

GROWING RELATIONSHIPS: SOCIAL TIES IN EUGENE, OREGON

LOCAL FOOD DISTRIBUTION

by

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THESIS ABSTRACT

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Title: Growing Relationships: Social Ties in Eugene, Oregon Local Food Distribution

This study delves into the local food system of Eugene, Oregon to focus on this community's small-scale growers and their distribution strategies. The various distribution strategies open to small-scale local growers each require their own kind of work. In determining how to allocate their time and energy, growers consider these activities alongside the benefits that each distribution strategy offers.

Certain distribution arrangements with smaller bulk buyers like restaurants and community grocery stores, which I term "direct wholesale" arrangements, offer the benefit of providing long-term, close relationships. These arrangements provide value that more than compensates for the work of establishing and maintaining these arrangements in the first place. In this context, these close-ties developed through "direct wholesale" provide the best platform for the viability of a small-scale, local farm in Eugene, Oregon.

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TABLE OF CONTENTS

Chapter	Page
I. INTRODUCTION	1
II. SETTING THE TABLE: A REVIEW OF RELEVANT LITERATURE AND THE STUDY'S METHODS	6
Literature Review.....	6
Why Local? : Real and Perceived Benefits of Local Food Systems.....	6
Critical Perspective on Localism	10
Consumer Bias in Alternative Food Discussion	13
Embeddedness and Social Ties in Local Food Systems.....	18
Methods and Data Collection.....	21
Exploring the Case: Local Food in Eugene, Oregon	28
III. ADAPTING TO THE MARKET: DECISION-MAKING OF EUGENE, OREGON LOCAL FOOD PRODUCERS	31
Disconnect between Producer Preferences and the Local Market.....	32
Producer Adaptations to the Local Market	35
IV. EVALUATION OF DISTRIBUTION STRATEGIES AVAILABLE TO LOCAL FOOD PRODUCERS	42
Strengths and Weaknesses of Direct Sales Distribution	43
Strengths and Weaknesses of Distributor Wholesale	47
Strengths and Weaknesses of Direct Wholesale	54
Evaluating Strengths and Weaknesses amidst Balancing Resources	58

Chapter	Page
V. CHARACTERIZING RELATIONSHIPS BETWEEN GROWERS AND BUYERS	60
Starting Relationships: Walk-ins, Cold Calling, Referrals, and Networking	61
Maintaining the Relationship: Price, Quality, and Professionalism	68
Benefits of Close Ties	75
From Walk-in to Invested Partner: What Close Relationships Offer	81
VI. CONCLUSION.....	82
APPENDICES	87
A. INTERVIEW SCRIPTS.....	87
B. PARTICIPANT LIST	91
REFERENCES CITED.....	92

CHAPTER I

INTRODUCTION

It's a brisk, clear morning in early February on the local community college campus. Local food purveyors – chefs from local restaurants, farmers from surrounding communities, buyers from local grocery stores and distribution companies from as far as Portland – are settling around tables in the main conference hall with coffee, tea, and pastries that feature local blueberries. After a brief welcome and the keynote speech from a local restaurant chain proprietor, the conference coordinators organize participants for one of the central components of the Local Food Connection Conference. Grocery store buyers are shepherded to one corner of the room. The other corners are respectively filled with restaurant buyers, institutional buyers, and distributors/processors. Once participants are organized, the networking event begins. Local growers, from produce farmers with as little as two acres of ground to mixed operations covering over 150 acres, head for various corners to begin making connections. Some growers have a clear focus – making connections with a few local restaurants to help scale up their operations. Others simply have a new product they want to find any kind of buyer for, like one farmer I spoke to with a large field of quinoa. The organizers of the conference help to encourage new ties to emerge. Several knowledgeable staff and volunteers float around in bright orange shirts serving as connectors – their responsibility is to put a buyer or grower in touch with the right person. All the while, these volunteers track the number of new connections that the conference facilitates. This one hour networking session gets to a central challenge and preoccupation of many local food producers – how to sell their products. While the

Local Food Connection Conference explicitly serves as a venue for this kind of networking, many local producers form business ties more organically.

In the popular imagination of alternative food systems – which Patricia Allen describes as “more environmentally sound, economically viable, and socially just” than conventional food system practices, discourses, and institutions – the intricacies of how local growers distribute their products are often overlooked (Allen, 2004, p. 1). In the alternative food system, food is produced, often on small, organic farms. It is harvested and trucked to the farmers’ market stand or packed into CSA¹ boxes, where it is turned over quickly to the focal point of discussions around alternative food: the consumer. This focus on the consumer, which occurs in both popular and academic discussions of the alternative food system, obscures the producer and the role they play in shaping distribution and access within this system. By focusing on the producer and their relationships with buyers in the local food system, we gain a more complete understanding of the structure of the food system and the social dynamics that shape it.

This study delves into the local food system² of Eugene, Oregon to focus on this community’s small-scale growers and their distribution strategies. Specifically, this study addresses the dual questions: What are the key factors that local food producers consider in determining their preferred distribution strategies? And, what are the characteristics of successful and unsuccessful relationships in non-direct local food transactions? I argue

¹ CSA refers to community-supported agriculture. Standard CSA models consist of a group of people who commit resources to a farm, typically in the form of a lump sum payment at the beginning of the season. In exchange, these shareholders receive a part of what the farm produces during the season (Lyson, 2004). The typical Eugene-area CSA involves a weekly drop-off of fresh produce boxes at an agreed-upon location in Eugene.

² In focusing this study on a local food system, I do not intend to suggest that the alternative food system is necessarily local. However, a local food system definitively alternative in its nature.

that the central challenge and preoccupation of local food producers (how to sell their product) is an area that requires critical inquiry if research into alternative food systems is to move beyond its current consumer-orientation.

This study is concerned primarily with the work of growers, specifically the non-farming work of farming. Popular perception focuses on the work that farmers do in the field: plowing, planting, weeding, and harvesting. This story captures only part of the work of a farmer. Much of the other work includes tasks not traditionally associated with farming, but tasks that take up a significant part of the farmer's time. This work includes the work of distribution, which is the focus of this study.

The various distribution strategies open to small-scale local growers each require their own kind of work. Whether it is the work of running a farmers' market stand, marketing and distributing a CSA, completing the paperwork for organic certification, or making the weekly phone call to the produce buyer at a local grocery store, these growers are constantly preoccupied by work that keeps them from doing the work of farming. In determining how to allocate their time and energy, growers consider these activities alongside the benefits that each distribution strategy offers.

Certain distribution arrangements with smaller bulk buyers like restaurants and community grocery stores, which I term "direct wholesale" arrangements, offer the benefit of providing long-term, close relationships. These relationships provide a variety of benefits not found in other distribution strategies; benefits such as trust, information-sharing, problem-solving, familiarity, and personal connections. These benefits provide value that more than compensates for the non-farming work of establishing and maintaining these arrangements in the first place. In this context, these close-ties

developed through “direct wholesale” provide the best platform for the viability of a small-scale, local farm in Eugene, Oregon.

The research presented in this thesis builds on previous research into the embedded nature of local food economies to better understand the dynamics of local food producers and buyers. Specifically, this study explores the role of relationships between producers and actors who distribute local food products (e.g. grocers, wholesale distributors, processors, and restaurants) – relationships that have been under-studied in the past.

The setting of this study is a critical element and influence on the research findings. Eugene, Oregon is a community located in the southern Willamette Valley, a historically fertile and economically significant agricultural valley. Eugene and the surrounding area have a long history of participation in alternative and local food systems. The unique historical, cultural, and natural features of the area significantly shaped my findings.

This thesis consists of six chapters, including this introduction, each of which enhances our understanding of social dynamics that shape small-scale, local food distribution in Eugene, Oregon. Chapter II includes provides a literature review, discussion of research methods, and exploration of the case. Chapter III discusses how market dynamics in Eugene shape the way in which local producers make decisions on their distribution strategies. This chapter focuses on adaptations that producers have made to be most effective in the local market. Chapter IV discusses how local food producers evaluate the costs and benefits of the various distribution strategies open to them. Chapter V addresses the question, “what are the characteristics of successful and unsuccessful

relationships in non-direct local food transactions?” This chapter focuses on how producers and buyers form and develop relationships with one another. Chapter VI consists of a brief conclusion.

CHAPTER II

SETTING THE TABLE: A REVIEW OF RELEVANT LITERATURE AND THE STUDY'S METHODS

In this chapter, I provide background for this study by providing a literature review, discussion of the research methods, and exploration of the case. The literature review provides the context in which this study of local food is relevant and valuable, first by discussing the academic conversation around local foods, including its real and perceived benefits and some of the more prominent critiques. Next, I trace the consumer bias and focus on direct sales that are evident in studies of alternative food systems, before then providing a brief introduction into embeddedness theory and examples of cases where economic sociology theory has been applied to the study of alternative food systems. The literature review is followed by a discussion of research methods, including how participants were recruited, and how interviews were conducted and analyzed. The chapter ends with a brief historical exploration of the local food system in Eugene.

Literature Review

Why Local? : Real and Perceived Benefits of Local Food Systems

The last decade or so has seen a dramatic increase in the popularity of alternative food systems, particularly food produced locally. Thanks to a growing concern about environmental sustainability and climate change (among a variety of other concerns) people across the United States have placed greater emphasis on where their food comes from. This movement has coincided with the popularity of books like Michael Pollan's 2006 *Omnivore's Dilemma* and Barbara Kingsolver's 2007 *Animal, Vegetable, Miracle*,

as well as documentaries such as the Academy Award-nominated *Food Inc* (2008). This newfound attention on alternative, local food has also been seen in the over 8000 farmers' markets present across the United States – representing a 180 percent increase between 2006 and 2014 (Low et al., 2015) – and the growing frequency with which the word “local” appears throughout the grocery store. It is within this context of growing popularity that this study on the local food system of Eugene, Oregon takes place.

At the same time that popular attention has turned to alternative food, numerous scholars have emphasized the ecological, social, and economic benefits of local agriculture. Across the literature the impacts of increased food system localization are widely stated. Lev, Hand, and DiGiacomo (2014) summarize findings from a variety of studies in stating that the benefits of local food include, “revitalized local economies, reduced greenhouse gas emissions, preservation of farmland and rural lifestyles, decreased risks of food-borne illness or food-based threats to national security, and community building and democratization of the food system” (Lev, Hand, & DiGiacomo, 2014, p. 292). Kirschenmann (2013) predicts ecological failure and socioeconomic adversity as the two primary challenges to the future of conventional agriculture. To address these challenges to the food system, he proposes retaining more of the value of agriculture within farms and local economies, as well as adopting new policies that promote local production and marketing. The Union of Concerned Scientists (2011) has likewise emphasized the value of local and regional food systems, specifically associating them with promoting consumption of unprocessed, healthy food and producing positive effects for regional economies, including creating jobs. Furthermore, this report

emphasized the rapid growth of local and regional food systems and suggested the need for continued study (Union of Concerned Scientists, 2011).

Civic agriculture and food sovereignty both support the need for local agriculture and highlight a number of its benefits. Civic agriculture, a concept associated with sociologist Thomas Lyson, can be characterized by two primary attributes: (1) “the embedding of local agricultural and food production in the community” and (2) “a locally organized system of agriculture and food production characterized by networks of producers who are bound together by place” (Lyson, 2004, pp. 62–63). Several important considerations can be drawn from Lyson’s description of civic agriculture. First, “the embedding of local agricultural and food production in the community,” is not an explicit reference to the concept of embeddedness as discussed in economic sociology (a concept that will be touched on in greater detail later in this review). However, the parallel in language and meaning merit some consideration. Second, Lyson emphasizes that in civic agriculture, food production is tied to place and community, rather than an economic activity performed by autonomous, disconnected actors. The context of place is central to any characteristics of a civic agricultural system (Lyson, 2004). Likewise, the findings from this study characterize the local food system of Eugene, Oregon. While some of these findings may inform the operation of local food systems in other locales, I do not wish to suggest that the findings from this study can be broadly generalized. Producers are central to Lyson’s framing of civic agriculture, and he suggests a level of cooperation among producers, rather than competition. This thesis does not focus on the relationships between producers, but I do recognize the central role of producers in a local food system like that seen in Eugene, Oregon.

The theoretical underpinning of civic agriculture is traced to two studies commissioned by Congress at the end of World War II. The two studies, *Small Business and Civic Welfare* by Mills and Ulmer and Goldschmidt's *Small Business and the Community*, investigate the role of small businesses in the community. According to Lyson, these studies indicate that “communities in which the economic base was composed of a plethora of relatively small, locally owned firms would manifest higher levels of social, economic and political welfare and well-being than communities where the economic base was dominated by a few large, absentee-owned firms” (Lyson, 2004, p. 64). These findings suggest that local food systems with many small businesses and producers and that are supported by a large independent middle class have heightened levels of social cohesion and community welfare.

The concept of food sovereignty has its origins in the 1990s with the group *La Via Campesina*, or the International Peasant Movement. According to this organization, the central principles of food sovereignty are “to develop solidarity and unity among small farmer organizations in order to promote gender parity and social justice in fair economic relations through the implementation of agricultural practices that preserve ‘land, water, seeds, and other natural resources,’ and foster sustainable agricultural practices based on small and medium-sized producers” (Schanbacher, 2010, pp. 53–54). With its focus on solidarity among small- and medium-sized producers and sustainable practices, food sovereignty is framed as a critique of neoliberal economic policies, globalization, and the trade-focused food security framework. While food sovereignty is typically discussed outside of the context of the United States, its emphasis on small-scale local agricultural production articulates well with Lyson’s civic agriculture and the various studies

promoting the benefits associated with local and regional food systems in the United States.

This brief summary represents a sampling of the evidence and arguments of those promoting the benefits of local food. As mentioned above, Lev and colleagues (2014) provided a summary of many of the perceived benefits of local food. Among these were benefits to the local economy and farmers; environmental benefits ranging from reduced greenhouse gas emissions to preserved farmland; and gains to public health, food security, and communities. Despite studies promoting these benefits, uncertainty exists around whether these benefits are realized on the ground (Lev et al., 2014). Concerning food security, for example, local food products often receive a premium price (Park, Gomez, Ortmann, & Horwich, 2014), a benefit for producers; however, higher food prices negatively impact the ability of low-income consumers to purchase these products. Martinez and colleagues (2010) have found empirical evidence of the public health benefits of local food to be inconclusive. Local is used as a proxy for other desirable goals, such as sustainability or food security, but as this uncertain evidence suggests, these associations cannot be taken as certain.

