

Open Road: A collaborative logistics pilot for the short supply chain sector in Victoria

Findings and recommendations



Authors: Sophia Christoe, Amida Cumming, Grace Arnold, Lydia Mofakhami, Serenity Hill

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Introduction

COVID-19 saw the rise of online sales options by regional farmers, both individually and in collaboration. Some farmers established online marketplaces for their farm gates whilst others collaborated with food hubs and farmers markets which promoted and aggregated online buying options from these regional producers.

For many regional producers, retaining and sustaining the growth of local Victorian markets has been hampered by lack of cost effective and pragmatic logistics that respond to the unique needs and challenges faced by this sector including:

- A mix of order patterns and huge variety of scales/order frequency and types of food with different logistics needs;
- The need to service a large geographic area with relatively low volume, not met by larger services;
- Commitment to fairness - the need to reduce logistics costs without externalising these to farmers or workers;
- Commitment to building genuine transparency and ongoing relationships between producers and end customers (with and without intermediaries).

The Open Road project designed and launched a service to meet this growing need, providing cold chain logistics for producers to deliver direct to consumers and to retail outlets, hubs, and farmers' markets.

From May 2021 to June 2022 Open Road delivered over **1900 boxes of produce** for more than 100 food enterprises, sending to **375 homes, hubs, and retailers across Gippsland**, Central Victoria and the North East.

Open Road serviced three Victorian regions and provided connections to Melbourne and between regions, enabling producers to access new and expanded markets, particularly from areas without viable refrigerated transport solutions for small- and medium-scale farmers.

Open Road is the largest collaborative logistics project for the short supply chain sector trialled in Australia and was made possible by the support of the Victorian Government. This report details how Open Food Network Australia designed and operated the service and the key lessons learned along the way. We've included case studies throughout to illustrate what the service 'looked like' across the 3 regions and the enterprises we worked with to make it possible. Key insights indicate the potential of collaborative logistics in the Victorian context and we suggest some guardrails to inform future investment in the values'-based short supply chain sector.

“Open Road has given me the unique opportunity to gain previously inaccessible clients due to their faraway locations. This revolutionary new delivery option has allowed me to maximize my workday by taking the stress of delivering off my shoulders and into the hands of capable drivers.” Vicki Rhodes, Gippsland Gourmet Pies.

“I love what Open Road is doing. There are many small farmers like myself who would otherwise be making multiple trips in private vehicles. So much more efficient to have the open road vans combining many small loads into a few larger ones. Plus Open Road have been super positive and helpful to deal with. I feel they understand we producers, and our needs.” David Arnold, Murrnong Farm.

What we did: 5 Phases

Phase 1 Establishment (Mar-June 2021): Enabled by a Victorian government grant around boosting e-commerce sales for farmers and "Working for Victoria" funding for specific jobs¹, the first phase was focussed on recruitment; setting up operating systems and foundational partnerships (CERES and Melbourne Farmers Market); working with our existing Open Food Network hubs to call for Expressions of Interest (producers) in the Gippsland and North East regions.

The first assumption that we wanted to test was whether *linking* existing hubs within regions via delivery loops could expand sales for producers by giving them access to sales at multiple hubs within regions, while still only needing to drop at one. This phase also involved sourcing van hire - as a pilot we didn't want to purchase vehicles and this cost was built into the e-commerce grant.

Phase 2 Victorian Country Market Onboarding (July-Nov): The pilot was boosted from July with an injection of further funds from the Victorian government to provide a logistics alternative to its *Victorian Country Market* producers. The Victorian Country market was an ecommerce solution provided by the Victorian Government. In 2020 and 2021 the Victorian government had been providing a free logistics service (first mile to last mile) including a free weekly aggregation service to drive demand for producers alongside a website for purchasing food from Victorian producers. As part of its transition plan we were provided a grant by the Victorian government to support their users/clients to access alternative services. As part of this grant, we needed to contact and provide advice to Victorian Country Market producers and provide a logistics offering that could provide a pick up depot within 50 km for as many as practicable. It involved expansion of our coverage/outreach to the Central region.

This phase involved a huge outreach task, although most of the VCM producers reverted either to their past logistics solution (they had just been using government service because it was free) or reverted to postal/local sales or previous sales channels (not direct to consumer) - they had only been able to take advantage of new markets because of the very large subsidy provided by the government to cover costs and most were not prepared to bear the price we needed to charge (noting that this was still massively subsidised). The government had also ceased the aggregation service (packing from many farmers into single boxes delivered last mile to customers across Victoria) which had been a key part of driving the volume/critical scale required to make the logistics work (full vehicles moving at the same time each week). There was also a big focus in this phase around depot recruitment/establishment and

¹ The Working for Victoria grant enabled the Open Road pilot, but wasn't the only focus. The other focus was supporting positions in our partner hubs in the region. We leveraged these positions to enable activation of Open Road in those regions, however, there was also a huge amount of support and administration involved in these positions that wasn't about Open Road.

continuing to build out the highest priority information processes; including processes to manage cold chain risks/requirements.

Phase 3: Driving Demand and consolidation (Dec-Feb) Having set up routes across 3 regions, and assessing that VCM users were not going to be the driver of demand that we hoped, we conducted a user recruitment blitz with advertising around our expression of interest and cold calling our contact lists. The regional coordinators focussed on relationship building and outreach.

