

Whole Crop Purchasing Project Report

Findings and recommendations from our pilot brokering service
addressing on-farm food waste



Images courtesy of (L - R): Farmer Incubator, Tom Sarafian, Organic Delights, To Be Frank Bakery

Author: Prudence Rothwell (Open Food Network)

Project background

Food waste is a complex problem that occurs for many reasons across different parts of the food system and supply chain. When farms can't sell all of their produce, farmers lose money, and the resulting food waste contributes to climate change.

The Whole Crop Purchasing project aimed to experiment with whole crop agreements as a model to prevent on-farm food waste in Victoria. To our knowledge, this has not yet been implemented in Victoria however there are global indications that whole crop agreements can be an effective way to reduce on-farm food waste while also improving the risk shared between farmer and buyer, and increasing the business viability of farmers.

Read more in our [research report](#) about why on-farm food waste occurs and global best practice to address the problem.

We also explored the role of governance and formalising relationships and whether this can help to design food waste out of the system, rather than creating short term or reactive, end-of-pipe solutions to the problem. Read more about [how we approached governance and formalising relationships](#) throughout the project.

With the help of project partners Farmer Incubator and Social Traders, we successfully trialled a values-based brokering service that facilitated relationships between farmers and buyers that minimise the risk and occurrence of on-farm food waste.

The brokering service addressed any shortfall that a farmer may be experiencing to sell their seasonal gluts, seconds, or to create new, secure markets for their current crops and to improve forward planning.

This short report details the Whole Crop Purchasing project outcomes, key findings, challenges and recommendations and a case study of one of the successful relationships brokered.

Outcomes

Relationships

- 6 formalised Memorandum of Understanding (MoU) agreements
- 25 individual relationships formed between 11 producers and 18 buyers
 - In instances where participating farmers had produce that was highly seasonal or perishable, the process required to formalise relationships was often not

compatible with the time sensitivity in addressing and minimising on-farm food waste. To address this, 'light touch brokering' was an approach adopted and leveraged the soft infrastructure of the Open Food Network to enable time-sensitive connections and transactions to occur between farmers and buyers.

Waste diverted

- 4.2 tonnes of produce was diverted from the likelihood of becoming food waste
- Equating to 7.97 tonnes of GHG emissions avoided

A valued and valuable service

The overall project evaluation showcased **5 key values** that the brokering service offered both farmers and buyers:

1. Confidence:

- For farmers to forward plan for the growing season with new connections made giving confidence that there is a market for their produce along with bargaining power and negotiation skills.
- For buyers to forward plan their menus and supply plans.

2. Time:

- Alleviated time pressures and sensitivities, especially for farmers with the potential for new relationships saving them time in future seasons.

3. Learning:

- Farmers engaged in new and/or different processes for doing business and establishing relationships.
- Buyers expanded their supplier networks and engaged more deeply with what is happening at the farm-level and gained an improved understanding of the challenges involved.

4. Strong values-alignment:

- Both parties trusted Open Food Network as the facilitator of connections between businesses that had shared values (i.e. ethically and regeneratively farmed, fairly priced etc)

5. Relationships & connections:

- Sharing the producer-buyer relationship and individual stories was a collaborative marketing opportunity that could be leveraged by both parties
- Where implemented, MOU agreements were a helpful mechanism to build trust and begin to formalise the relationship with the intent for it to grow.

"95% of our sales are solely due to your work and the Open Food Network. This support has helped us as effectively as a new start up achieve this year what we didn't think possible thus giving a good springboard for next season" - Producer participant Grandview Garlic

Relationship Case Study: Farmer Incubator and Tom Sarafian

Produce: Cured garlic (5 varieties)

Volume sold: 107.5kg

Proportion of crop sold: 90%

Governance: MOU agreement

Background: Farmer Incubator has previously sold their garlic crop in small quantities through their existing networks & community. The systems for distribution were not well-established with inefficient handling and high transport costs.

Relationship establishment: Open Food Network approached renowned Melbourne chef Tom Sarafian to discuss the Whole Crop Purchasing project upon hearing of Sarafian's plan to expand his range of condiments. Sarafian was preparing the launch of his seasonal 'Toum' product, a Lebanese garlic sauce, and wanted to connect with Victorian garlic growers. Perfect! Our project partner and participant Farmer Incubator were harvesting their crop within the month and looking for a values-aligned buyer. The two parties entered a non-binding Memorandum of Understanding agreement which resulted in 90% of the Farmer Incubator crop being purchased by Sarafian.

Forward planning: Sarafian has since invested in a garlic peeling machine to improve processing efficiency and Farmer Incubator have also been able to expand their upcoming garlic crop production to meet Sarafian's supply needs. Farmer Incubator and Sarafian are further exploring forward supply options for the 2022/23 crop.



Image source: Farmer Incubator



Image source: Tom Sarafian

Project outcomes

Key findings

1. **New and/or young farmers** have a greater interest and/or willingness to reduce on-farm food waste.
2. Need **fit-for-purpose governance structures** when building relationships.
3. Designing solutions that are purpose-fit can enable **multiple ways of working towards Whole Crop purchasing outcomes**
4. **Scale, values-alignment, pricing and enterprise life-cycle** are key factors that progress farmer-buyer relationships.
5. **'Light touch' brokering** can effectively reduce on-farm food waste and provide public good outcomes.
6. **How food waste is perceived by farmers** impacts on their interest in addressing on-farm food waste.
7. **Integrated support and services** can provide responsive solutions that help to reduce on-farm food waste.
8. Values-aligned buyers (such as social enterprises) are well-placed to continue driving demand for **values-based procurement** in Victoria.

Challenges encountered

- **Impact of Covid-19:** social enterprise potential buyers were significantly impacted with some closing down and others not wanting or able to participate in the project.
- **Labour shortages:** are significantly contributing to food waste and being compounded by Covid-19. This was out of the project scope to address.
- **Governance and risk sharing:** formalised relationships are not common amongst the small to medium sized sector of buyers and producers. In most instances, both parties were hesitant to enter a legally binding contract. Similarly, improved risk sharing within relationships was agreed in theory by both parties however it was difficult to build into the practice and establishment of relationships.

Recommendations

1. Innovative circular economy programs aimed at designing out on-farm food waste should focus on young and new farmers as key target markets.
2. Public investment into values-based, 'light touch' brokering services could stimulate significant public good outcomes in waste minimisation and market development for small/medium and new producers.
3. Funding for further research and development projects is required in the social procurement sector to build capacity of both buyers and sellers to trade food that delivers environmental and social outcomes. The sector has significant potential to generate public good outcomes (waste minimisation being one) but needs targeted investment from government and/or philanthropy.
4. Further research and stakeholder engagement around attitudes of on-farm food waste amongst Victorian farmers.

We would like to thank our project partners, Farmer Incubator and Social Traders, along with all of the producers and buyers that participated in the Whole Crop Purchasing project.

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