Critical Perspective on Localism

The shift toward localism, of the food system or more broadly, is often framed as a reaction to globalization and an effort to provide more control and decision-making power for individuals. Built into localization is the assumption that if decision-making is localized, local voices will be more equitably represented. For example, Allen (2004) challenges this assumption and suggests that reducing the scale of decision making does

not necessarily give voice to excluded people. Allen states, “there are clear asymmetries of power and privilege embedded within small communities” (Allen, 2004, p. 172), and she points to examples of segregation. Throughout the South, local politics facilitated greater degrees of social and economic injustice for black populations within rural communities. Only through creation and implementation of civil rights laws at the federal level did these inequalities begin to be addressed. Winter (2003) adds to this critique by introducing “defensive localism”. Defensive localism presents the turn to the local as a response to globalization that, rather than advocating for the post-global sustainable future, is grounded in conservative political ideologies that reinforce differentiations of “labour, power, gender and race” (Winter, 2003, p. 30). These critiques are important from the perspective of food justice. Food justice is concerned with challenging the dominant food system in an effort to restructure it to provide a more equitable space for vulnerable groups (Gottlieb & Joshi, 2010). Improved access to healthy food is a central goal of food justice activism, yet localization of the food system alone does not promote equitable access to healthy food.

An additional issue with the localism paradigm, according to Allen, is the focus on resituating production and consumption within local communities in the United States. This focus on returning these activities to communities may actually be ahistorical, especially when one considers the requirement of mass immigration to lands that were made available by eviction or eradication of native peoples. This critique is pertinent in the Willamette Valley where the development of the lumber and food processing industries by European American settlers was tied to supplying necessary food and

building materials in other parts of the western United States. This debate is often overlooked in the context of the wider move toward localism.

Sharzer (2011) offers a Marxist critique of the localism paradigm. According to Sharzer, localism requires an economic arrangement that is "based on a shared morality" where all actors are equally invested in 'the local' and overlook the urge to increase their scale and geographic scope (Sharzer, 2011, p. 18). Further, the localism paradigm advocates for either keeping money in the local economy through local businesses or individuals side-stepping the capitalist economy completely through free labor. These characteristics frame localism as both an ethical and individualistic approach to social change; one that fails to address structural issues of capitalism (Sharzer, 2011). Sharzer (2011) critiques localism along economic grounds and suggests that it be reframed as a political issue. This critique of localism is based on the standard assumptions of economics, namely that economic actors are rational and autonomous, and thus not influenced by an ethical approach. However, this argument ignores the socially-embedded nature of the economic system and economic actors (Granovetter, 1985; Krippner, 2002) and assumes localism is solely consumer-driven.

The discussion of local agriculture and its benefits is a complex conversation that is only touched on here. Whether the benefits of local food production are real or not, the importance of perception should be acknowledged. Local agriculture is widely perceived to produce numerous benefits to communities and the environment. These perceptions motivate consumers to engage in local purchasing and policy leaders to enact plans to promote local agriculture. With this increasing focus on the impacts of local food production (actual or perceived), it has become more important to understand the

dynamics that shape these local food economies. One way that these dynamics can be examined is by looking at the relationships between local small-scale producers and buyers. The importance of this study and others like it is captured by Lev et al. (2014), who analyzed the economic impacts of various supply chain arrangements in local food systems through several case studies:

[L]ittle is known about how producers, processors, and other enterprises fare when participating in local food supply chains. The case studies provide some evidence of how producer returns vary by supply chain type, but more systematic analyses have not been undertaken. Although there is a long history in agricultural economics of research on producer costs, returns, and farm structure, it may be useful to examine how different supply chain arrangements may relate to these outcomes (Lev et al., 2014, p. 306).

Similarly, King, Hand, & Gomez (2014) discuss three types of supply chain arrangements in local food systems: direct, intermediate, and conventional. Direct supply chains are perhaps the easiest to visualize in terms of local food thanks to the popularity of farmers' markets and CSAs. A case study from Syracuse provides an example of intermediate supply chain arrangements between a farm and a local school, while the same case study provides the example of a conventional supply chain connecting apple growers, buying warehouses, and supermarket chains (King et al., 2014). While my goals with this research are not to analyze the supply chain in this way, this study provides an implicit analysis of intermediate and direct supply chains through the evaluation of social ties and dynamics within Eugene's local food system.

Consumer Bias in Alternative Food Discussion

In the popular imagination of alternative food systems – which Patricia Allen describes as “more environmentally sound, economically viable, and socially just” than

conventional food system practices, discourses, and institutions – the intricacies of how local growers distribute their products are often overlooked (Allen, 2004, p. 1). In the alternative food system, food is produced, often on small, organic farms or personal backyard gardens. It is harvested and trucked to the farmers’ market stand or packed into CSA³ boxes, where it is turned over quickly to the focal point of discussions around alternative food: the consumer.

“What should we have for dinner?” (Pollan, 2006, p. 1). The opening line of Michael Pollan’s bestselling book, *The Omnivore’s Dilemma*, is a reflection of the wider popular discourse around food today. Beginning with this line, Pollan dives into an analysis of the American food system that is focused on the consumer and their dinner plate. Throughout the book, Pollan sheds light on the production of food in America, from the history of corn and factory farming to hunting wild boar, but the focal point of the book is always the meal and the individual who consumes it. This book, one of the hallmarks of the contemporary alternative food movement, is indicative of how food is discussed in the United States today.

As Saltzman (2016) notes, a number of popular media pieces, including Pollan’s *The Omnivore’s Dilemma*, Barbara Kingsolver’s *Animal, Vegetable, Miracle*, and Ruth Ozeki’s *My Year of Meats* and *All Over Creation*, explore issues around ethical eating (Kingsolver, 2007; Ozeki, 1998, 2002; Pollan, 2006). To this list I would add books such as Frances Moore Lappé’s *Diet for a Small Planet* and Gary Nabhan’s *Coming Home to*

³ CSA refers to community-supported agriculture. Standard CSA models consist of a group of people who commit resources to a farm, typically in the form of a lump sum payment at the beginning of the season. In exchange, these shareholders receive a part of what the farm produces during the season (Lyson, 2004). The typical Eugene-area CSA involves a weekly drop-off of fresh produce boxes at an agreed-upon location in Eugene.

Eat, as well as films like *Food Inc.* (Kenner, 2008; Moore Lappé, 1991; Nabhan, 2002). Saltzman (2016) argues that these works connect to matters of production and agriculture. While I do not dispute this, I would argue that despite the connection of ethical eating and production, these works are fundamentally about food consumption and written for the benefit of food consumers. In these works, food is viewed as something to be consumed, and not as a source of livelihood for food producers.

I do not intend to suggest that it is misguided in itself to look through the lenses of consumption when talking about the food system (whether conventional or alternative). After all, the vast majority of people in the United States are engaged with the food system primarily as consumers. Where this focus on food consumption becomes problematic is when the discussion is switched to solutions. Popular thinking often suggests that consumer action and consumer demand can shape the possibilities that are offered by the market to be more environmental or socially sustainable (Barnett, Cloke, Clarke, & Malpass, 2011; Nicholls & Opal, 2005; Salonen, 2013). In the food system, consumer power can be linked to greater interest in the qualities of food (e.g. local versus global, organic versus conventional). This approach to changing the food system is reflected in Kingsolver's argument: "If every US citizen ate just one meal a week (any meal) composed of locally and organically raised meats and produce, we would reduce our country's oil consumption..." (Kingsolver, 2007, p. 3). This solution requires consumers to change their buying habits. The preference for consumer action to address problems in the food system and environment is a reflection of what Maniates (2001) calls the "individualization of responsibility." In this context, the responsibility for environmental problems is placed on individuals and these problems are addressed by

individual, typically consumer-based, solutions while overlooking the role of institutions and political power in creating environmental harm (Maniates, 2001). In the context of the alternative food movement, popular works such as those of Michael Pollan and Barbara Kingsolver highlight the issues with the food system as they impact and appeal to consumers. Thus, when solutions are considered, these solutions focus on individual, consumer-based actions like shopping at the farmers' market or growing one's own food. This perspective overlooks the role of producers in shaping distribution and access within the alternative food system.⁴

Within sociological literature, the focus has similarly been on the consumer at the point of sale. The issues that are most pertinent in sociological studies of food today include social issues like poverty and food security, food within the context of the family, and social movements that concern food (McIntosh, 2013). The consumer focus of sociological studies of food represents a shift away from rural or agrarian sociology, which dominated the 1980s. An overconcentration of research on the production of food led to a “hangover” with rural studies and a shift with greater concern for the “dynamics, processes, and practices beyond the farm gate, like those associated with supply chains and at the point of consumption” (Carolan, 2012, p. 55). This shift has led to an overconcentration at the point of consumption; studies on food deserts and food access (Gittelsohn et al., 2007; Grauel & Chambers, 2014; Larsen & Gilliland, 2009; Morland, Wing, Diez Roux, & Poole, 2002; Reidpath, Burns, Garrard, Mahoney, & Townsend,

⁴ Along a similar vein, the separation of consumption and production (or consumers and producers) is an issue in philosophical discussions. Boisvert (2014) refers to common philosophical and biological references to the parasite as an object which takes away from another object. Boisvert (2014) reinterprets this interaction by advocating a system or relational thinking that views the work of the parasite as beneficial (to the system as a whole, and not the objects involved). Similarly, I advocate for a system-perspective of the local food system. Rather than viewing consumers or producers in isolation, it is more beneficial to view the relationships between them and the other actors in the system.

2002; Rose & Richards, 2004; Walker, Keane, & Burke, 2010; Zenk et al., 2005), obesity & nutrition (Acheson, 1998; Dannefer, Williams, Baronberg, & Silver, 2012; Guthman, 2011b), and food movements and activism proliferate (Alkon & Norgaard, 2009; Alkon, 2008; Allen, 2004; DeLind, 2010; Guthman, 2008, 2011a; Slocum, 2006, 2007).

One significant way in which the academic discussion of alternative food systems has focused on consumers is the emphasis on direct sales approaches. These direct sales approaches, in which producers sell products directly to individual consumers, emphasize the role of consumers in the food system. While there is a growing recognition that local foods can apply to foods purchased at the supermarket (King et al., 2014), the conversation still focuses on direct market opportunities. In considering “what does local deliver?”, Lev and colleagues (2014) use the variable of growth in farmers’ markets as an indicator of the increased popularity of local foods – “The growth in the number of farmers markets from 1,755 in 1994 to 6,132 in 2010 is a frequently cited indicator of both the increasing popularity of local foods and the value that individual communities place on participating in the movement” (Lev et al., 2014, p. 292). By using farmers’ markets as a proxy for local food, the authors are reinforcing the misperception that local food and direct sales approaches are one. The viability of farmers’ markets and CSA models is determined by the willingness of consumers to buy their food in these ways. The predominance of research on direct sales approaches fails to reflect the variety of avenues that local food producers have to sell their products, as well as the influence of these producers to shape the alternative food system.

Embeddedness and Social Ties in Local Food Systems

In studying the relationships between local producers and wholesale buyers, the subfield of economic sociology provides a useful theoretical basis. Significantly, this subfield has supplied the concept of embeddedness as a way of understanding these relationships. Embeddedness suggests that economic actors, rather than being concerned solely with their personal self-interest, engage in relationships that are based on trust and provide reciprocal benefits. The concept of embeddedness has its origins in the mid-twentieth century work of Karl Polanyi; however, the concept was reintroduced to sociology by Granovetter (1985) who proposed that economic behavior is embedded in a structure of social relations within modern market-based societies.

Within the field of economic sociology, many studies have referenced embeddedness and the role of interpersonal relationships upon economic action. One of the most influential studies of structural embeddedness is discussed in two papers by Brian Uzzi (Uzzi, 1996, 1997). In his study of the New York City garment sector, Uzzi uses ethnographic interviews and statistical analysis of business logs to solidify the relationship postulated by Granovetter between embeddedness and economic outcomes. Uzzi (1996, 1997) indicates that embedded relationships have three primary features or functions: trust, fine-grained information transfer, and joint problem-solving. Additionally, embedded relationships develop and are formed mostly through third-party referral networks and previous personal relationships. Statistical analysis found embeddedness increases the economic effectiveness of firms and optimal networks are composed of a mix of embedded ties and arm's-length ties (Uzzi, 1996). This study

provides an empirical framework and multiple key concepts that are useful for further study.

Over the last fifteen years, embeddedness has been adopted as an important tool to theorize in alternative food networks (Sonnino, 2006). However, these studies have typically focused on relationships between producers and customers and on direct marketing activities such as farmers' markets and community-supported agriculture (CSAs).

Hinrichs (2000) further develops embeddedness and highlights its usefulness for studying food systems by supplementing embeddedness with two additional concepts developed by sociologist Fred Block (1990) – marketness and instrumentalism. Marketness is a measurement of price dominance in decision-making, while instrumentalism is a measurement of individual self-interest. Using these two measurements alongside embeddedness, Hinrichs (2000) reviews previous studies of farmers' markets and community-supported agriculture. Her findings temper the automatic association of direct marketing approaches to agriculture as highly socially embedded. Further, Hinrichs suggests that joining social embeddedness with marketness and instrumentalism creates a more nuanced and robust method for evaluating the role of social ties and face-to-face interactions.

Winter (2003) draws on the concept of embeddedness in his research into the relationships between farmers and non-farmers within rural communities in the United Kingdom. The findings from this study contradict the assumptions that link local and sustainable agriculture. As Winter says, “there is more to local embeddedness than the locale as the embodiment of healthy and sustainable farming” (Winter, 2003, p. 30). Both

Hinrichs (2000) and Winter (2003) use embeddedness to understand relationships between producers and consumers.