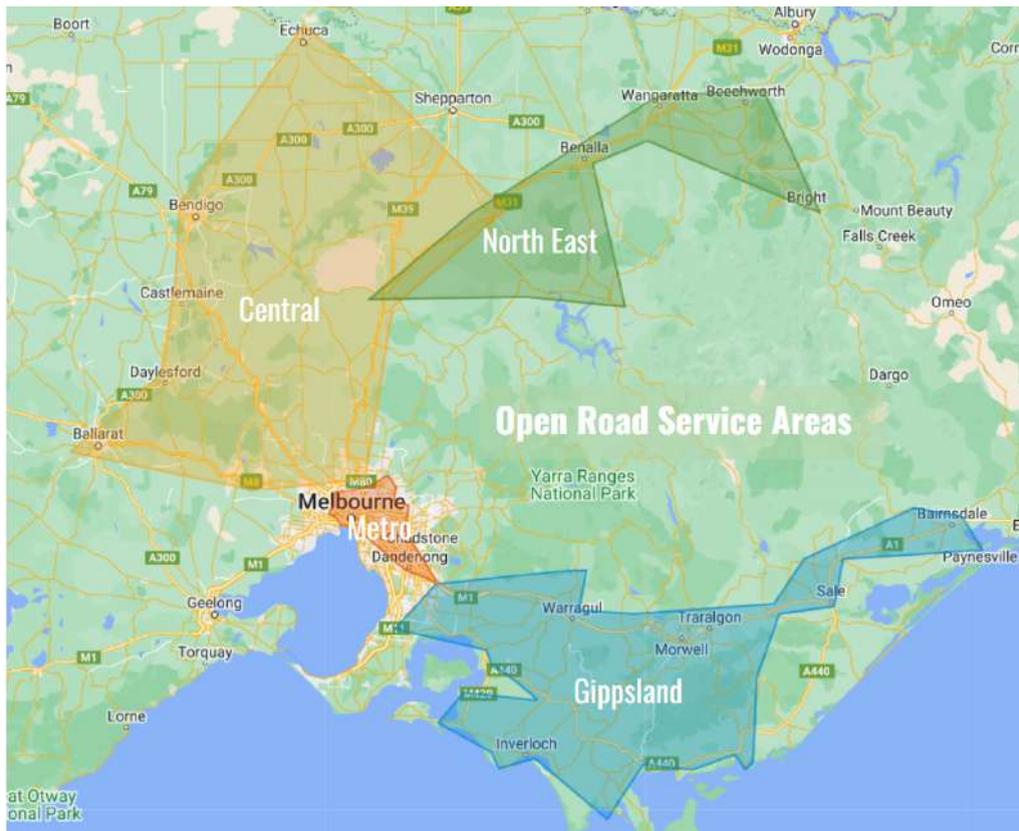
Phase 4: Focusing resources on anchor users (Mar-April)

In phase four we focussed on where we were creating the most value. There was a pattern of fewer, regular reliable users who were committed to the service in each region. We used the 4 remaining months of the pilot to focus energy on reducing costs of coordination and routes. We systematically worked through our anchor users' needs and worked to find them other driving options (sub-contractors; one producer driving food for a fee for nearby producers). In this phase we also continued to offer some driving service, using day hire vans from regional partners.

Phase 5: Wind down and transitional strategies for users (May-June): In the wind down phase we continued to focus on transitioning our anchor users to bespoke solutions that would work without us. We also worked with key hubs (e.g. Baw Baw Food Hub in Gippsland) on funding proposals that would enable a stripped back coordination service / regional activator position for 1 day a week - the glue required to continue to work with key producers to continue to enable marketing and logistics collaboration opportunities.

How it worked

Open Road was designed around a hub-to-hub model, with 11 Open Road depots throughout Victoria allowing drop-off and pick-up points for customers along key routes for an affordable base fee, with first mile pick-up and last mile delivery available at an additional cost. We tested a variety of vehicle and driver arrangements over the project and developed an integrated order management and customer communication system.



The regions Open Road operated in.

Delivery Loops

The delivery routes were designed as loops that could intersect and provide a cross-regional connection at our metro depot partner and delivery provider Melbourne Farmers' Market (MFM) in Alphington.

The MFM site offers last mile refrigerated delivery, along with on site support for cold storage and CSA pick-up service. MFM's central location allowed us to store and move produce from North East regions all the way down to Gippsland, as well as meet extra last mile delivery demand in the Melbourne Metro area.

Within each loop, depots were established at central points based on the level of demand in key areas and availability of infrastructure, allowing users to access pick up and drop off points at a location near them.

Routes and service times were established for each region around areas and times in demand and to work with producer and hub schedules for produce.

Central Victoria: Two weekly routes, increased from one to cover demand area, with hubs in Euroa and Melbourne.

North East Victoria: One weekly route with hubs in Wangaratta, Euroa, and Beechworth, and connections to Melbourne

Gippsland: Four runs per week across four routes with hubs in Warragul, Rosedale, Meeniyan, Wattlebank, and Melbourne.

Case Study: Bimbimbi Farm - Facilitating cross region sales



(L) Nina Meiers, Bimbimbi Farm; (R) Christian at Luther's Scoops

When planning the routing for each of our delivery regions we prioritised viable connections between regions, not only in and out of Melbourne. While this created timing challenges and mapping limitations, especially with only one or two vans running in a region each day, the value of accessing buyers or suppliers cross-regionally was evident.

Bimbimbi Farm, in Barjarg, North East Victoria, is a certified organic, medium-scale berry farm. Their primary sales were large orders to fresh fruit distributors during the harvest

season, with a small quantity of frozen fruit retailed online year round. With the challenges of a wet harvesting season and seasonal worker shortages experienced through 2021, Bimbimbi Farm were freezing much more fruit than usual to avoid losing it all together.

The Open Road and Whole Crop Purchasing projects worked hand-in-hand to connect Bimbimbi Farm with gelato businesses in Melbourne and Gippsland, and to deliver two pallet loads of frozen berries across regions, totalling 500kg of frozen fruit. Each delivery from North East Victoria to South Gippsland utilised routine regional loops, a third party contractor, and depot services in both regions as well as our Metro Depot at the Melbourne Farmers Markets, yet to Bimbimbi Farm and the receiving enterprise it was one delivery process through Open Road.

Depot Network

Open Road established a network of depot partnerships at key points in regional loops to allow produce to flow between route crossover points while maintaining cold chain compliance.

