. What is available today from member farms, for delivery tomorrow?
- Producers often pick to order. Desire to serve regular customers first, then others. They find it difficult to reach the chefs.

Delivery Routing

- Muskoka is too big for one truck to go everywhere each day. Several areas need to be identified and deliveries (pickups) need scheduling for that specific day.
- Members (farms or stores) could act as depots in different communities where producers could drop product off or pick things up. This concept could be useful if their volume was low or the delivery system was limited.
- Northern regions have identified the desire to participate in a delivery system that would enable them to serve the Muskoka market. Equally, a delivery system to the north would expand the market for Muskoka producers and processors. Their unique needs must be identified by them and addressed.
- Service must be regular, consistent and year-round.
- Routing must be planned to minimize empty back-hauling.
- Some customers have specific delivery needs eg. Specific time and day of the week.
- Perishable foods need to be picked up early in the morning and delivered the same day. Typically, chefs order the most food for delivery on Thursday.
- Pick-up needs to be at the farm. Some businesses that offered the service in the past required farmers to drop off to a central spot. Then warehousing overnight was often a reality. Neither of these approaches were attractive to growers.

Face to face at the Customer’s Door

- Delivery as a package to the customer. Some producers only specified that the product must get to the customers in a timely fashion with the assurance that quality is maintained. Depending on the nature of the goods, overnight or longer warehousing is acceptable. Their products are more apt to have long shelf-life or may be frozen. These producers do not depend on the driver or agent to do any value added service with the retailer or chef upon delivery beyond record keeping, etc.

- Delivery as customer service and package delivery: Producers of perishable products tended to have a higher need for the driver or delivery person to have direct contact with the receiver (in many cases, the chef). This face to face interaction enabled direct feedback to be solicited about product quality, satisfaction and possible advice about what to expect for ordering in the next round. These producers were not convinced this information could be sourced through electronic interaction with the customers. They demand that the driver has in-depth knowledge of their farm production and schedules.
- The face to face encounter is an opportunity to introduce the purchaser to new products and benefits of existing goods. A “full-service” driver could provide this marketing edge however the cost in time and in training would need to be recognized and costed.
- For retailer deliveries, the driver could have tasks of restocking shelves or checking quality of current stock or stock needing re-ordering (post-meeting comment).

Potential Customers for Delivery

- Currently include: restaurants and resorts; retailers; supplying co-processors; and some deliveries between farms.
- Others to consider: Could the delivery service do residential delivery for a CSA (community shared agriculture) farm? Could the truck pick up supplies outside the region eg. Toronto for farmers and co-processors who require supplies for example glass bottles for packaging.

Products Delivered

- Producers were concerned that their products be handled individually. The end customer should be able to easily identify who produced the food. Co-mingling of products was a concern. Producers worried that they would lose control of quality and reputation.
- Seasonality of products: Some producers have large spikes in volume when they would really need to move product. Other producers only have product in a very limited window.
- Fresh (perishable, needing refrigeration or not), Frozen products, bottled products.

Equipment

- A truck with movable internal walls might be useful which might allow for frozen, refrigerated and ambient temperature haulage all in the same vehicle.
- Truck as a movable billboard. Members or users of the delivery service could have their logos posted on the exterior. Might read “Follow this truck to the best restaurants and stores in Muskoka”.
- Image conscious: Sanitation, cleanliness and appearance will be important for driver and truck.

Responsiveness:

- Customer Service: Some farmers expressed a need for the driver to be able to “fix problems”. This could translate into action such as the driver always having some excess product on board in case a customer complained about something. Others thought that if a mistake was made by

a grower (or customer), the delivery unit should have the flexibility to fix the problem. For example make a return trip and a second delivery. However, there could be an upcharge to the farmer for this service.

Communications:

- Chefs want centralized ordering. It is difficult for them to have contact and be available for many different suppliers.
- A regular newsletter or webpage or blog could be one means of keeping all parties apprised of the system – efficiencies and difficulties. Shared knowledge.

Farmer's Markets

- Currently many farmers set up individual stands at the different farmer's markets. One producer raised the possibility of having the delivery service act as an agent to pick up produce from several farms and delivering to a market. The growers would have to rotate between themselves to man the booth and display the goods for sale. There was some discussion about how the unsold foods might be disposed of or returned to the producers.

Delivery System Users and Ownership:

- The delivery system could be run as an owner/operator stand-alone business. Alternately, it was suggested it could operate as a non-profit under the wing of Savour Muskoka.
- An annual membership and a per-use shipping cost structure was discussed. A flat fee annual membership would be charged to raise capital and build commitment to the system. Charges for each delivery could be based on a multiple of factors such as: distance, weight, number of pieces, total volume. Charges on a percentage basis of invoice value was not supported.
- Commercial carriers should be invited to tender on any delivery system model that is designed.

Cost:

- Several factors need to be considered for charges including: weight, number of pieces, distance, refrigerator or freezer service, timelimits of service (eg. Perishable – same day, or non-perishable allowing warehousing or next day delivery).
- Are members of the delivery group required to purchase a membership fee which might be used for advertising .

Next Steps:

- Northern Growers are meeting in early January. They need to review these discussion notes and be asked to identify their needs and what they would consider to be the characteristics of a successful delivery system.
- Straw man Delivery Plan: Dave Murdon offered to send Tom a copy of a possible business plan that he drafted for a Muskoka delivery system. This will be circulated to interested participants by January 15th. Each person is asked to review it and identify strengths and weaknesses.

Dave's plan is only a draft or "strawman". It is intended to stimulate ideas, knock the strawman around. Redrafting a new plan is desired.

- All participants were asked to identify other farmers, processors and other interested parties who could be involved in the next stage of this process. Send names to tommorrisey@hotmail.com or arthurr52@yahoo.ca
- Next meeting: Target is late January 2011. No specific date was set. Will be included in follow-up material.