While research into relationships between producers and consumers is most prevalent, a small subset of research has looked at other relationships within local food economies. This subset of research includes several studies of producers in Europe (Chiffolleau & Touzard, 2013; Chiffolleau, 2009; Sonnino, 2006). Chiffolleau (2009) studied the relationships between farmers in the Languedoc-Roussillon region of France who participate in farmers' markets and CSAs through a longitudinal network analysis. In this study, she found that participation in these alternative food systems renews ties between producers. In another study, Chiffolleau and Touzard (2013) used similar network analysis methods to gain insight into "advice networks" within the Biterrois wine region of southern France. This study found that, despite competing with one another for business, producers exchange advice for technical projects. Sonnino (2006) studied the embeddedness among saffron producers in southern Tuscany, specifically focusing on the process by which embeddedness is created in the food industry context. These studies are significant for the way they expand the study of networks and relationships in alternative food systems beyond producer-consumer relations.

Hinrichs (2000) was one of the first to intentionally connect embeddedness with alternative food systems. However, her study is concerned solely with the relationships between producers and consumers in direct agricultural markets. Additionally, this research is based on a literature review of direct agricultural markets. Thus, she was not able to directly address the topic of embeddedness or relationships with farmers and consumers. Similarly, Winter (2003) explores the relationships between producers and

consumers; however, this research does rely on a substantial number of interviews and focus groups. Chiffoleau (2009), Chiffoleau and Touzard (2013), and Sonnino (2006) depart from the mainstream interest in producer-consumer relationships by looking at relationships between producers. This study expands on the work of these scholars by studying the relationships between producers and local wholesale buyers. Unlike producer-consumer relationships, local wholesale buyers have a greater demand than consumers and they, in turn, distribute locally-made foods to customers. While Chiffoleau (2009) examines relationships between actors who are all producing food, these actors lack explicitly economic relationships with one another. Thus, relationships between local food producers and local wholesale buyers are distinct from those studied in prior research. Additionally, while direct agricultural markets are a popular method of distribution for farmers, there is a growing need for other distribution methods to complement direct-market approaches, which face certain scalability problems (Union of Concerned Scientists, 2011). This study looks at the relationships between producers and distributors in the local food system in order to provide a better understanding of the non-farming work that farmers engage in to sell their products. The study also looks at the characteristics of close or embedded relationships in the local food system of Eugene, Oregon in order to get a better understanding of the value these relationships provide.

Methods and Data Collection

My research design is qualitatively oriented and inductive, drawing from the sociological approach of grounded theory method (Charmaz, 2006). Using this approach, qualitative research is conducted to create or reshape sociological theory through data analysis rather than collecting data to test pre-existing theory. This approach is intensive

and often involves significant movement back-and-forth between the field and analysis. While I did not conduct grounded theory in its purest form, my analytic approach was heavily informed by strategies and techniques associated with the method, most notably in the mixed coding method that I employed, including open coding.

I conducted semi-structured interviews with actors from the Eugene local food system. I deemed interviews to be the most effective means of answering my questions. My research questions are concerned primarily with interpersonal relationships and actor motivations. While it is possible to observe interactions in public settings between the actors, it is difficult to capture motivations and private interactions without interviewing these actors. Surveys are also a less than ideal means for my study as the topics I am interested in addressing require layers of questioning to adequately uncover. Semi-structured or semi-standardized interviews have a pre-determined question schedule, unlike their unstructured counterparts. This interview script can be found in Appendix A. The flow of conversation is more natural than a structured interview – questions can be rearranged and there is space for follow-up questions to garner more specific answers (Berg & Lune, 2012). I determined that semi-structured interviews were ideal for this study because I was able to guide the interview toward my areas of inquiry but still maintain a degree of flexibility to follow up on important comments made by interviewees.

Interview questions concerned the local business history of the actor, their sourcing or distribution practices for local food products, and the interviewee's relationships to other actors with whom they engage in business transactions. Interview questions were written and organized so that interviews proceed through six areas of

discussion: Background/Demographic; Perceptions of Local Food Economy; Distribution/Sourcing methods; Relationships; Future Outlook; Wrap-up. The Background/Demographic section of the interview is designed to get basic information on the business and the interview. The next section, perceptions of local food economy, asked interviewees general questions about the operation of the local food economy, including how goods are distributed. The next two sections ask interviewees about the specifics of their business. A section on future outlooks follows. This section gauges interviewees' thoughts on the future of their business and the local food economy as a whole. In this section, I also asked some participants specifically about the addition of a Whole Foods to the Eugene community and its expected impact. The wrap-up section allowed the interview to wind down naturally, rather than abruptly end after the central questions were asked. This part of the interview was also an opportunity for the interviewee to make additional comments or ask the researcher questions. During this part of the interview, I also asked the interviewee for additional contacts to interview. The interview question guide can be found in Appendix A.

Participants were recruited using a modified snowball sampling approach. Snowball sampling involves first identifying a subset of individuals to interview from the population being studied. After interviewing these individuals, they are asked to refer other individuals from the same population subset that may be interested in being interviewed (Berg & Lune, 2012). While this approach is criticized by some scholars, others consider it one of the most effective ways to locate subjects for a study into a particular population subgroup (Berg & Lune, 2012). Snowball sampling methods are often utilized by researchers who have embedded themselves in the community. Over the

year prior to beginning interviews, I made several contacts within the Eugene local food community. Some of these gatekeepers served as initial interviewees and introduced me to individuals that match the description of my desired participants. At the end of each interview, I asked participants if there was anyone within their network who may be willing to speak with me. This strategy allowed me to gain additional participants who are directly connected to those I interviewed. For the purposes of my research into networks and relationships, it was useful to speak with individuals who are connected with one another. I was aware of the concern of engaging only members of a subgroup within the Eugene local food economy. I expanded my range of interviewees by recruiting some additional participants using convenience sampling and contact information from the Eugene Locally Grown Guide (Willamette Farm & Food Coalition, 2015).

In total, I conducted interviews with 20 participants between July and September 2015. The people whom I interviewed cover a variety of roles or categories within the local food system. I developed a list of categories to describe and group the businesses represented by my interviewees. Most broadly, these participants can be broken down into producers (7 interviewees); wholesale buyers (11 interviewees); and other members of the local food system (2 interviewees). Producers can further be broken down by the items produced or by scale. Looking at items produced indicates that 2 producers deal in dry goods (beans, grains, popcorn, etc.); 3 producers deal almost exclusively in produce; 1 producer sells livestock, and 1 producer deals in livestock, produce, and processed goods. Wholesale buyers can be further categorized as follows: wholesale distributors (3 interviewees); community grocery stores (5); restaurant (1); processor/distributor (1); and

farm stand/community grocery store (1). The two other members of the local food system include a representative from a community food non-profit and one from a community food project. All participants were given pseudonyms and descriptive information was kept to a minimum in order to protect their identities. A list of participants can be found in Appendix B.

Of the participants I interviewed, their role/position varied by the category of business they represented. For producers, all were owners or co-owners of their operation, and all but one were founders of their farm (the one who stated she wasn't a founder was involved in the creation of the farm, but didn't feel appropriately involved to take credit). Two producers were co-owners of the same farm. Of the wholesale distributors, one is the founder of the company, one is a vice president and daughter of the founders, and a third is a senior sales representative (he was involved in the creation of this company as well). The representative of the processor/distributor was also owner and founder of the company. In interviewing participants at community grocery stores, I did not deal with owners. Four of the five I interviewed were produce managers or produce buyers at their store and the other participant was with a grocery manager (purchaser of most non-produce items). I sought out this group of people because they are most intimately involved in ordering from and building relationships with local producers. The other participants were as follows: the executive director of the community food non-profit; a local author and community organizer that was heavily involved in the community food project; a farmer and farm stand manager at the farm stand/community grocery store. This farm stand manager was representative of several participants, who fill multiple roles within the local food system. She was interviewed in

her capacity as the manager of the farm stand/community grocery store and not as a producer. Several of the producers I interviewed engaged in the processing of value-added products. However, I have distinguished them from the processor/distributor because they produce most of the raw materials used for their value-added items. One of the wholesale distributors is a producer as a side enterprise; however, he was interviewed about his role as a distributor.

Eugene is central to the purpose and findings of this study. While some of the findings presented below may be transferrable to other local food systems, the unique characteristics of Eugene and its surrounding communities play a significant role in the make-up and interactions of the local food system. This is very much a place-based study. Along these lines, I attempted to focus interviews on local food actors who engage Eugene as an important economic and community center for their business. For the most part, interviews took place in Eugene. Many of the businesses that participants represented are located within the Eugene city limits. The primary exception to that was interviews with producers (and the processor/distributor), whose farms are located outside of the city limits of Eugene, with the farthest located 45 miles from Eugene. Despite the distance from Eugene, all of these producers considered Eugene an important location in which to sell their products.

Most interviews occurred at the place of business of the interviewee. This did not create a problem of confidentiality because all participants were interviewed as representatives of their businesses and business sites included spaces that allowed for private conversation (conference rooms, private offices, break areas). A few participants were interviewed in neutral locations, such as cafés or coffee shops.

All interviews were audio-recorded and transcribed by the interviewer. Following transcription, interviews were coded and analyzed to look for key themes and concepts. I used a mixed coding strategy that relied on open-coding and thematic coding. In keeping with the spirit of inductive research, I did not approach analysis with a prescribed theoretical code book. In order to ensure the accuracy of transcripts and the opinions of my participants, I engaged in member checking. Member checking involved sending the final transcript to each interviewee for their review. Interviewees were free to make additions, changes, or redact comments from the interview transcripts. Several participants who expressed interest were also sent a preliminary draft of this thesis to review and provide feedback.

To complete this discussion of my research and writing methods, I will borrow a quotation from Timothy Pachirat's book *Every Twelve Seconds*. In describing the narrative format of his book, Pachirat says:

[I]f ethnographic fieldwork notes or verbatim quotations from conversations make an appearance at all, they do so as docile, heavily policed excerpts. Typically, these truncated descriptions or conveniently supportive quotations from informants are strategically sprinkled throughout the text to bolster both the analytic argument and the ethnographic authority of the author. (Pachirat, 2011, p. 18)

The style of my own writing does not mirror Pachirat's narrative format. However, this thesis does reflect Pachirat's research in its necessarily selective use of quotations and anecdotes. My data collection included over fifteen hours of interviews and more than 160 pages of interview transcripts. In no way do the quotations included in this document represent the totality of the conversations I had with my participants or the viewpoints they expressed. Further, my interviews fail to capture the complexity of these individuals' experiences and thinking. I have selected quotations and anecdotes that I believe best tell

an important story presented by my data. This thesis represents a story that I have developed about the social dynamics of local growers and buyers based on my conversations with some of them. It is certainly not the full story of their experience or the experience of all growers and buyers across all contexts.

Exploring the Case: Local Food in Eugene, Oregon

The setting of this study is a critical element and influence on the research findings. Eugene, Oregon is a community of just over 150,000 located near the southern end of the Willamette Valley. It serves as the seat for Lane County, Oregon.

Historically, the indigenous peoples of the Willamette Valley practiced prescribed burning to maintain oak savanna and grasslands, which was ideal for the reproduction of their livelihoods (Boag, 1992). European-Americans arrived throughout the 1800s and saw the Willamette Valley as an ideal location to settle and introduce Western agriculture. As one local historian described the landscape:

The Willamette Valley seemed like Paradise to 19th century farmers. Year-round grass for horses and cows, wild fodder for pigs, unplowed soil of exceptional fertility, and uncut old growth forests promised a bountiful life to anyone who could survive the dangerous journey west to stake a claim... (Parman, 2004)

From its incorporation in 1863, Eugene provided a hub for economic activity in the southern Willamette Valley, built on the area's lumber industry and agriculture (*The Encyclopedia of Oregon*, 1999). While timber has been the main industry in Lane County since its inception, agriculture has consistently been central to the county's economy. For 160 years, European American settlers have been growing staple fruits, vegetables, grains, and grass seed, and the region has been a national leader in producing flax and hazelnuts (The Register-Guard, 2005). Direct sales have played an important role for

local farmers for decades. In 1915, the Eugene City Council granted local farmers a space for a Producers' Market, which would allow local farmers to drive their goods to downtown Eugene and sell directly to consumers (Turner, 2012). The Producers' Market continues today, in a somewhat different location and format, as the Lane County Farmers' Market.

Organic farming in Lane County, which in this area is typically associated with smaller farms serving local or regional markets, began to take off in the 1970s and 1980s. This movement has continued to gain momentum, and today Lane County is viewed as an epicenter of local food (Willamette Farm & Food Coalition, 2015). According to Willamette Farm & Food Coalition, a local non-profit that supports the development of a sustainable food system:

Lane County boasts 14 farmers markets, 30 established farm stands and over 20 Community Supported Agriculture Programs. ... There are 55 food manufacturing businesses here, including a dairy, a creamery, a small cannery and a grain mill. Five locally owned grocery stores carry many of these Lane County products, in addition to produce, meats and eggs from area farms. Restaurants offering menus with locally sourced ingredients are no longer the exception, and schools and institutions are taking steps to increase their purchases of locally produced foods when price and delivery requirements align. (Willamette Farm & Food Coalition, 2016)

Eugene, Oregon and Lane County represent an area with a highly developed local food economy. This context is significant in interpreting the findings of this study. Lane County's long agricultural history and its current concentration of local food businesses distinguish it from many similar communities trying to promote local food systems. This background suggests that Lane County could act as a model for local food systems elsewhere, and this thesis, likewise, can provide insight into the role of social ties in a successful local food system.

Amidst all of the successes of the local food system in Eugene, one statistic is necessary to mention. Of the estimated \$1.2 billion spent annually on food by Lane County residents, less than five percent is spend on locally produced food (Willamette Farm & Food Coalition, 2015). This statistic may dampen the enthusiasm connected to calling it an epicenter of local food. However, this reality is also significant in the context of this study. With the ambition of increasing the total amount of local food purchases, this thesis provides important insight into how producers and buyers engage with one another and the characteristics of successful and unsuccessful relationships. Understanding these relationships is an important step in getting locally-produced food into places where it is more accessible to local consumers.