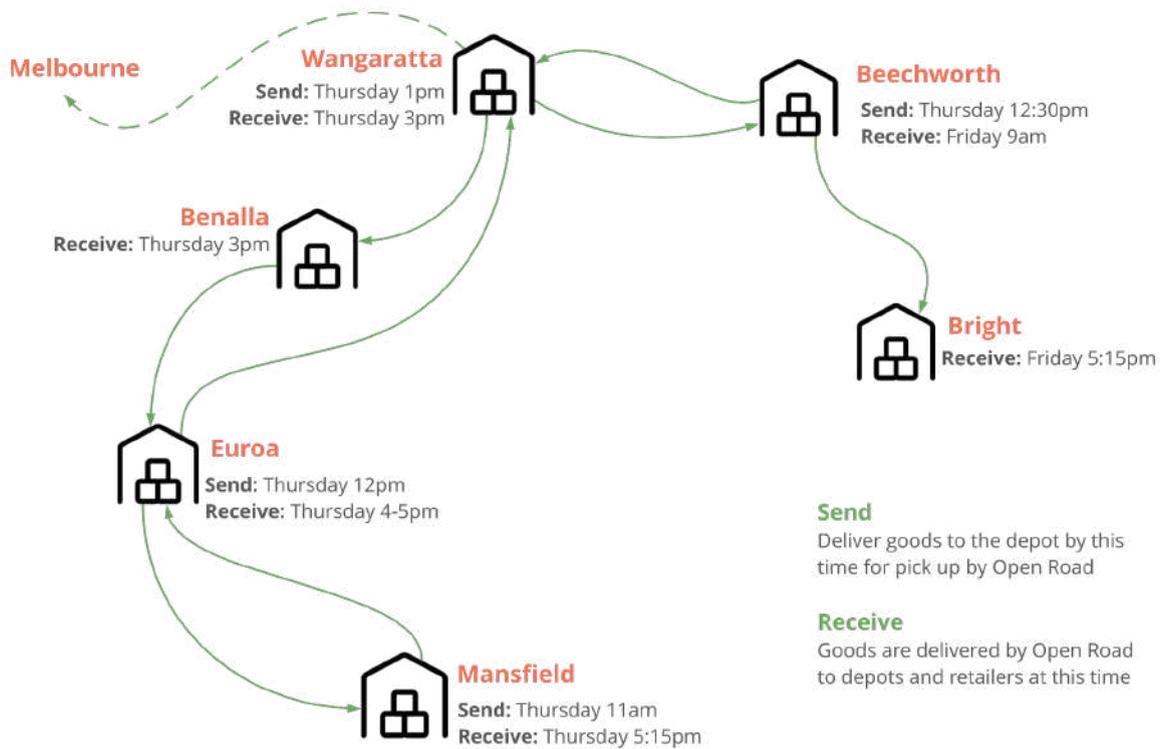
Developing depot partnerships utilised existing infrastructure in local food systems by collaborating with regional food hubs, retailers and producers with storage facilities to act as pick-up and drop-off points, and provide overnight storage and transfer between routes.

These partnerships were guided by our co-signed depot agreements that were adapted to best fit the needs of each depot site and situation. Depots received benefits for joining the Open Road network in the form of service discounts. Open Road held cargo insurance to cover all produce in transit between vans and depots.

Depots included a variety of partners across retailers , producers and food manufacturers. All had cool room capacity and local council food safety registration and processes in place to support our safe and documented produce flow.

Some depots were only open for trade a few days a week with mobile coolroom facilities, while others included food retailers with 7-day access coolroom infrastructure.

Case Study: Creating regional networks of food hubs



The North East region delivery loop at the beginning of 2022

In North East Victoria we focused our loop development on connecting food hubs and producer-based depots in Euroa, Wangaratta, Beechworth, Milawa and Bright. Designing our delivery runs in line with hub ordering and packing cycles (as best we could) enabled producers to deliver once a week to their local depot and have their product transported to and sold through multiple hubs throughout the region.

As a hub based depot, Strathbogie Local in Euroa was able to access new products and producers further afield and broaden their product offering to include smallgoods, avocados, greater vegetable diversity with another market gardener and a more constant supply of eggs with an additional egg producer.

These producers, and those that already sold at Strathbogie Local and were able to reach other hubs in the region, had access to a new customer base with an integrated distribution option.

Creating networks of depots and depot agreements engineered collaboration between food enterprises in a region which previously weren't connected. In acting as a distribution depot for each other, coordinators at Strathbogie Local and other hubs were in regular communication with each other, facilitating opportunities for shared learning and strengthening the resilience of each individual enterprise.

Case Study: Silver Creek Sourdough - Supporting enterprises to provide a multi functional depot



Louise Ritchie of Silver Creek Sourdough

Silver Creek Sourdough is a bakery in Beechworth, North East Victoria that crafts naturally leavened bread, crumpets and pizza bases made from organic Australian flour. Louise Ritchie and her small team at the bakery sell direct to consumers via the Open Food Network, as well as supplying cafes, restaurants and retailers in Beechworth and surrounding towns in the North East with their own bread delivery runs. Louise saw the value that Open Road would provide to other producers and suppliers in the region and signed on as a depot, even though she was unlikely to use the service herself.

In becoming a depot, Silver Creek Sourdough were supported by Open Road in clarifying the opportunities provided to other producers, often with whom Louise had existing relationships. The main value she offered as a depot was her 'bricks and mortar' store becoming a retail pick up location for other enterprises. A Murrumbidgee-based market gardener transported one load of produce 10km from their farm to Silver Creek Sourdough; some boxes were picked up by customers directly from the Silver Creek Sourdough depot while other boxes were picked up by Open Road and delivered on to a food hub in Wangaratta, opening up a new customer base for the market garden business.

The weekly interaction between Louise and the other producers also resulted in additional B2B sales of fruit, herbs and vegetables to the bakery. Customers picking up weekly vegetable boxes could time their collection with Silver Creek Sourdough's bread ordering cycles or purchase baked goods from the self-serve stand at the bakery door while they were collecting their veg.

Depot wins

- The co-reliance and collaboration that developed between producers and depots has forged ongoing supply chain collaborations beyond the Open Road project.
- Smaller producers saw a huge benefit in sharing well-placed and staffed cold storage resources , as well as providing food-safe flexibility for pick-up and drop-off without having to maintain the full infrastructure costs of that site.
- Offering depot pick-up encouraged people to visit the retail depot sites that may not have otherwise had that traffic.
- Emergence of collaboration between depots to support more efficient cross regional produce movement, for example, Baw Baw Food Hub and Wonthaggi Food Collective now collaborate on receiving wholesale deliveries from Melbourne to Warragul.
- Open Road developed new connections between producers and retailers, expanding markets and sources of produce for Open Road users.

Depot challenges

- Depot capacity: Some depots had very limited cold storage capacity, which limited the amount of produce that could be moved through the site at any one time, requiring careful coordination of produce flows.
- Some fresh produce retail shopfront depots expressed a conflict of interest when approached to provide pickup point for external producers selling similar products.
- A mixture of NFP and commercial premises meant varying perspectives on the cost/benefit of a depot style function that supports surrounding producers.

Case Study: Baw Baw Food Hub strengthens regional food networks with Open Road



Members of Baw Baw Food Hub and Open Food Network

Baw Baw Food Hub (BBFH) is a Warragul not-for-profit retail food shop and food hub that functioned as a key Open Road depot drop-off/pick-up point for the mid Gippsland districts.

Positioned on the M1 from Melbourne, BBFH was a key cold store transit point for producers sending goods either to Melbourne or further into South Gippsland. This allowed small local artisan producers such as Butterfly Factory Cheese to access strategic high-profile Melbourne retailers and restaurants, as well as their local regional markets (Meeniyan, Kilcunda, Yarram) all with a single, 24-hour-access drop-off point at BBFH.

Open Road also facilitated and grew connections between BBFH and local producers further south in Gippsland which were previously inaccessible, such as Trulli Pizza in Meeniyan, Invy Baker and Amber Creek Pork. This resulted in a growing and ongoing local regional supply chain that did not exist prior to Open Road and the Regional Food Activation roles, but has now continued beyond these projects.

The BBFH depot function also allowed Open Road to support produce movement and deliveries across Gippsland to supply Prom Coast Food Collective's distribution to end customers.

Vehicles & Drivers

Open Road hired Primesafe licensed vans for each route. In the initial phase, vans were rented full time from a commercial leasing company to get vans on the road quickly to service demand in the North East and Gippsland, while exploring service uptake and potential for expansion.

Drivers were recruited in each region, with an emphasis on ensuring staff were knowledgeable about the local food community and engaged with customers and depots around their needs - drivers played an active role in nurturing collaborations and gathering feedback for continuous improvement.

In 2022, Open Road shifted to day rate hires of vans directly from local producers with underutilised van assets, reducing hire costs to match with revenue on delivery days, as well as providing a revenue stream to van owners.



L: Open Road Driver and Operations Officer Grace Arnold; R: Regional Food Activator Eva Eriksson

Open Road developed and conducted food safety training for drivers to ensure cold chain compliance, temperature check processes, and record keeping. Driver training and processes also included occupational health and safety, COVID-safe protocols, and contingency processes for vehicle issues.

Case Study: Freeland Pork and Pacdon Park: additional income stream from existing assets and sharing business opportunities.



Jim Arrowsmith, Pacdon Park co-founder in their Moama factory shopfront.

In the shift from a monthly commercial van hire to a more cost effective option for the Central region service, we wanted to support regional food producers to maximise the value of their existing assets.

With two 'anchor customers' in Northern Victoria or the border town of Moama we were committed to meeting their logistic needs and had a clear idea of where and when they needed their food moved.

We approached Claire Coates of Freeland Pork during our Driving Demand and consolidation phase (Phase 3) and she expressed interest in both using Open Road for deliveries, exploring the value her 2 Primesafe registered vehicles might provide, and offering her existing weekly delivery run for her free-range pork business to be used by other Open Road customers.

In many respects Claire was the ideal enterprise-owner to work with in this phase of the project: the business has an established regular weekly delivery routine; well-maintained but underutilised refrigerated vans; an enthusiasm to add additional income streams to the business and a genuine willingness to find 'win-win' solutions for Open Road and Freeland Pork.

After numerous in-person and on the phone conversations to explore the needs, expectations, hopes and concerns of Freeland Pork, Open Road and our anchor customers, we came to a mutually beneficial arrangement with Claire. Two afternoons per week Open

Road would hire Claire's Kyabram-based Primesafe registered refrigerated van and our driver would do select pick ups and deliveries. We identified an overlap in our and Claire's delivery run and which Claire was happy to take on as a subcontractor. Claire used our tracking software Yojee so customers experienced a continuity of service no matter who picked up or delivered their goods.

An additional benefit which emerged out of this genuine collaboration was the sales contacts and business opportunities which were shared between Freeland Pork and our Moama-based anchor customer Pacdon Park (pictured). Rather than seeing another enterprise as competition these two producers saw the benefits of sharing their wholesale customers to increase opportunities for both businesses.

Vehicle & Driver wins

The move to hiring vehicles from local enterprises was a significant improvement for reducing vehicle costs, while also providing income to local producers with under-utilised assets. Similarly, developing partnerships with producers and other enterprises already doing deliveries in our service areas created efficiencies by plugging into existing resources, and the ability to maintain routes without solely carrying the full cost and risk of a route.

Vehicle & Driver challenges

Due to the location of the loops, it was challenging to get replacement vehicles in the event of breakdown or maintenance issues, as backup vehicles and mechanic services offered through the leasing company could not be sent to the regions in time to avoid service disruptions.

The project instead developed a network of private replacement vehicles available through local producers and retailers which could be hired at short notice.

Similarly, the occasional need for cover drivers due to illness or leave presented a challenge with a lack of available drivers generally across the industry in regional Victoria, and the challenge of finding suitable staff for specific locations on short notice. Open Road addressed this through a combination of developing a network of on-call drivers in each region through our partner networks, and the use of hire companies to provide cover drivers.

Customer & partner touchpoints

A key role in the collaborative network developed by Open Road was in managing administration and coordinating customers' needs with the capacities of depots, delivery partners, drivers, and van owners.

The information and coordination systems we created enabled customer and depot touchpoints to bring these independent parts together to operate as a logistics network ensuring cold chain compliance, risk management, and reliable service delivery.

Customer touchpoints worked Monday-Friday and fielded enquiries, planned delivery routes and schedules to meet changing needs, responded to on-road issues, ensured two-way flow

of information across customers, depots, and drivers, and ensured food safety and risk management procedures were followed. Depot touchpoints worked Monday-Friday and managed depot relationships, coordinated depot capacity, facilities and processes, and responded to challenges raised by partners.

These roles and information systems enabled collaboration between partners in local food systems who had underutilised infrastructure and assets, but lacked resources to develop and manage the coordination process.

Operating systems

The coordination and tracking of order information was a critical component of Open Road that needed to be developed for a collaborative logistics system.

Without a budget for developing custom software, and a unique vision for a logistics network, Open Road needed to be creative in information management.