Finally, the findings presented in the following chapters represent a snapshot of the local food system in time. This snapshot in time reflects the past and provides insight into what the future may look like, but it is not descriptive of either. While I do not suggest that the findings discussed below are utterly unique, the place and time of this research significantly shapes the thoughts and experiences of my participants.

CHAPTER III

ADAPTING TO THE MARKET: DECISION-MAKING OF EUGENE, OREGON

LOCAL FOOD PRODUCERS

As I highlighted in the last chapter, Eugene is an epicenter of local food consumption. Its 14 farmers' markets, 30 established farm stands and over 20 CSAs make for a thriving local food economy. For those local food consumers who peruse the booths of the Lane County Farmers' Market on a warm Saturday afternoon in June (and I would include myself in this group), the local food system appears to be vibrant and healthy. There are dozens of booths stacked high with an incredible variety of products, almost all of which come from surrounding communities.

However, the enthusiasm of customers at the farmers' market does not accurately reflect the economic situation of small-scale growers who run the market booths (or who engage in other direct market sales strategies). In this chapter, I argue that the dynamics of the Eugene local food economy, characterized by an oversaturation of direct market sales options like farmers' markets and CSAs, have shaped how local producers make decisions about their distribution strategies. Despite a preference for direct sales among some local growers, the oversaturation of direct sales markets has pushed these growers to adapt. My evidence is based on interviews with seven small-scale, organic growers and several others who are well informed about the local food market in Eugene. Producers have adapted to the market through a number of different strategies, some of which will be highlighted in the second section of this chapter.

Disconnect between Producer Preferences and the Local Market

Direct sales refer to transactions where the producer sells directly to the final consumer of a product, bypassing distributors or other ‘middlemen’. The most widely known forms of direct sales are the farmers’ market or CSA (community-supported agriculture). In both journalistic and academic accounts of local agriculture, direct sales strategies are often discussed as one of the most preferential options for producers. Several of the producers I interviewed shared this perception. Lowell and Amelia are local produce farmers who work on slightly less than two acres in the Eugene area. At the time of our interview, they had been operating their farm for three years, although Lowell has prior experience in a variety of agricultural roles. For those three years, they have sold their produce almost entirely through farmers’ markets and the farm’s CSA. They are well-connected to the small farmer community in Lane County, and Lowell suggests that he is not alone in preferring to sell direct: “I think most local farmers try to do as much direct sale as possible because you’re making more on it.” When Lowell says farmers are “making more” he is referring to the higher per unit price that farmers are able to charge customers at the farmers’ market or through their CSA because there is no ‘middleman’ in the transaction. This viewpoint is commonly discussed as one of the primary benefits of direct sales (La Trobe, 2001) and was supported by the other farmers I interviewed.

CSAs were particularly preferential for several of the producers interviewed, an assertion made by Lowell: “Everyone always wants more CSA members. There’s no one that’s sold out of CSAs.” This preference was also supported by Sandra, who has operated a livestock farm in a nearby community for over ten years: “I’d like to do more

CSAs and service more direct sales and I think the way to do that is through building our CSA.” The reasons for producers’ preference for direct sales and CSA will be more fully discussed in Chapter IV, but two of the most often stated reasons involved higher margins for sales and the opportunity to connect directly with end consumers. Both of these reasons are frequently stated elsewhere in the literature on direct sales (La Trobe, 2001; Lyson, Gillespie, & Hilchey, 1995; Schnell, 2007).

Despite this preference for direct sales, several producers indicated that the market in Eugene limits their success with direct sales. Rachel has been farming in a nearby community for over ten years. Her farm is over fifty acres and primarily produces grains and beans. Rachel described the need to expand their sales to Portland, “because we just weren’t able to have enough sales down here to make a viable business.” In this case, Rachel is referring to sales broadly, but direct sales, especially through farmers’ markets, represent a significant amount of her farm’s income. Lowell also describes the difficulty of selling produce through direct sales channels: “we can never get as many CSA members as we want. But, [the farmers’] market’s also kinda really swamped. It’s a really saturated market. You have all these great farms.”

The situation that Lowell describes is noticeable beyond the local growers themselves. Joe is the owner of a food processing company in Lane County. He operates on a very different scale from Lowell’s small-scale farm operation. Joe buys and processes hundreds of thousands of pounds of produce from farmers through the Pacific Northwest and distributes from Washington to San Francisco. Despite the scale of his operations, Joe’s role and history with the community keeps him tuned into the local food system in Eugene: “the farmers’ market in Eugene sucks... it’s getting saturated too.

You're cutting just a slice of the same pie, so the slices are just getting smaller rather than the pie getting bigger." The saturation of the farmers' market in Eugene and the CSA market that Lowell and Joe describe is representative of a larger trend in the United States. According to a 2015 USDA report, growth in local food sales at farmers' markets, farm stands, and through CSAs has slowed considerably since 2007 (Low et al., 2015).

According to the USDA report, there are two factors that could have contributed to the slowed growth in these direct sales purchases. First, consumer demand through these direct sales outlets may have plateaued (Low et al., 2015). Multiple interviewees, including Lowell and Carlton, the owner of a Eugene restaurant that sources most of its ingredients as locally as possible, have suggested that they have faced a lack of interest from their potential customer base. Second, the USDA report notes that limited growth may reflect producers' shift toward other distribution avenues (Low et al., 2015). This speculation from the USDA further emphasizes the importance of studying producer approaches to local food distribution. In the Eugene context, another significant possible cause for the saturation of the farmers' market can be inferred from Lowell's statement on the issue: "You have all these great farms." Willamette Farm and Food Coalition's Locally Grown Guide lists over 70 farms, many of which attend various farmers' markets in Lane County or offer CSAs. To reuse Joe's analogy, with limited increases in consumer demand, these farms are dividing the local foods pie into smaller and smaller slices.

Sandra provides another perspective. When she started selling beef, pork, and eggs at the farmers' market in the early 2000s, "there were very few meat producers ... so direct sales were really popping." Today there is a lot more competition at the farmers'

market and with her CSA. Despite this, Sandra has a different view of the farmers' market pie. When I asked her about how her farmers' market income has changed over time, she replied:

It has increased overall, but there's always a challenge when new folks come to the market. We do feel either a stall or a dip; usually it's a stall, not a dip in sales. What I have noticed is that the more farms that come to the market, the better everyone does.

In Sandra's view, the direct sales pie has increased in the last ten years. This belief is supported by USDA data, which suggests the decline in direct local food sales has occurred only since 2007 (Low et al., 2015). While they have differing perspectives on the growth (or lack thereof) of the local food pie, Sandra and Joe both seemingly agree that recent years have seen increased competition for direct sales in Eugene.

Some producers seem to prefer direct sales as an avenue to sell their products, something that reflects the general perceived importance of direct sales in local agriculture. However, due to a saturated market in which too many farms compete with one another over a limited number of farmers' market and CSA customers, Eugene's local food market is not meeting the preferences of its producers. Lowell sums up this disconnect between preferences and the reality of the market best: "I think for us, it would be way more ideal if we could just be a CSA farm, but it doesn't really look like that's possible actually."

Producer Adaptations to the Local Market

To deal with the disconnect between producer preference for direct sales and the market reality in Eugene, several farmers mentioned the need for adaptations to the market. These adaptations were typically in the form of new strategies for marketing or

distribution. Among the new strategies that local growers discussed are: shifting toward increased wholesale distribution, scaling back or quitting CSA distribution, expanding the geographic scope of distribution (whether through direct sales or wholesale), offloading parts of the business, developing new direct sales marketing strategies, and expanding to different products (e.g. specialty products, value-added items). Many of these strategies represent actions that growers have already taken, while some represent future plans.

Before discussing the variety of adaptations that local growers have undergone to adjust to the market, it is important to consider the challenge for producers of making significant changes to their business models. Several producers discussed the limited resources (in terms of energy, time, labor, and money) that they have available. For these growers, adopting new marketing or distribution strategies requires serious consideration because this often necessitates cutting back on other endeavors. I've referred to the consideration that growers give to adopting new strategies and allocating their limited resources differently as a rebalancing of priorities.

Several producers explicitly discussed the importance of balancing their priorities in an effort to maximize the limited resources available to them. Sandra specifically used the language of energy to describe how she prioritized distribution efforts in the last few years: "We haven't put a lot of energy toward [our CSA] since then. ... We've been putting energy more toward building wholesale accounts." Likewise, Kathleen, who grows and mills a variety of grains for the local market, framed her balancing of priorities around getting the most out of her limited staff without overworking them:

We were in four farmers' markets for a while. It got to be a drain. Because they were on weekends and what I was trying to do was rotate people through the weekends, but we don't have a zillion employees. Because we had four farmers' markets, we were all ending up working every weekend,

and now we are just in the Monday market in Salem and are taking a breather.

With limited resources of energy and labor, Sandra and Kathleen rebalanced their operations in order to maximize these resources and get the best return. In both cases, their rebalancing of priorities involved cutting back on direct sale activities.

Sandra and Kathleen, along with many of the growers I interviewed, engage in multiple distribution strategies, including farmers' markets and wholesale distribution. This diversification provides growers with multiple income streams, but it can also be noticed from the distributor's perspective. Darrell, a sales representative at a regional produce wholesale distributor, has noticed the effects of diversification and over-extending resources on a particular farm:

We have a particularly large local grower around here who does an incredible job at the farmers' market and does a lot of their own direct deliver, and we will buy from that grower on-spot, but that grower is so busy, quite often that they are out of control. So we don't coordinate with that grower anymore because we figure it's all bullshit. 'Cause we're like number four in the line of priorities. There's the farmers' market, there's the CSA, there's the direct delivery, and then it's call us if they have too much.⁵

From the perspective of a wholesale distributor, Darrell notices a reduction in the quality of the relationship with the grower in question because they have too many distribution strategies and have failed to prioritize the wholesale relationship. Sandra and Kathleen both frame their rebalancing of priorities as a way to conserve limited farm resources,

⁵ In this quotation, Tom uses two technical terms. By "on-spot", he is referring to spot buys. These represent one time purchases of a particular produce item. Typically, a grower will contact the wholesale distribution company when they have an excess of a particular crop and will ask if they are interested in making a one-time purchase. Tom's company will decide whether or not to buy the crop based on whether or not they think they can sell it. Tom also mentions that he does not "coordinate" with this grower anymore. This refers to crop coordination, which is the standard practice for Tom's wholesale distribution company. With crop coordination, the wholesaler and grower make an agreement in the beginning of the season that the wholesaler will buy a certain amount of a crop (or crops). In the case of Tom's distribution company, these are typically 'handshake' agreements, meaning that no official contract is signed.

whether energy or staff labor. However, their efforts to rebalance their priorities may indicate a tacit awareness of the need to represent themselves well to their wholesale accounts. Similarly, Lowell discusses the logic of farms shifting away from direct sales in order to rebalance their time in a way that allows them to spend more time on the farm, doing the work of farming:

It's just more worth it for us to stay on the farm and grow more stuff and take a full truckload to [local wholesale distributor] than to run around in circles in town and drop off like five boxes here and five there.

As with Sandra and Kathleen, Lowell's example involves shifting energy away from direct sales strategies.

Each of the growers I interviewed indicated that changing distribution strategies was part of adapting to the market reality in Eugene. Some producers discussed shifting toward increased wholesale distribution. In discussing their plans for rebalancing their priorities, both Lowell and Sandra mention increasing their wholesale distribution at the expense of direct sales efforts. This change in strategy is significant for each grower because of their personal preference for direct sales. As several quotations above have already indicated, both Lowell and Sandra have expressed a preference for CSA distribution specifically. Quitting CSA distribution altogether was another strategy mentioned. While none of the participants admitted to completely stopping CSA distribution, they pointed to other local farms that have taken this step. Again, this change in distribution is evidence of rebalancing their priorities.

Several producers talked about expanding the geographic scope of their sales. This strategy included some farms that expanded the range of their direct sales, whether to the Portland area (as mentioned by Rachel above) or Bend and the Oregon Coast.

Other producers talked about expanding their geographic scope through working with wholesale buyers. Preston operates a 170 acre mixed production farm with row crops and livestock. Historically, most of his farm's beef sales have been direct-to-consumers. However, in the last few years, he started a relationship with a cooperative in the Portland area to help find a new customer base for his beef. While Preston doesn't anticipate continuing this relationship long-term, it represents an effort to expand the geographic scope of his sales. Kathleen has sold most of her milled grains direct-to-consumers or co-ops and bakeries. However, Kathleen began working with a small distributor when she first expanded to the Portland area. The distributor has since sold to a larger company, and while she now distributes directly to Portland businesses, the distributor helped to initially expand her geographic scope.

The recent move of several growers to expand their geographic scope is not a new phenomenon. Darrell, a wholesale distributor sales representative, has a unique insight into the local food system in Eugene. Darrell has been growing produce for market in Eugene for over 30 years, initially full-time and more recently as a part-time farmers' market vendor. During the late 1970s and early 1980s, Darrell was a part of a group of local producers who formed a growers' cooperative to help expand their scope of distribution:

We just wanted to a large degree to get product out of Eugene because we found that we were all beating each other up. One of the problems with Eugene is all the organic consumers were also organic gardeners. So as soon as something was easy to grow, we couldn't sell it. Whereas Portland is really more of an urban environment, and you have less people that are gardening or farming and thus going to grocery stores. So, originally we were just shipping product to the Portland area, just kind of getting it out of our backyard.

Darrell's quotation provides an historical example of producers expanding their geographic scope as part of a new distribution strategy. His quotation also shows that market saturation for organic produce is not necessarily a recent phenomenon in the Eugene area.⁶

A few producers mentioned developing new strategies for direct sales distribution. These strategies included Sandra's plan to implement a new full-diet CSA in conjunction with several other local farms and the farmers' market CSA cards used by Lowell and Amelia. These allow customers to pick up produce at the farmers' market at a discounted rate in exchange for paying a lump sum at the beginning of the season.