We built an order management system using Airtable: a low-cost, highly customisable database software that the team had experience using, which allowed us to develop customised online forms for service queries, customer registration, and orders, and to manage and cross-reference this information in one place.

For route planning, order tracking, and driver manifests, we utilised an off the shelf logistics software, Yojee, which offered the ability to manage multi-leg journeys - key to our depot-to-depot routing. For customers, we developed a purpose built user portal where they could view and lodge orders, access Yojee tracking links and labels, and view and pay Xero invoices. Depots also had access to order information for all orders passing through the depot, to enable them to manage storage capacity and staff time.

We used 3rd party software (Integromat and Miniextensions) to integrate these platforms and automate processes to e.g. send customer shipping labels and order updates.

Systems were built in response to the project's development: integrations were added to automate order lodgement and invoicing processes, relieve customer pain points, and to reduce time spent on order management and free up resources for problem-solving customer needs.

Yojee was chosen out of several potential logistics software solutions mainly for its ability to manage multi-leg orders transported via multiple depots, and the integration of order management, route optimisation, a mobile driver app, and automated customer communications via email and text. This allowed real time communications to users and receivers to confirm order lodgement, arrival times, tracking links and delivery notifications.

However, Yojee was developed mainly for use by large scale, non-perishable and long distance cargo distributors, so additional customisation was required for cold-chain compliant, small-volume transport.

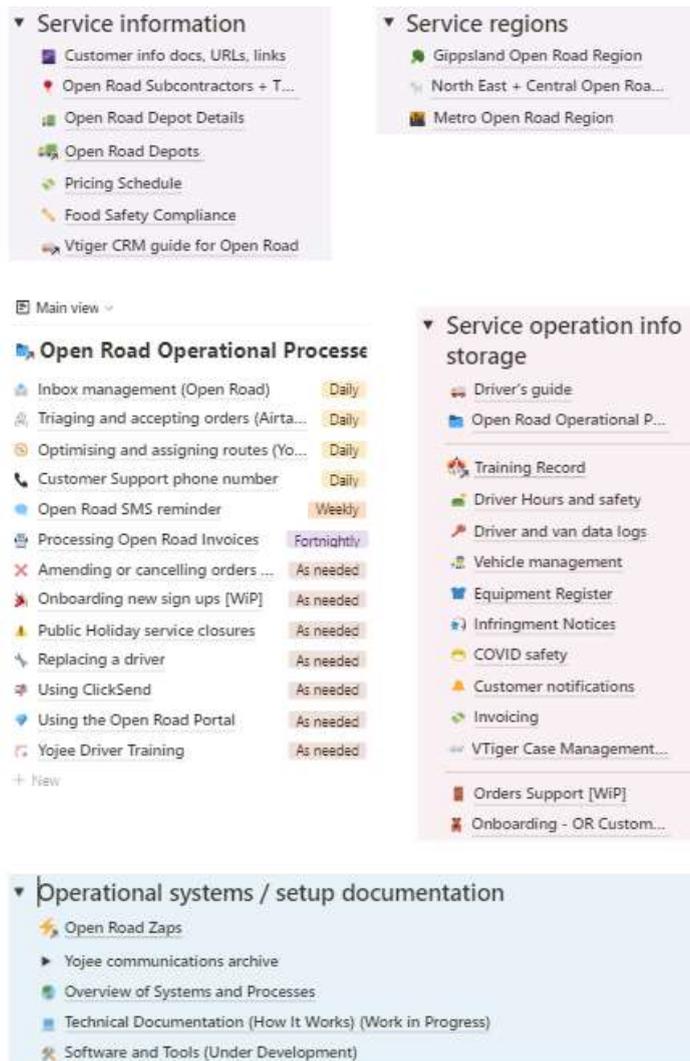
Open Road adapted Yojee's out-of-the-box functions to allow drivers to access needed information on the road and log product temperatures, and enable the operations team to use the multi-day route planning needed for our route designs. Multi-leg order management and depot management functions in Yojee also enabled us to set up complex cross-regional routes with minimal manual management, and keep depots informed of the produce passing through.

We also set up processes for drivers to record vehicle temperature and condition information directly into our database. This meant our operations team had oversight and records of compliance and safety information, freeing up drivers to be fully 'on-the-ground' engaging with producers, depots and customers as the human face of the service.

Operating systems wins

The systems developed were highly customisable to Open Road needs without the cost of additional external software packages. They integrated website, customer interfaces, order management, customer relations management, food and vehicle safety, and invoicing to be managed with one database, and with several processes automated (see Appendix 1 Resources). The systems are also now thoroughly documented for replication, and scalable to different levels of demand.

This development and refinement of Open Road processes also produced an extensive resource - The Open Road Handbook, which documents all aspects of the project and provides guidance for all the roles involved.



Homepage of the Open Road Handbook

Operating systems challenges

A key challenge of our operating systems was the cost of Yojee which was a relatively high monthly fee. The development of customised systems to integrate with Yojee also meant a degree of lock in, so that moving to a lower cost software entailed a changeover cost in redeveloping our database. However Yojee offered some important functionality in terms of route planning, driver phone app, order tracking, and uploading and recording temperatures and delivery confirmations.

Setting up operating systems and processes also required a higher level of administration and customer service time in the early stages when systems were initially developed - this was refined over time to reduce the administration hours spent on these systems and on customer supports. However, these coordination and information management roles are key, so achieving scale to cover back-end costs as well as on-road costs is critical.

Lessons learnt

Collaborative logistics must be paired with driving demand.

Collaborative logistics solutions for the short supply chain sector need to be developed hand-in-hand with both ends of the supply chain. There is untapped interest from producers in all regions to supply more customers, running in parallel to wholesale and retail buyers keen to purchase from them: matching this supply and demand is key to creating a collaborative logistics service which could get closer to cost-recovery.

For example, during times of low-volume movement when only a handful of parcels were being delivered from regional Victoria into Melbourne, the true cost of transport was \$90 per 15kg box but the service charge was only \$27/box. Increasing the number of boxes picked up or delivered per driver stop, by increasing the demand 'at the farmgate', was a strategy we employed. Open Road focussed on building the demand for products from key users in each district, firstly by adding on to their produce flows and needs; for example, did they have potential customers ready and waiting who they just hadn't been able to deliver to previously? From that baseline we then proactively began building out their customer base, often using the networks developed through hubs and existing producer relationships to suggest and broker new buyers. Leveraging the other relationships we held in each region in this way meant we could also begin delivering for multiple producers at the same drop-off, further increasing our service efficiency.

Case Study: Prom Coast Food Collective



Image Credit: The Prom Coast Food Collective

Prom Coast Food Collective (PCFC) is a collective of South Gippsland producers and makers that sell direct to customers from their online shop. Each PCFC producer shares their story and profile on the PCFC website, to show the human farming connections each purchase supports.

PCFC deliver orders of mixed produce (meat, cheese, dairy, veg) for customers each week, to destinations across Melbourne as well as regional Gippsland. The PCFC model pays 90c in the dollar from PCFC customer orders direct to their farmers and producers.

Some PCFC customers picked up orders from Meeniyan Pantry depot, but the majority still preferred home delivery - the Covid online purchasing climate reinforced this expectation. PCFC's key issue in servicing regional Victorian home deliveries was the cost of the driver time and kilometres spent to access more distant townships which were not well serviced by other delivery options. Open Road delivery routes allowed PCFC to offer home delivery to these regional areas - a key advantage with the explosion of online produce order needs during covid lockdowns and food shortages.

Open Road consolidated incoming produce for packing at PCFC via the Rosedale, Meeniyan and BBFH depot network, allowing PCFC to access produce from across Gippsland. We then provided PCFC a same day pickup and delivery of produce from multiple producers - an improvement for producers who had previously delivered their own goods individually.

For PCFC, Open Road meant less farmers doing the driving and much better time efficiency for producers. However, the true cost of the time and kilometres spent doing the regional

deliveries across significant distances was more than customers expected to pay, which presented a viability challenge for Open Road to cost recover.

For Open Road, PCFC represented an 'anchor customer' for the South Gippsland route, providing regular baseline demand both to and from the Meeniyan depot. Working with PCFC, their producers, and hubs, also meant that connections have been made within local economies, with Open Road partnership check-ins becoming a space to share cross-regional supply opportunities, build relationships and establish trust among a network.

There's a strong case for publicly funding 'regional food activator' positions focussed on finding markets and logistics solutions for groups of small producers

Many of the opportunities and new solutions which emerged out of Open Road were possible due to the government investment in a local person acting as the 'glue' to connect multiple enterprises and facilitate new collaborations. The logistics solutions created were highly context dependent and worked because of Open Road staff embedded in the 3 regions we serviced: they developed solutions based on their local knowledge and networks, could advise on cross-region opportunities, and identify the most impactful collaboration synergies.

Enterprises want someone to play this role, as they cannot stretch their limited human resources to take it on. Our experience tells us a funded 'regional food activator' is only viable if operating at a regional scale and with a long (6 months+) establishment phase before launch. In the initial stages of an enterprise's introduction to this new way of managing their logistics, they require support to learn new online processes; additionally, the upfront costs of establishing administration and collaborative information systems need to be recouped gradually to keep the service price point accessible to early users.

Case Study: Making it easier for producers to reach values-aligned customers



Image: The Orchard Keepers

The Orchard Keepers (TOK) is a collective of six farmers running a certified organic mixed-fruit orchard at the Harcourt Organic Farming Coop in Central Victoria. In their first year of running the established orchard they wanted to focus on supplying their local food community via CSA subscriptions and at their weekly farmers market, however also wanted outlets for gluts of particular lines of fruit. Plums make up approximately 1/3 of the orchard and are the most reliable crop, so TOK anticipated they would have more plums than they could sell locally.

With so much to do on farm and their sales focused to the hyper-local, they had no established logistics solutions to get fruit into Melbourne, where they had some interest from business who were familiar with the quality of the organic fruit from the established orchard.

Through the Open Road and Whole Crop Purchasing Projects, we were able to provide multiple values to TOK by introducing them to new B2B sales opportunities in Melbourne, facilitate those business relationships, and through Open Road deliver 2.25 tonnes of fruit across Melbourne to values-aligned bakers, ice creameries, food hubs, and a F&V wholesaler for the duration of their season.

Thank you so much - we will miss this project very much next season! It has been invaluable for us to shift fruit to suppliers in the city and across Victoria. All the best with what's next! - Alex, The Orchard Keepers

Shared systems for coordination and risk management can unlock value from distributed and underutilised assets across the network

The human and physical infrastructure is there - networks of people/hubs/equipment to be connected, but they need the overarching support of coordination systems, establishing processes, contingency and risk planning and coordinating cold chain compliance for this potential to be realised. Our proof of concept demonstrated this potential. A centralised coordination service for distributed logistics could work at a larger scale with further investment in efficiencies and reducing cost and where many regions are sharing the cost of the centralised service. There could also be a simplified coordination service offering at regional level, with a funded regional food activation position adapting the tools and processes we have developed in this pilot to specific regional need/context.

I think from an MFM Depot perspective we've found that metropolitan hubs almost get forgotten about in the food systems network ... Open Road was a great example of how food moves through the city regardless of where it's coming from. It's the vital hub to the wheel. Dom, MFM Depot

Small enterprises see value in being part of the solution, if it's made simple to participate

Small businesses already in the sector have the hardware to provide these solutions (vans, cold storage/ depot functionality, existing delivery runs), but often lack the *software* to link together in a way that supports cold chain compliance recording and reporting, automated communications and streamlined inventory management. Gippsland subcontractors have expressed interest in software which could link their highly customised routes together using depots, while MFM Depot wants to streamline their food hub functions using digital inventory management across their cool rooms, dry storage, commercial kitchen hire and customer pick-up functions.

These small enterprises recognise the bigger impact they can play in their localised food systems with the appropriate technology, and are willing to work collaboratively to develop and refine those solutions. Without the cash reserves of larger companies however, they need support in the start-up phase to ensure their business models and services are sustainably priced.

The significant potential of farm-based hubs emerged in the later phases of the project and as such we weren't able to fully explore this shared model. We had farmer users express interest in investing in an on-farm coolroom because they could see value in supporting the network by providing a place that other farmers could drop produce. Experience overseas (eg Red Tomato in USA) is that a network of farm based hubs could be game-changing. Establishing farm-based hubs requires an investment in trusting relationships (to assuage safety and biosecurity concerns) and simple processes for farm businesses to make their infrastructure

available to others. The business case for farmers to invest in the small infrastructure (eg a larger coolroom) that would enable this to happen also needs to be made. Convenience and more time spent on farm are compelling inducements for some producers to make this investment.