In addition to the strategies mentioned above, which focus on changes to the ways that producers distribute their products, several producers mentioned other plans for change that reflect adaptations to the market. Preston discussed plans to offload part of the business, specifically the processing of a value-added product. Preston described the value-added component by saying, "it's too much of a different business for us", suggesting that offloading this part of the business is an adaptation that also reflects a rebalancing of priorities. Lowell discussed plans to change the structure of the farm itself in an effort to streamline farm production. The goal of this streamlining is to allow the farm to be better able to meet the needs of wholesale buyers. Finally, Kathleen and Rachel both talked about moving into the production of different products. Kathleen discussed a plan to produce value-added items as a specific response to customer demands at farmers' markets. For Rachel, shifting from growing produce to beans and

⁶ During the 1970s and 1980s, 'local' was not as popularly relevant as a desirable quality of food products as it is today. Instead, the organic nature of these farms was likely their primary marketing tool.

grains was an effort to fill an unserved niche in the market. She now has plans to change products again to capture another unserved area of the market.

Lowell captures the significance of the way local producers are adapting to Eugene's limited market for direct sales in the following comment:

I think, unless there's a big change with CSA and [farmers'] market, we are just gonna rely more and more on direct wholesale and those relationships. ... If anything, we'll rely on it more especially because we are adjusting ... to try to streamline some of our production here and try to do two acres and try to grow more quantity of some of the things. That's kinda banking on the fact that we have these relationships and people are gonna place orders because if they don't, we are just really, you know, stuck with one ton of carrots. For us, personally, looking at it now, probably maybe 50 percent wholesale will go to 60 percent or 75 percent of what we make.

This quotation is significant for several reasons. Lowell has a preference for direct sales, but there is an awareness that the market is unlikely to change in a way that will allow him to focus on direct sales. Lowell suggests a change in strategy toward greater wholesale distribution. This change in distribution is significant in the specific context of his farm. Before 2015, this farm was almost entirely a direct sales operation. From this, the farm has moved to almost 50 percent wholesale distribution and anticipates moving further in that direction in the near future. This quotation is also significant for the way that it links the adaptation of distribution strategies with close or embedded relationships. A reliance on these relationships is necessary for a successful transition from Lowell's direct sales farm to one that sells more and more to wholesale buyers. In this context, building strong wholesale relationships is essential. Participants' insights into how to build strong relationships in local food and the characteristics of successful and unsuccessful relationships will be further explored in Chapter V. The next chapter will look at the advantages and disadvantages of various distribution strategies.

CHAPTER IV
EVALUATION OF DISTRIBUTION STRATEGIES
AVAILABLE TO LOCAL FOOD PRODUCERS

Chapter III highlighted a number of strategies that local food producers have implemented as a response to a saturated market for direct sales. Among the strategies that growers adopted was a shift toward increased reliance on wholesale distribution. This chapter explores the strengths and weaknesses of direct sales and wholesale distribution strategies, as stated by local growers and other participants in the local food system. Evaluating these strengths and weaknesses is part of the process by which local, small-scale growers determine how to sell their products and therefore provides insight into the dynamics of the local food system.

From my conversations with producers, three primary distribution avenues emerged. The first, which has already been discussed, is direct sales distribution. In-depth interviews with growers and buyers revealed farmers' markets and CSAs as the most commonly referenced direct sales distribution strategies. Distributor wholesale was another significant avenue for several producers. In the context of my interviews, distributor wholesale (or wholesale distribution) typically refers to sales to a larger distributor. Three of my interviewees identified their businesses as wholesale distributors (Darrell, Lori, and Nate), and many of the buyers I talked to discussed making purchases through wholesale distributors as well. A third intermediate category was also identified by participants: what Lowell refers to as "direct wholesale". Direct wholesale refers to bulk sales by growers that bypass wholesale distributors and go directly to businesses that

sell direct to consumers. Examples of direct wholesale businesses interviewed for this study include community grocery stores,⁷ certain farm stands,⁸ and restaurants. Through my interviews with local growers, these direct wholesale avenues were found to be essential (one producer referred to these relationships as “their bread and butter”). The three avenues for distribution identified through my research (direct, distributor wholesale, direct wholesale) closely and independently reflect the three primary supply chains (direct, intermediate, mainstream) discussed by King, Hand, and Gomez (2014).

Strengths and Weaknesses of Direct Sales Distribution

Producers identified several strengths of direct sales. As mentioned in the previous chapter, higher margins are a strength identified by several farmers. Lowell emphasizes the better margins: “I think most local farmers try to do as much direct sale as possible because you’re making more on it.” When Lowell says farmers are “making more” he is referring to the higher per unit price that farmers are able to charge customers at the farmers’ market or through their CSA because there is no “middleman” in the transaction. A personal connection to customers is another strength mentioned by several farmers, including Rachel who emphasizes, “the personal connection and the quality of food education” when selling direct through the farmers’ market or CSAs. Both of these

⁷ In the context of this thesis, community grocery store refers to a store that is typically independently-owned, smaller in size, and lacks a central distribution center. This definition excludes large grocery store chains regularly found in Eugene, including Safeway, Albertson’s, Market of Choice, and in the near future Whole Foods. In other contexts, community grocery store are sometimes referred to as: co-ops, health food stores, corner stores, bodegas, and ethnic grocery stores.

⁸ The typical farm stand in Lane County, Oregon is located on or near the farm and serves as a place where farmers can sell their own products. This type of farm stand would be most accurately described as a direct sales distribution avenue. However, the farm stand manager that I interviewed sells products for a variety of other local growers in addition to her farm’s own products, making the stand something of a hybrid between direct sales and direct wholesale distribution.

strengths are well documented in the literature (Hinrichs, 2000; King et al., 2014; La Trobe, 2001; Lyson et al., 1995).

Another finding, which is significant in the context of this study into producer-buyer relationships, is that farmers' markets serve as a useful place for networking with or advertising to bulk buyers. As a space to advertise, Sandra summarizes the benefit:

I'd say [farmers' markets and CSAs] play a significant role, not only in moving product, but also in getting the farm's name out there; getting into the community. Because, for instance, as an example, in Portland, we've had a few wholesale accounts arise because the company has visited the farmers' market and seen what we have to offer there.

The connection between wholesale accounts and a farmers' market presence is something that several other produces also commented on. Amelia mentioned initially meeting a produce buyer from a local grocery store through the farmers' market, while Rachel traces the beginning of her farm's direct wholesale expansion to Portland to when they began selling at one of the farmers' markets there. The advertising value of farmers' markets was corroborated by Darrell, a representative of a regional produce distributor: "We look around the farmers' markets and see who's interesting. ... We have people that go to the Portland farmers' market constantly, just kind of seeing who's out there." In all of these cases, the producer was relatively new to the market (Portland for Sandra and Rachel, Eugene for Amelia), indicating that farmers' markets are particularly useful in raising the profile of a producer that is new to a market.

The farmers' market also serves as an important networking space among farmers. Chiffoleau (2009) suggests that alternative supply chains, such as farmers' markets, can serve as a place that renews social ties among producers and facilitates information exchange. Conversations with producers in the Eugene area suggest that the

Lane County Farmers' Market serves a similar role, and local food buyers know this is an important place for information exchange. Lydia is the produce buyer for a community grocery store in Eugene that sources from numerous local growers. When I asked how local growers knew to contact her, she highlighted the networking that occurs at the farmers' market: "A lot of farmers, they'll do the farmers' market and they all talk and they all know." Shannon, the manager of a farm stand that sells for a variety of small growers, expressed similar knowledge of the market's role: "I really think the biggest connection is just being downtown at the farmers' market." The networking and advertising roles of direct sales, particularly through the farmers' market, create an important additional value for small-scale local growers. When local growers evaluate the costs and benefits of engaging in direct sales versus wholesale distribution, it is necessary to consider the potential increase to wholesale distribution enabled through participation in the farmers' market.

Weaknesses to direct sales opportunities center on the amount of resources (especially time) that are invested into these activities. Several producers framed CSAs as very time-intensive with minimum reward. One way the CSA requires a lot of time is in marketing, as Lowell describes:

Well, every year we do tons of marketing work. I don't know, a couple hundred hours of marketing work or something for CSA members and every year we have the exact same amount of CSA members. So it starts to feel like we could do one thousand hours of marketing work, and we are still going to have the same amount.

Lowell's frustration with CSA marketing is significant in the context of limited demand for their CSA shares. As has been shown in Chapter III, Lowell would prefer many more CSA members.

Participation in the farmers' market can also be framed as time consuming and expensive, even by those farmers who admittedly do well at market. One example is

Sandra:

Farmers' markets are very time consuming. Super expensive. We throw a lot of resources. Not only just fees, but gas. Our driver got in an accident this weekend, so accidents. There's liability.

Sandra's comments again bring up the issue of allocating limited farm resources toward a non-farming activity. For small producers like Lowell and Amelia and Kathleen, time at the farmers' market and delivering CSAs takes away from time that employees or the owners themselves could be working on the farm.

In discussing the weaknesses of direct sales, Sandra brings up the limited barriers to entry for farmers' markets. The easy access to markets is helpful for new producers, but it also can fail to protect established buyers, as Sandra notes:

It's really easy for people to bring products to market and make it for a year before they realize they have no business plan and they've brought down prices for everybody. ... There's always a constant onslaught of people who are bringing products to market that are seriously underpriced; not just a little bit.

This perspective suggests that some barriers are preferable to well-established farmers.

The desire for some price protection is a potential benefit for direct wholesale arrangements, which present greater barriers than those at the farmers' market, as described by Sandra.

Individual farmers will determine whether the strengths outweigh the weaknesses enough to engage in direct sales based on their local market, their farm's scale and products, their personal preferences, and a number of other factors. Thus, a small-scale, local grower's participation in direct sales is not a given, and the choice to participate in

this distribution channel is a calculation of various factors and a balancing of their priorities. One consideration for why producers will engage in direct sales even if they are providing underwhelming revenue comes from Lowell: “I think we go [to the farmers’ market] because, at this point, we really just have to do everything.” This comment highlights the financial stress that some small producers face and also the need to diversify sales to move as much product as possible.

Strengths and Weaknesses of Distributor Wholesale

At the other end of the spectrum for growers is what I’ve called distributor wholesale. In this case, growers sell their products in bulk quantities to companies that specialize in wholesale distribution on a regional or national scale. Many of these transactions are pre-arranged on a “handshake” basis. This means that wholesale distributors and growers agree on a predetermined quantity that they will exchange during the coming season (this process is referred to as crop coordination). The products are paid for upon harvest. Depending on the arrangement, the grower may deliver to a central warehouse or the wholesaler may pick up the products. These “handshake” agreements do not represent official contracts. They are less formal and allow for greater flexibility. Significantly for growers, these do not guarantee a specific price for the crop. Farmers are paid the going price for the group when it is delivered. The less formal nature of these agreements also allows for farmers to escape financial penalty for a crop failure.

Some transactions between growers and wholesale distributors occur without pre-planning or coordination. These are typically referred to as “spot buys”. In these

instances, a grower will contact a wholesale distributor about selling a bulk quantity of a particular product. The distributor will make an offer based on the likelihood that they can turn around and sell the product to one of their buyers. Wholesale distributors' buyers include grocery stores, restaurants, and value-added businesses like bakeries, breweries, and food processors.

My conversations with growers and various buyers revealed a number of clear benefits to the distributor wholesale model. One that I have already alluded to is the immediate pay-off that farmers receive. Darrell, who has the experience of working on both the grower and the wholesale distribution sides of the market, had this to say:

One of the other things about wholesale retailers is once you deliver it, you get paid money. You take your stuff to the farmers' market, at the end of the day, you take half of it home. So even if you are getting twice as much money, sometimes that doesn't add up to twice as many dollars.

This argument acts as a counter to an earlier statement by Lowell that you are "making more" through the farmers' market. While Lowell argues that you are receiving higher margins for direct sales, Darrell argues that these higher margins do not always equate to higher total sales because of the uncertainty of moving product through direct sales channels.

Crop coordination was described as beneficial, both from the standpoint of the individual grower and from a system-wide perspective. Meghan is the representative of a small farm collective in the Eugene area. She and her colleagues produce mainly for personal consumption, although they also have a CSA and do some crop coordination. For Meghan, the benefit of crop coordination is that it eliminates a lot of the guessing around what crops to produce when selling in direct markets. According to Meghan:

It makes planning what you plant very straightforward. In order to get 200 pounds [of garlic for a local restaurant], we have to have this much space and we have to have this much seed and it's gonna cost us this much, and this is how much we are gonna get back after we do it and yada-yada. So it's just very known.⁹

Being told what to plant and knowing that someone will buy it ahead of time streamlines the process for Meghan and other growers who coordinate. Implied in Meghan's comment is that the farmer has the knowledge and skill to produce a specified quantity to a specified standard in order to sell to a distributor. Alice, the director of a non-profit concerned with developing the local food economy, points out growing for wholesale is an acquired skill that takes time for newer growers. As with the immediate pay-off that Darrell discusses above, crop coordination reduces some of the uncertainty that small-scale, local growers face.

Growers like Meghan have emphasized the benefits of crop coordination. Several buyers talked about the benefits of crop coordination from a system-wide perspective. Darrell described the process by which his organic produce distribution company has helped to shape local production over time to broaden the variety of local produce available. This process involved encouraging local producers to switch from popular crops like corn and tomatoes to growing things like cilantro and fennel. Through "handshake" agreements with Darrell's company, these growers became more willing to grow a niche crop. George, the grocery buyer at a community grocery store, describes another local wholesale distributor that utilizes its knowledge of the demand side of the market to find producers that can grow a supply to meet that demand. However, George

⁹ This example describes a direct wholesale relationship (grower to restaurant). However, this example is still effective because the process of coordination with wholesale distributors parallels the process Lauren describes. Additionally, the example that Lauren provides is somewhat unusual, as most direct wholesale transactions do not involve coordination.

is quick to point out that this particular distributor is somewhat unusual: “they are kind of the mediator in the relationship. . . . That is not a distributor’s traditional role whatsoever. They are usually just the middleman that takes the cut.” By operating in a more proactive manner than the typical wholesale distributor, these two businesses are leveraging their position to provide system-wide benefits – benefits that improve their business in the long-term as well.

Interviewees also highlighted the increased access to markets provided by wholesale distribution. For Sandra, whose livestock operation provides her with fresh products to sell year-round, wholesale accounts are especially important during the winter months when local farmers’ markets are not running: “when the farmers’ markets aren’t in season, then you have these wholesale accounts to carry you through, so you always have some income stream.” This off-season sales avenue is particularly important for farmers’ like Sandra and Rachel, who are able to sell product all-year round. Others highlighted the role of wholesale distributors as outlets for excess product during the summer months. Nate owns a local wholesale distribution company that operates up-and-down the West Coast. He described his relationship with one of the growers I interviewed: “That’s how we relate to [Rachel]. If they have an excess and they can’t otherwise market it, they bring it to us.” Likewise, Darrell described several relationships with growers that contact his company only when they have too much product for their normal distribution channels. Based on my conversations with growers and distributors, this outlet for excess produce is typically through “spot buys”.

In the last chapter, I highlighted another benefit of wholesale distribution for growers: accessing new markets through expanding geographic scope. Nate touches on

this benefit as he describes the role of his distribution company: “what a customer like [my company] does for a local grower is give them an outlet for an excess bounty they couldn’t otherwise move to a local marketplace.” Several producers highlighted this benefit, including Preston, Kathleen, and Rachel.

The several benefits I’ve highlighted are not all-inclusive. They represent a few of the more prominent benefits presented by the sample of individuals that I interviewed. Among the individuals whom I interviewed, these benefits figured prominently in the decision to participate in distributor wholesale avenues. These benefits were considered along with a number of prominent weaknesses of wholesale distribution.

The most obvious weakness of wholesale distribution is the lower margins growers earn compared to direct sales. This weakness is relatively straightforward and I’ve already discussed it elsewhere. A related negative with wholesale distribution is the process of negotiating price. Kathleen expressed some of her frustration on price negotiations to distribute some of her flour products:

I’ve had a couple of [wholesale distributors] come and say ‘Oh, we’d love to distribute your product for you.’ ... So knowing that we are already delivering it to people at 75 cents a pound or whatever it is, they want us to cut back on our price to about 40 cents a pound, so they can make their mark up.

To provide some additional context, Kathleen adds a very minimal mark-up on her products – “I think we mark it up 10 percent.” For Kathleen, the frustration in these negotiations is two-fold. First, the distributors are offering her a price that would work out to a loss. While it’s unlikely this is the situation for all or even most other small-scale local growers, distributors often offer a rate that cuts significantly into farmers’ margins –

especially when the growers are used to selling successfully through other channels. Second, Kathleen's frustration is compounded by the process of negotiating itself.

The frustration of negotiating connects to another oft-stated challenge of wholesale distribution – issues of communication and corporate structure. For large distributors or supermarket chains, the corporate model creates additional hurdles for growers to negotiate. In the supermarket world, managers and store directors are the most accessible to local farmers. However, decision-making and final approval are often in the hands of individuals at the corporate headquarters, a much less accessible space for local growers. Even after a local grower becomes an established partner with a wholesale distributor, there are challenges to navigate. Frequently, these relationships are most developed through a single individual. This can create challenges for growers, as Preston describes: “one of our frustrations in the past is that a buyer leaves and the relationship goes with it to a certain degree.” This issue applies to both distributor and direct wholesale relationships and will be revisited in the next section.

One of the most frequently referenced challenges in dealing with wholesale distribution is the amount of paperwork and regulation involved. Organic certification, GAP certification, and being “additionally insured” are frequent requirements for growers wishing to sell to wholesale distributors. Alice represents a local non-profit organization whose goal is to help grow the local food system and facilitate relationship building between growers and a variety of buyers. She captures the central problem for local growers in handling the communication, regulation, and paperwork required to work with distributors:

[As a wholesale grower], you have to follow all of these food safety regulations. And it can be so much paperwork that you need an employee

just to handle that. A small farm is not going to be able to do that, even if they did want to scale up.

Keeping up with all the requirements and regulations to work with wholesale distributors is a lot of work. As I showed in Chapter III, many small-scale local growers have limited resources, including time. Fulfilling all the necessary requirements to meet wholesalers' demands eats into the time that one is able to spend doing other tasks, including the work of farming. Alice's comments also highlight the issue of scale, which is central to discussions of wholesale distribution.

In determining whether or not to engage in wholesale distribution, it's unlikely that a grower will simply consider the benefits and negatives as I have presented them above. If a farmer values the ease of crop coordination over the slimmer margins offered, it is not a straightforward matter of switching from the farmers' market to wholesale. The scale of a farmer's operation plays a significant role in the distribution opportunities that are open to them. As Nate puts it, it only makes sense for him to work with large-scale farmers:

How I see us is that we are not the backyard farmer go-to place. So that if somebody is growing 10 acres of something or 20 acres of something, they are better off financially finding a direct market opportunity for that small volume.

It's worth noting that Nate's distribution company largely deals in grains, beans, nuts, and other dry goods. For a produce distributor like the one Darrell works for, 20 acres of a product is significant. Still, growing produce for wholesale distributors require a scale and production strategy that is not practical for some growers, like Lowell:

If you want to sell to [a local produce distributor], they like to buy by pallets. Like a pallet of fifty cases of lettuce or something. We'd have to plant a whole section of our farm just to have one cash crop to sell to them.

For a local grower like Lowell to get value out of wholesale distribution, he would need to expand the scale of his farm. According to Darrell, this increase in scale is a natural process in the evolution of a farm:

What we'll see is that farms will start small, but then they'll get to a certain point where they just really feel like they need help with further distribution and would like to grow more and would like to get it out there farther. Very few people really just like to stay really tiny and local. ... And quite often that growth takes you out of your little community.

Darrell's economic philosophy aside, this quotation emphasizes the link between scaling up the farm and wholesale distribution. Whether a local farmer is already big enough to sell to wholesale distributors or whether they are considering increasing to that size, the benefits and challenges that I've discussed above play a significant role in determining whether this distribution avenue is worth the grower's resources.

Strengths and Weaknesses of Direct Wholesale

As I mentioned previously, direct wholesale is described as vital by multiple producers, even described by one as "their bread and butter." Producers described strengths of direct wholesale in comparison to both direct sales and distributor wholesale avenues. Many of the benefits attributed to distributor wholesale were applied to direct wholesale as well, including the immediate pay-off and increased availability. The one major advantage of distributor wholesale over direct wholesale was the benefit of crop coordination. George touched on the lack of coordination between growers and community grocery stores, saying that his store doesn't purchase the quantity required to coordinate with any particular grower. Several produce buyers at community grocery stores also talked about how they like to support as many local farms as possible, a value

that makes it less likely that they would buy enough from any particular farm to necessitate coordination.

Compared to distributor wholesale, multiple interviewees said direct wholesale offers a better price point than when working through distributors. According to Lowell, “it’s one less middle man, so we are making just that much more.” Lydia pointed out that some local grower’s price their products according to the pricing guide of a local produce distributor. These farmers know that Lydia and other produce buyers prefer to buy from local farmers over distributors as long as the price compares favorably, and they are making the margin that would otherwise go to the distributor. Direct wholesale relationships also compared favorably to distributors in communication and paperwork. As Lydia says, “I think as a locally-owned business, it’s easier for farmers to approach us. You know, you are not dealing with a corporate hierarchy.” Along these lines, Lowell also described direct wholesale as more relational. Among those I interviewed, direct wholesale was framed as much more beneficial for local, small-scale farmers than distributor wholesale. Most of the discussion I had with producers focused on the strengths and weaknesses of direct wholesale in relation to direct sales. The remainder of this section will focus on this analysis.

Perhaps the most often stated benefit of direct wholesale is the ability to move larger volumes in fewer transactions than is possible through direct sales. When dealing with restaurants and grocery stores, producers discussed the practicality of being able to sell large quantities in a single transaction, compared to many small transactions at the farmers’ market. Rachel provides an example:

For me, I love to sell an entire bucket of polenta rather than a tiny bag of polenta. And I have to talk to every single person that wants to buy one

pound of polenta and I have to personally interact with them. I say I have to because sometimes that gets really tiring, and to have to personally interact with every single customer is nice; it's good; but for the money, I get only 50 cents less per pound for my polenta and I can drop off a whole 20 pound bucket. So that's more efficient for me, and I can talk to one chef for 20 pounds, instead of talking to 20 people for 20 pounds.

Here, Rachel connects cutting down on short-lived interactions at the farmers' market with increased efficiency. This response connects to some of the comments made earlier by Lowell and Sandra regarding balancing priorities. Talking to 20 people to sell one pound of polenta to each person is an inefficient use of Rachel's time and energy, which she suggests elsewhere is spread thin. This comment may appear critical of farmers' market customers or suggest that Rachel does not have an interest in engaging with them, but this does not appear to be the case. Rachel places value on engaging consumers directly, particularly in the context of her CSA:

The personal connection and the quality of food education when you are just talking with someone absolutely directly, or a CSA member directly ... It's a much more enhanced experience for them.

So, Rachel expresses a clear interest in engaging with consumers, but her need to balance priorities places an emphasis on the ability to move quantity through direct wholesale relationships.

In a similar vein, Lowell mentioned an easier distribution process as a benefit of direct wholesale. Rather than spending an entire day at the farmers' market, he can "just do a delivery route once or twice a week and deliver to those places." Another often-mentioned benefit of direct wholesale relationships is consistency. Grocery stores and restaurants are counted on as regular customers to producers. This is especially important for producers of livestock and dry goods, who have stock all year. While the farmers' market is only open eight months every year, producers like Rachel and Sandra are able

to make deliveries and get paid by grocery stores and restaurants twelve months out of the year.

One of the most frequently mentioned weaknesses of direct wholesale is a lower margin in comparison to direct sales. While some producers like Rachel don't mind losing 50 cents per pound through direct wholesale, other producers mentioned greater frustration at the loss of extra revenue. Lowell described the direct wholesale distribution process as more straightforward, but some producers described managing direct wholesale accounts and relationships as challenging to coordinate and time-consuming. A particular coordination challenge was meeting on price.

A final interesting finding concerning weaknesses of direct wholesale is the degree with which personalities impact business. Several producers discussed the challenges of working with buyers who were disagreeable or had a problem with the producer. This problem was exacerbated in places where buyers are replaced. With a change in buyer, a relationship with a business can change. This change can produce negative consequences for the producer if the personalities of the buyer and the producer do not gel, as this story from Sandra indicates:

[W]hen a manager likes us, then they'll buy from us. And then that manager will be replaced and the next manager won't like us, and then it will be very difficult to work with them.

Sandra told me an anecdote about selling eggs to a local grocery store. Initially, she sold eggs to the store, but then a new grocery buyer took over and stopped working with her.

I honestly don't know what his issue was, but as soon as he was gone the next grocery buyer called and said, 'I don't know why we aren't carrying your eggs. What's going on?' We said, 'Well, [the previous buyer] didn't want to buy from us.' 'Well, [the previous buyer] is gone. I'm buying now.' ... So much has to do with the personality of the person who is buying from you.

This story highlights a significant challenge for local producers. While offending and losing a customer at the farmers' market is unlikely to cause a significant impact on the sales of a producer, losing an important account at a grocery store or restaurant can significantly impact a producer's income. An important account can become fragile with a change in buyer, leading to uncertainty for the producer.

Evaluating Strengths and Weaknesses amidst Balancing Resources

This chapter has presented a number of strengths and weaknesses of different distribution avenues available to local, small-scale growers, specifically direct sales, distributor wholesale, and direct wholesale approaches. Many of these strengths and weaknesses may be obvious or well known among Eugene producers, but I have stated them explicitly in an attempt to provide insight into the complex decision making of producers in determining how they distribute products. In the previous chapter, I reviewed how the saturation of farmers' markets and CSA markets in Eugene has pushed many farmers to adapt new strategies to distribute their products. Among the strategies that local growers have adopted was a shift toward greater reliance on wholesale distribution (direct & distributor). The fact that local producers are forced to adapt to the oversaturated market suggests that consumers have a significant role in shaping producer actions. However, this chapter has shown that local food producers also have a substantial amount of influence in shaping the local food system. Limiting the influence of both producers and consumers are a variety of structural constraints as well. The decision to employ a particular distribution strategy involves a calculation of the various

strengths and weaknesses highlighted in this chapter (in addition to other costs and benefits).

The previous chapter also argued that local producers are constrained by a limited number of resources, including time, labor, and capital. The producers I interviewed consider the strengths and weaknesses of each distribution strategy in an attempt get the most out of these limited resources. Many of the challenges of each distribution strategy involve allocating resources toward non-farming activities. For direct sales, this non-farm work involves time at the farmers' market and marketing and distributing their CSA. For distributor wholesale, this time includes negotiating paperwork and regulations and dealing with corporate hierarchies, and for direct wholesale this time is bound up in managing and maintaining relationships. The next chapter will explore in greater detail what goes into managing and maintaining these relationships.

Depending on the needs of the grower and their scale, one or more of these distribution strategies may be preferential to the other(s). For Sandra, (direct) wholesale relationships have allowed her to bypass some of the burdensome non-farm work of direct sales: “when you said ‘what’s the benefit of [direct] wholesale accounts?’ Well, the fact that they allow me to farm. They are paying for your product, so you can do what you feel called to do.”

CHAPTER V

CHARACTERIZING RELATIONSHIPS BETWEEN GROWERS AND BUYERS

In the last chapter, Lowell described working with direct wholesale buyers as “more relational” than working with wholesale distributors. This description, which serves to frame direct wholesale buyers favorably to distributors, highlights the critical work of growers in direct wholesale transactions. Just as engaging in direct sales requires the non-farm work at the farmers’ market and prepping the CSA, direct wholesale necessitates the work of forming and maintaining relationships with a variety of buyers. The characteristics of these relationships and the work that goes into them is the focus of this chapter.

During interviews, I asked participants to characterize the nature of their business relationships. Specifically, producers were asked for their thoughts on working with wholesale buyers (i.e. community grocery stores, restaurants, and distributors), and buyers were asked about their ties with producers. For the most part, these conversations concerned direct wholesale relationships, although there was some talk of distributor wholesale. In some cases, interviewees spoke in a general sense. In other cases, they discussed specific examples of successful or unsuccessful relationships. The conversations with participants produced comments that I’ve broken down into three main topics: starting relationships; maintaining the relationship; benefits of close ties. This chapter will address each of these topics in their own section.