Case Study: MFM Depot, the urban food hub connecting regional nodes.



Image: Melbourne Farmers' Markets

Melbourne Farmers Market's Alphington headquarters have long been envisioned as a metropolitan food hub able to serve local producers well beyond the trading hours of their weekly farmers' markets. We were keen to partner with MFM Depot as our principal metropolitan depot due to the opportunities to develop and test our integrated software with a willing collaborator who has a genuine commitment to playing a role in moving food throughout regional Victoria.

We entered into a Depot Agreement which also included services unavailable at other hubs such as long term cold or ambient food storage in pallet volumes, forklift facilities and occasional last mile delivery in metro Melbourne for enterprises with high-end hospitality and retail customers. We were transparent in our pricing model, which helped MFM Depot establish their service prices, and maintained weekly communication as both enterprises began to understand the weekly flow of Open Road drivers, customer pick ups -and forklifts!- across the site.

An exemplary illustration of the value of this metropolitan depot was the continuity it provided a long-time farmers market stallholder when he decided to retire from farmers' markets. Save Our Soil's Mark Rathbone has sold vegetables from his Kyabram-based biodynamic vegetable farm almost exclusively at MFM-managed farmers markets for over a decade. When he decided to transition out of farmers market at the end of 2021, Mark was

able to maintain a connection to his Melbourne customer base by offering MFM Depot as the pick-up location for produce boxes which Open Road delivered down to the city each week. MFM and Open Road worked closely to ensure that our delivery runs would align with MFM Depot customer pick up timeframes, and were also able to connect Mark to new values-aligned wholesale opportunities within their metro delivery area.

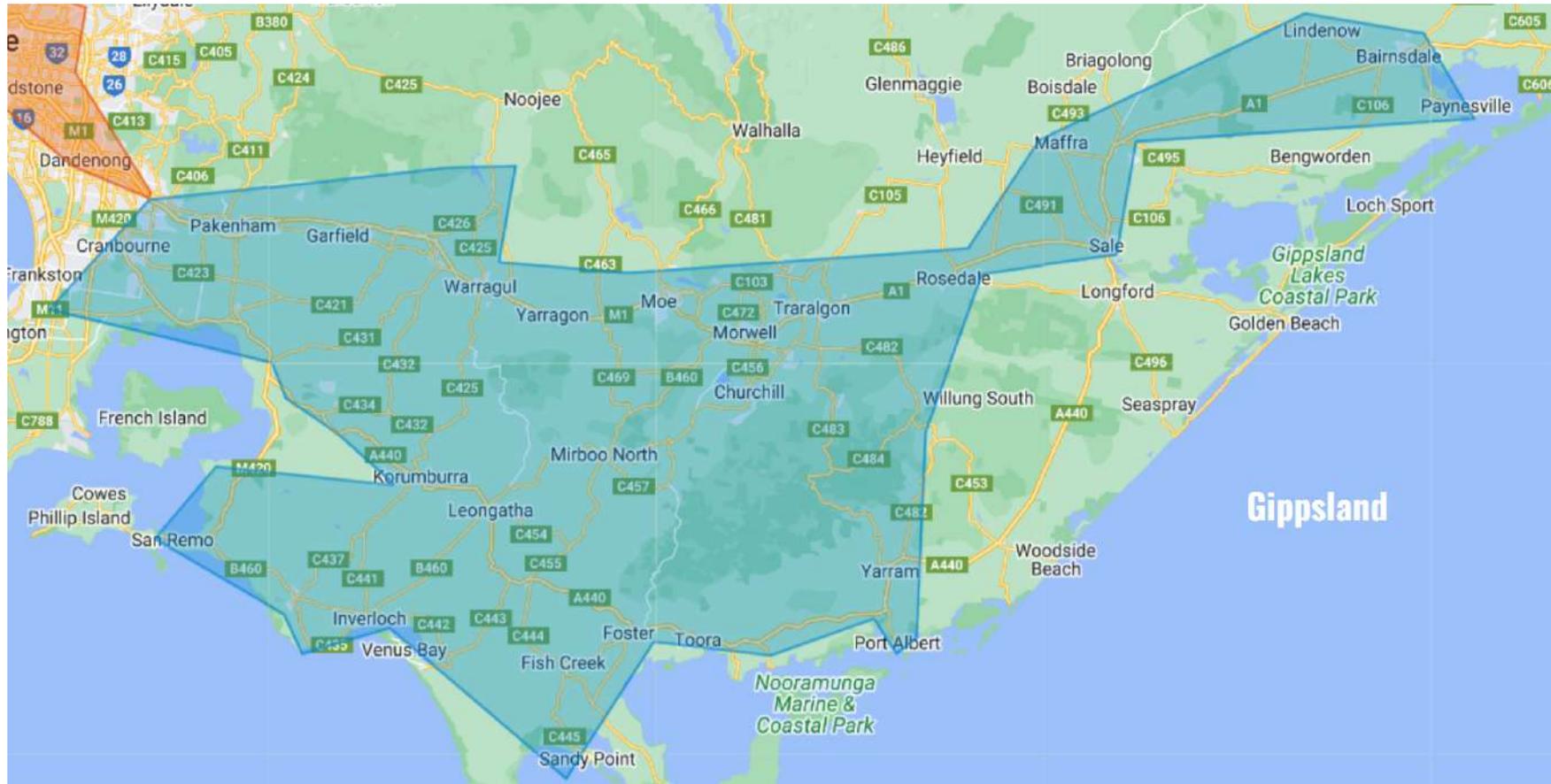
Recommendations

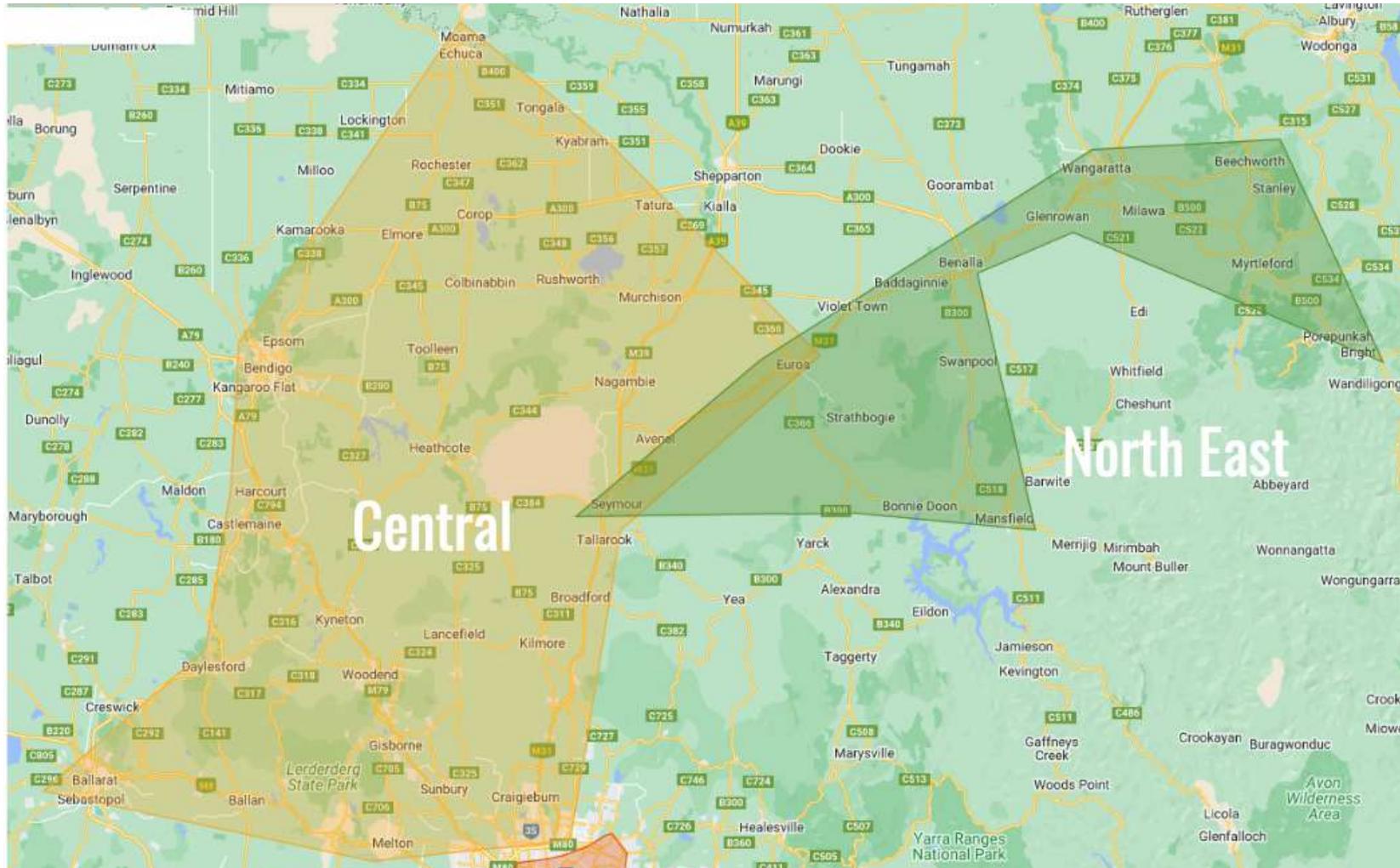
1. Government-funded regional food activator positions that can respond to the unique needs and opportunities in each region to build demand and logistics solutions through collaboration.
2. Regional collaborative logistics pilots are designed based on the unique opportunities and needs of each region, building on the resources and key learnings of this Victorian pilot. If you are exploring collaborative logistics in your region, ask us about assisting in pilot design and implementation and using our body of resources/tools and networks to share cumulative learning.
3. In designing pilots and/or regional food activation services, focus on logistics paired with parallel strategies to drive collective demand (e.g. collaborative marketing and/or support for establishment and growth of regional and central metro food hubs).

Conclusion

We have uncovered a richness of learning from this bold and short pilot. We would love to share this with groups of regional farmers wanting to explore the potential for collaborative logistics / sharing options in their region and with public agencies wanting to support resilient regional economies. Ask us about consultation and advice services targeted to the needs of short supply chain producers and the unique collaborative logistics opportunities in your region.

Appendix 1: Open Road service regions and resources





← Logout



AUSTRALIA

Open Road Portal

Billed Customer:
Accepted

Billed Customer:
Pending

Billed Customer:
Invoices

Sender:
Accepted

Depot:
Pickup

Depot:
Dropoff

Depot:
Transit

Book new orders using the [Open Road Order Lodgement Form](#).

Follow [this link](#) for **Open Road Depot addresses**.

Use the menu options to navigate to the relevant order lists. As a **billed customer**, view pending (recently lodged) and accepted orders (added to our routes), and all invoices. **Sender** tables are for the enterprise labelling and sending the goods. **Depot** tables show that have your enterprise marked as pick up location, drop off location, or for a crossdocking (transit) location. The **user icon** in the top right will open your Sender Profile in a new tab.

If any details look incorrect or you would like to request a change or cancellation, please email openroad@openfoodnetwork.org.au

Sort

Height

Download

Search

	Tracking Number	Order Status	Item Description	Box Quantity	Tracking URL (Limited ...)	Added to our route on: ...	Additional Info	Download Label	Sender Company Nam...
	CR-CENTRAL-NORTHEAST-4395	completed	Oats	7	https://ofn.track.yojee.../order/O-3SS9YRPS44J	5/25/2022	If drop off to Seymour if not possible. Happy to pick up from Euroa or	https://umbrella.yojee.../api/v3/public/labels/order	Burrum Biodynamics
2	CR-CENTRAL-NORTHEAST-3743	completed	Dry goods, bagged oats and lentils.	10	https://ofn.track.yojee.../order/O-UQKMGIF0TQXJ	3/2/2022	Hepburn Wholefoods CollectiveBurrum Blodynamics - BEAM	https://umbrella.yojee.../api/v3/public/labels/order/O-	Burrum Biodynamics

Resources

[Open Road Portal User Guide.pdf](#)

[Open Road Driver Food Safety training](#)

[Sample Open Road Depot Agreement .docx](#)

[Sample Open Road Customer Terms and Conditions](#)