Starting Relationships: Walk-ins, Cold Calling, Referrals, and Networking

Among local buyers whom I interviewed, there is a clear willingness to work with new growers.¹⁰ This was true across all the of the types of buyers that I talked to; from Shannon, operating her farm stand, to Lydia, the produce manager for a community grocery store, to several of the wholesale distributors. One of them, Darrell, sums up this perspective: “every year, we take on a handful of crops from a new growers that we’ve never worked with before.” Darrell’s comment is representative of the activity of many buyers. This willingness to work with new farmers was indicated by a number of producers themselves; most notably by Lowell and Amelia, who began wholesale distribution in 2015 (the season of our interview).

The reasons for this willingness to work with new growers varied, but many buyers connected it to a business orientation that values supporting local farming and local food. Some buyers discussed the importance of local from a standpoint of environmental concern, while others talked about personal relationships, and still others were interested from the standpoint of building a healthy local economy. George, the grocery manager for a local community grocery store, eloquently connected his willingness to work with new local growers with his store’s community-focused values:

When I get approached by someone growing some organic food locally, I wanna talk to them. I wanna get a relationship with them. I want to sell their stuff because when I’m buying things from them, it’s strengthening their position. I’m helping them exist, and then in return, I’m getting good products, healthy things to sell to my customers, which are locally grown. I’m strengthening the community. ... But also, there’s a feedback thing here where me giving her the money to buy her goods and support her farm is encouraging her to grow new organic products.

¹⁰ When I refer to new growers here, I am referring to the business relationship between the buyer and the grower, not the length of time the grower has been farming. Buyers discussed starting new business ties with both new and established farms.

George's valuation of supporting local growers is representative of the embeddedness interpretation of business transactions. Like Granovetter (1985), George is navigating between the under- and over-socialized understandings of economic action. George is not acting as a disconnected and self-interested economic actor whose objective in buying local is solely profit-oriented. At the same time, he is not operating on purely altruistic motivations defined by his system of values either. George and other local buyers place value in working with local growers, new or otherwise. This small insight into this valuation provides a useful background upon which to explore the variety of means through which new business ties are formed in Eugene's local food economy.

With new relationships between local growers and wholesale buyers, cold calling and walk-ins were common occurrences. This was most prominent among buyers from community grocery stores, although other types of buyers also indicated these types of transactions occurred. Amelia describes the process of starting ties with stores as pretty simple: "we just went directly to each of the stores, really without making appointments." From the perspective of the buyer, starting to work with a grower is often an informal process, and cold calling and walk-ins are viewed as a straightforward way of beginning the relationship. The informality is represented by Derrick and Lucas, produce buyers at two community grocery stores in Eugene. Derrick expresses a willingness to start purchasing from local growers almost immediately after the initial connection is established:

What happens is we don't contact them ourselves. They'll come in with some product. It's really informal, and they'll say 'Hey, I got this kale.' And it's like, 'Oh, that looks really nice. Yea bring us a couple cases next week.' And then from there, we'll build a relationship and start doing more consistent weekly or bi-weekly local farm orders.

Lucas further captures the informal nature of how these ties begin: “I just got a connection with this guy in the McKenzie somewhere... He has a bunch of strawberries. He just randomly called. I said, ‘Yeah. I’ll take some strawberries.’” In both of these instances, the buyer has very little information about the grower on initial contact. Yet these buyers are willing to give the new grower an opportunity. Many of the buyers whom I spoke with discussed an informal vetting process for new growers. This process typically involved ordering small quantities in the beginning to establish the reliability of the farmer and the quality of their product. Some of the features that can lead to an initial transaction not leading to more in the future will be discussed in the next section.

The buyers mentioned above highlight the relaxed nature of these initial transactions. While the transaction appears informal, at least some growers are careful about selecting direct wholesale buyers with whom to work. Meghan discusses the strategic thinking that goes into starting a new wholesale relationship:

If I were gonna cold call, I would simply – first of all, pick carefully the highest likelihood of the best match. ... We are not certified organic, so we have to pick places that value local sourcing and are willing to buy from non-certified but local producers.

Meghan is particular in the buyers whom she contacts to sell wholesale. She does some research on the buyer before communicating to ensure the likelihood of a match. In this case, she focuses on potential buyers who value knowing the farmer and buying local over an organic certification.

While many of the buyers whom I interviewed welcomed walk-ins and cold calling, business relationships were often started through social networks, in the form of prior connections, referrals, and networking. Rachel and Sandra both discussed how a prior connection can lead to a current business opportunity. Rachel:

Jacqueline used to intern and work for and manage [a local organic farm], which is another farm that does that farmers' market. So we used to be both working the farmers' markets. I knew her through that and I knew her through common friends.

Sandra tells a similar story: "Jacqueline was really good friends with one of our farm managers, who served for several years. So she's very familiar with what we do." In these two cases, Sandra and Rachel are discussing the owner of a local restaurant who is currently an important business partner. Interestingly, Sandra and Rachel are discussing the same person. This case provides evidence of the high level of integration in the Eugene local food scene. Most of growers and buyers I interviewed discussed being well-connected with other important actors in Eugene local food. In fact, this created a challenge in maintaining the confidentiality of my participants because everyone wanted to know whom else I'd interviewed.

In Chapter III, I mentioned that Sandra was working on a full-diet CSA as a new direct market offering. This CSA provides an example of how prior connections play a role for engaging in business transactions. Sandra's full-diet CSA offering is a concept that will offer members a weekly CSA package that includes meat and eggs from her farm, as well as produce, grains, fruit, and honey. The CSA is a collaboration between Sandra and a number of other farmers whom she knows personally or in a business context. The grains come from a farm where Sandra grazes her cattle. The produce comes from the farm that supplies Shannon's farm stand, a buyer of Sandra's products. The honey is produced by a beekeeper who keeps his bees on Sandra's farm, and the fruit comes from her son-in-law's family orchard. While this full-diet CSA represents a direct sales strategy rather than wholesale, it provides a detailed example of how Sandra has utilized prior connections to create a new business opportunity.

Referrals are another common way for growers and buyers to initially connect with one another. Nate told this story to provide an example of how most of his connections come about:

A lot of the farmers come through that venue where we work with one person. For example, we've been working with a person named Kevin, who's in eastern Oregon. And his son, Klay, has started farming, came back from being in the service and wanted to make a farming career. He grew wheat for us last year, knowing about us through his father. Most of our relationships have those connections. They come up very rarely just out of the blue.

Nate's anecdote emphasizes the importance of referral in his line of business. As a distributor, he very rarely deals with walk-ins or cold calling. Joe, a food processor, also makes reference to the fact that he finds many of the farms he works with through referrals from his network. He compared his success at referrals versus cold calling: "I found some success Googling, but more through [a local distributor contact] and word of mouth is where I find everything." Here, Joe suggests that he is open to both strategies for finding new growers, but he has had a better track record using referrals. For the most part, large distributors (or in Joe's case, processors) relied on referrals more than direct wholesale buyers. However, both Lucas and Carlton, the restaurant owner, talked about referrals as a method for finding new growers.

The role of networking has already been discussed in the context of the farmers' market. Most of the producers whom I interviewed discussed the value of the farmers market as a space to network with other farmers about wholesale opportunities and to advertise to various buyers. Growers and wholesale buyers also network through a variety of other opportunities including local and regional conferences, including the

Provender Alliance Conference and Lane Local Food Connection, which I highlighted in the introduction of this thesis.

In discussing the role of networking and referrals for helping growers and buyers link up with one another, a key figure was identified – what Alice calls the “master connector”. These individuals are typically well-known and well-established members of the Eugene local food system. As part of their professional role, or sometimes as a personal favor, they provide connections between buyers and growers and supply information on the markets and their participants. Alice is the Executive Director of a local non-profit organization dedicated to making these types of connections. She describes her role as thus:

We are master connectors; and benevolent brokers, we call ourselves a lot. We line up the deal, but we’re not taking a cut. ... We work with restaurant chefs and food processors that are looking for local ingredients, and we’ve done a lot of work with institutional buyers.

The role of Alice and her organization is to make these kinds of connections. Other “master connectors” perform similar roles outside their official capacity as a grower or buyer. A primary example of this kind of individual is Darrell. Multiple interviewees brought up Darrell as one of the most well-connected individuals in the local food system. As a long-established member in the food system, and someone that has participated as both a grower and a wholesale buyer, he is well-connected and uses these connections to great effect. Meghan described a situation where her farm colleague approached a local supermarket chain to sell some of their produce wholesale. “And how would Lisa have learned the produce manager’s name and phone number? She would have gotten that from Darrell.” According to Meghan, Darrell supplied her colleague not only with the contact information for the produce manager, but some insider knowledge

on his personality and his store's needs as well. "Master connectors" like Darrell and Alice provide an important role in supplying referrals and other insider information for grower and buyers in the Eugene area.

My discussions suggest that there is variation in the way that relationships between growers and buyers were initially started. Some business relationships were the result of a prior connection between the producer and buyer. Others were formed on the basis of a referral from a business or personal colleague. Still other relationships were the result of what producers called 'cold-calling' or 'walk-ins.' Uzzi (1996, 1997) suggests that embedded ties develop "primarily from third-party referral networks and previous personal relations" (Uzzi, 1996, p. 679). My findings provide an amendment to this reliance on referrals in business. My own research suggests that referrals can be important in starting new business ties, but in the Eugene local food system, buyers' willingness to work with and support local growers – their value orientation – can supersede the necessity of a referral. These findings have implications for the barriers to entry for new growers in the Eugene local food market. The importance of referrals or prior connections would suggest that new growers may struggle to get into markets here. However, buyer's willingness to work with new farmers and the openness to walk-ins and cold calling lower some of these barriers to entering the market as a small-scale, local grower.

My findings also suggest that there is a distinction in scale between buyers who are amenable toward walk-in and cold call transactions versus those that rely more heavily on referrals. Direct wholesale buyers, particularly community grocery stores, are somewhat more accepting of walk-ins and cold calling without having prior knowledge

of the grower. On the other hand, the distributors whom I spoke with typically had a greater preference for relationships established through referral. While I did not explore this issue further, there are two points of observation worth noting. For one, this distinction is not just a reflection of the scale of wholesale buyers, but of farms as well. Distribution wholesale buyers typically work with larger growers. As was noted in the previous chapter, these relationships often rely more on crop coordination, a situation that possibly necessitates referral. A second observation is that this scale distinction was also reflected in the experience of my research. It was much easier for me to walk in to community grocery stores and ask for the produce manager to schedule an interview; whereas for distributors, I made a prior appointment and relied on a referral. This parallel experience between growers and myself may be a reflection of communication norms established at different scales in the food system.

Maintaining the Relationship: Price, Quality, and Professionalism

The last section focused on some of the dynamics of starting a business relationship in Eugene's local food system. I've focused on this stage of the relationship because evidence from my interviews suggests that beginning a new relationship with a wholesaler (whether direct or distribution wholesale) is the most uncertain part of the process. Once the grower and buyer start working with one another, the relationship is typically pretty well established. One farmer who spoke toward this end was Preston: "Once you get [wholesale accounts], unless something happens there, you can usually keep them. As long as your quality and price is there." Similarly, Sandra emphasized that

starting a relationship with a new buyer may be a challenging, but maintaining the relationship is an easier process.

It's really hard to get in, but once you get in, you are good because they don't want to develop a relationship with somebody else. If you are being professional and doing these things like answering the phone and knowing your prices and delivering your product, they're gonna stay with you.

Preston and Sandra's comments together provide several important insights into the local food economy in Eugene. First, they both suggest that maintaining relationships with wholesale buyers is typically a straightforward process. This is significant in the context of statements from the previous section of this chapter. Although buyers are willing to work with and are constantly seeking new growers, this does not appear to correlate with aggressively dropping current suppliers. While new growers can look to wholesale as a market that is open to fresh faces, established wholesale growers can be confident that buyers will not abandon them for the next new supplier. Both quotations also point to a handful of factors that can impact the way a relationship develops. Product quality, price, and professionalism are critical factors that can influence the relationship between a grower and a buyer. This section will explore how these three factors can play a role in strengthening a relationship or leading to its demise.

Price and quality are two of the most important factors in a relationship between a local grower and a buyer. For a buyer, the first two things they notice about a grower are the price and quality of their produce. For many buyers, other issues can be overcome if the price and quality of a product are good. Nate spoke about the importance of these two factors in a hypothetical relationship:

I have a vendor bringing me a product that I'm gonna sell to somebody else. What do I want from them?" I want regular supply. I want stable

pricing. I want them to be responsive to quality issues and to have their own standard that is higher than mine.

Nate indicates the importance of not just a low price, but a stable price. He also emphasizes the importance of quality in the product the grower produces. For all buyers and growers whom I spoke with, these two factors were central to the success or failure of a relationship.

From the perspective of the grower, meeting on price can be one of the primary challenges of working with a buyer. In many instances, buyers have a number of growers to choose from (local and non-local, organic and conventional), which gives them more control over the price and produces an uneven power relationship. For Preston, the importance of maintaining a relationship has forced him to be flexible on price, to the point that he has even sold at a loss: “Sometimes though, you can afford to sell at a loss if it keeps the account.” Kathleen has dealt with similar circumstances. She consistently sells one particular type of grain, red wheat, at a loss because her buyers would not be able to buy it otherwise. These buyers represent some of her oldest customers, and her willingness to continue supplying them with red wheat is a mark of the close tie they share.

Preston and Kathleen both provide examples of cases when flexibility on price can help to strengthen or maintain a relationship with a buyer. Several other growers spoke about price negotiations as a point of friction. Depending on the type of buyer or grower in question, their willingness to be flexible on price can vary. Sandra suggested: “Price ends up being a very big deal for restaurant accounts in general.” This comment is a reflection of the slim margins that restaurants have to work with, as well as the types of

products that Sandra sells. Preston also spoke of the challenge of negotiating price with distributors for his beef products.

Kathleen told me a story about another local grain grower who undercut her market by offering a more affordable market: “[The other farm] went around to all of our customers and said ‘we can do the exact same thing at 10 cents a pound less.’” Many of these buyers left Kathleen for the competing grower. This experience suggests that some buyers place a greater value on price rather than loyalty to a vendor. What is notable in this instance is that the other farmer sought these buyers out and sold the same suite of products. Kathleen’s experience supports some of the claims made by Hinrichs (2000) around marketness. In this instance, price was the dominant factor at the expense of an embedded relationship with Kathleen.

In much the same way that price can serve as factor that helps build a relationship or creates friction in one, the quality of a product is a vital factor among those I interviewed. A high quality product is essential for a grower to start working with any local buyer. Presenting a buyer with samples was one of the commonly discussed methods to solidify a new relationship. Providing a very high quality product also helps to ensure a space for you on the shelves of a local community grocery store. Lucas, the produce manager at a local community grocery store was effusive when I asked about a particular grower: “His quality is great. I like his stuff. His melons are my favorite. I look forward to his melons every year. I ate one this morning for breakfast.” This farmer clearly benefits from the association with quality that Lucas has for his products. When it comes to his produce, particularly his melons, Lucas plans on buying some of the product

because he trusts the quality. Some buyers also mentioned that customers can create demand for a particular farm's products if they enjoy the quality.

Quality concerns can lead to frictions in a relationship as well. In the previous chapter, Darrell mentioned a buyer who is spread too thin and therefore delivers a poorer quality product. Quality concerns are also an important issue for local growers in the context of a changing local climate. Derrick talked about the prospect of not working with a particular grower because the quality of their product has declined: "sometimes someone that we've been doing business with for years and for whatever reason – weather conditions ... their product is suffering. It's kinda sad to say, 'Well, we don't really need anything from you guys now.'" Whether from changes to the climate or changes in production and distribution practices or oversight, a decline in the quality of products is perhaps the biggest concern for a local grower. With its increased saturation, the local market in Eugene is characterized by ever increasing standards of quality for locally-produced food. Maintenance of quality is vital to local growers maintaining their viability.

When I asked buyers to describe the characteristics that they looked for in growers, one word was referred to again and again – professionalism. Professionalism is not a clearly articulated concept. It's meaning varies significantly by context, and it is also used in a way that is almost synonymous with "good" (Cribb & Gewirtz, 2015). The vague meaning that is applied to professionalism is used to represent individuals who are good at something, have expertise, and, significantly, can be trusted (Cribb & Gewirtz, 2015). In the context of the local food system in Eugene, professionalism was used to identify the characteristics that were desirable in a grower. These characteristics were

among the most important factors in the maintaining of a relationship outside of price and product quality. Among the characteristics that I identified as important elements of professionalism were proactive, clear communication and organization and consistency in business.

Clear and proactive communication was viewed as particularly important by all of the buyers whom I interviewed. The general understanding was that all participants in the local food system are incredibly busy, whether they are growers or produce managers. This busyness makes communicating a challenge, but is all the more important. Frances, a produce manager, was clear that the growers whom she buys from most often are the more consistent communicators:

As far as selling more product and getting more business, the people that call you get more business. The people that just send you the list, but don't really have a deadline and don't really follow up on it, don't get it.

Frances was clear that ignoring the lists of those who don't call was not a passive aggressive response. Rather in the hectic environment of a community grocery store, Frances is typically too busy except for those that make the time to call her. Lydia stressed the importance of consistency in the context of communication:

The farmers, they all have their days that they call. Some are very good about calling at a certain time on that day. I love that. It makes life easy when you know. Other farmers, you know they are gonna call this day, but it could be 8 o'clock, it could be 12 o'clock, it could be 1 o'clock, or 'Oh, I forgot'. That kind of thing is difficult to deal with. So, even though I like their product and I would want to support them, when they do that, I end up buying from someone else who calls first...

Like Frances, Lydia's day is incredibly busy and the growers that she can rely on to communicate consistency are preferred to those that are more inconsistent.

Organization generally was also valued as a professional trait by the buyers with whom I spoke. In this context, organization typically referred to finances and paperwork, rather than the organization of the farm itself. Aspects of organization were central to what Darrell looks for in a grower:

Basically, you need a nice product. You need a grower that can figure out how to pack to packing standards. You need somebody that can actually get you the product the day they say they can get it to you. You need somebody that can keep their paperwork together. You need somebody that when they say 'I'm gonna grow 100 zucchini a week for you.' That they actually plant the fucking zucchini and don't just run off and go do something else and forget about and let you know in July, 'Oh, by the way, I never got that planted.'

Darrell is first-and-foremost concerned with the quality of the product. However, organizational factors rank highly on his list, including reliability of delivery, organized packing and paperwork, and the organization to plan crops according to prior agreements.

One area of organization that was identified as particularly important was knowing one's product. While this seems like something obvious to most growers or business owners, some of the buyers I interviewed suggested this was not always the case. An important element of knowing ones product is knowledge of the cost of production and market prices for similar products. Lucas was particularly adamant about the need for growers to know the price of their products and being organized. When I asked him to describe what he does not like in the grower, he responded strongly:

[I]f they seem a little spacy, I don't like that. I really hate that in a supplier. ... If you don't know what price you're selling your garlic for - Come on! [Lucas imitated a conversation with a grower] 'So how much is it?' 'Well, I was wondering what you thought. How much would you buy it for?' 'A penny a pound! Come on!' You can't ask that from someone. You can't be like that! You have to know what you're selling. You have to know your product. You have to have a price for it! And I'll work on you with the price. You can say that. But you ask me what I want to pay for it? A penny

a pound! Come on! That's what's pisses me off when farmers say that.
'Well, I don't know. How much do you think?' That's your job!

Lucas's animated response suggested that this kind of behavior exhibits a lack of professionalism that he cannot abide by in a grower. In addition, his pronouncement "That's your job!" reinforces the argument that the work of a grower extends far beyond the work of farming and includes the work of pricing and knowing market values.

Producers talked about what I have called relationship frictions. These refer to challenges that can complicate a business relationship or can eventually lead to the termination of a relationship. Lack of communication or inflexibility concerning price were the most prominent relationship frictions that producers discussed. It is important to note that producers only expressed willingness to end a relationship if someone was a minor customer. Several producers discussed trying to "figure out how you work with them" if a buyer is important enough. Questions of how to maintain relationships presented a significant area of inquiry from participants. Both producers and wholesale buyers were interested in knowing what the other side wants as far as relationship building and what to avoid as far as relationship friction is concerned.

Benefits of Close Ties

Participants mentioned a large number of benefits to working with business partners for a long time or with business partners that they know very well. Many of these benefits parallel what is seen in the literature on embeddedness, particularly from the work of Brian Uzzi. Uzzi (1996, 1997) found that close ties (or those characterized by a high degree of embeddedness) produced three primary benefits: trust, joint problem-solving, and fine-grained information transfer. These ties also led to other embedded

relationships through referrals. I've already discussed the role of referrals in the Eugene local food economy. Each of the three primary benefits mentioned above were also evident in close ties between growers and producers I interviewed.

Trust was a central organizing element of the close ties of my interviewees. Most participants referred to the importance of being able to trust a business partner. Trust was exchanged in a number of ways. Buyers spoke of being able to trust in the quality of a grower's products. On the other side of the relationship, buyers like Shannon said they felt a responsibility to take care of a grower's product and present it well because of the grower's trust that this would occur. In the context of crop coordination organized by handshake agreements, trust extends to the knowledge that a grower would follow-through with planting the crop and not selling it to anyone else. In discussions of business relationships that fail, a breach in trust was often a cause of the relationship breaking down.

Fine-grained information transfer was also prevalent among the growers and buyers whom I interviewed. Several kinds of information were shared among growers and buyers who had close ties to one another. Referrals for new business opportunities were commonly exchanged. Often, the information exchanged extends beyond a basic referral and contact information. Meghan discussed getting information on personality and supplier needs of a particular buyer from Darrell. Similarly, Nate highlighted a partner sharing information on the trustworthiness and business practices of a potential supplier. Lowell highlighted another valuable type of information exchange. Produce buyers at community grocery stores supply Lowell with feedback on the quality of his produce and the comments from store customers.

Joint problem solving was also mentioned as a benefit of close ties by my interviewees. Whether it was the opportunity for Lydia and Carlton to talk to growers about issues with their products or for Sandra's buyers to have more flexibility in meeting her prices, interviewees strongly suggested that a well-established relationship helped to negotiate any of the number of challenges that one may face in the local food system. In one instance, Jessie spoke of an issue with the quality of a grower's berries. Because of the hot, dry summer, the berries were not of the necessary quality to sell on the produce shelves. However, rather than reject the berries and leave the grower struggling to find another buyer, Jessie and his produce department were able to purchase the berries at a discounted price and repurpose them to sell in smoothies made at the store's deli.

One case of joint problem solving serves as a useful example. Kathleen, a grain farmer, was approached by a bakery with a request to provide 90,000 pounds of organic wheat berries every week. At the time, she only had about 130 acres of certified organic ground and could not meet the demand of this bakery. Because of a desire to source locally and to work with Kathleen, the bakery developed a plan that allowed them to get the necessary wheat berries and allowed Kathleen to expand her organic ground: "[the bakery] created a bread that they used our transitional wheat in ... And they did it just so we could transition." The transition that Kathleen is referring to is the 3-year process of getting land certified organic. Transitional wheat is grown on this ground. There is no official, government-sponsored designation for transitional products, so the bakery was labeling this product in an effort to help Kathleen convert to organic. This problem-solving arrangement allowed Kathleen to expand from 130 to 500 certified organic acres. In Kathleen's case and some of the others, a problematic situation is negotiated in a way

that provides a benefit to both the grower and the buyer. In these close ties, George summed up the willingness to work through problems: “If something goes wrong, you have a relationship with this person; it’s not cold and calculated.”

The evidence from my interviews supports the research from Uzzi (1996, 1997) that close ties between business partners produce benefits in the form of trust, fine-grained information transfer, and joint problem-solving. In addition to these benefits, I have identified three additional characteristics of close ties in the Eugene local food system. These types of relationships can also be characterized by a familiarity with people and products, allowing for special arrangements, and blurred boundaries between the business and personal.

For Lydia, one of the benefits of working as a produce buyer for such a long time and working with many of the same growers year after year is the knowledge she has of their products.

I’ve done this a long time, so I know, and a lot of times I can look at the thing and say, ‘Oh, this is from so-and-so.’ Because I’ve seen what this person’s beets look like or that person’s beets or by the size or whatever, I can tell whose it is.

Lydia’s knowledge of her growers is useful in that she knows when to expect certain crops from a grower. Similarly, Derrick talks about expecting certain crops to arrive at the store during a particular week of the season. This knowledge of the products of growers is incredibly valuable to the growers themselves. The produce buyers I spoke with have favorite items from different growers (like the melons that Lucas likes). These buyers will hold off on buying from another grower if they can expect the produce from their favorite grower in the near future. Lydia’s knowledge of her growers and their products is very valuable in this sense.

Close ties between growers and buyers can also lead to special arrangements. I previously mentioned that direct wholesale buyers like community grocery stores do not engage in crop coordination with growers. While this is largely true, both Lydia and Frances mentioned that they will sometimes talk to growers they know well about growing a particular crop for the store. These arrangements are not a major source of supply for these stores, but they do represent a special opportunity open to growers that are closely tied to the produce buyer. Nate made reference to helping a grower who was contracting with another farmer by offering his business' contract writing expertise. Rachel talked about local restaurant owners who promote her products. Lowell and Amelia spoke about how they are able to bring leftover produce from the farmers' market to a local chef whom they have a close relationship with. This chef will pick up as much of this produce as he can, an offer that allows Lowell and Amelia to avoid donating or composting these leftovers. These arrangements are not representative of standard business practices for the growers or buyers in question. Instead, these arrangements are special offers for business partners that are well-established and often cross into the personal sphere.

The blurring of the business and personal spheres frequently occurred between growers and buyers. As I previously noted, some business ties were founded based on a prior personal connection between grower and buyer. Earlier in this chapter, Rachel mentioned a restaurant owner who now buys from her and whom she had known previously through friends. Sandra also mentions selling her son-in-law's fruit through her full-diet CSA. Many other relationships begin in the business realm and take on personal characteristics. In some instances, these relationships involved a blending of

personal and business conversation. Meghan frequently had these blended conversations with Darrell when she was the produce buyer for a community grocery store:

I would talk to Darrell every day for about 45 minutes ‘cause you just can’t get Darrell to shut up. And we would spend five minutes talking about what the store needed – the order – and we would spend 40 minutes talking about whatever the fuck Darrell wanted to talk about. (Meghan laughs)

In this instance, there is not a direct business exchange connected to the conversation.

However, these personal exchanges strengthen the nature of the relationship between Meghan and Darrell. Now, ten to fifteen years after Meghan stopped working as a produce buyer, she can rely on Darrell to provide insider information on the market and various buyers, as she discussed above.

In other instances, the blurring of the personal and the business has a direct impact on transactions. Shannon relayed this anecdote:

This one older couple that brings me figs. They’ve been bringing kiwi for years. A couple times, I’d already paid them, and I’d written it down that I’d paid them, and they were old and broke and she had cancer. I just paid her again. I’m gonna help them out.

In this instance, Shannon is sacrificing some of her own income to the benefit of a personal relationship. The business nature of the relationship has been set to the side and the personal relationship between Shannon and this couple takes precedence.

No one that I interviewed clearly identified a boundary between a close tie and an arms-length tie (to use Uzzi’s language). It’s unlikely that a clear dividing line exists. However, interviewees did identify the value that comes from working with a close tie. The ability to trust a business partner, to share information, and to work through challenges were identified as vital characteristics of these relationships. These types of relationships allowed growers and buyers to succeed. As Preston emphasizes, “It’s really

good to be able to figure out what each party's needs are and really try to make it a win-win kind of thing.”

From Walk-in to Invested Partner: What Close Relationships Offer

I began this chapter by showing that local buyers are often willing to work with new growers. This willingness to work with new farmers every year reflects the importance that these buyers place on supporting local food and local businesses. This willingness to work with new growers was evident through the openness to walk-ins and cold calling to start new relationships. Once these relationships have been established, they are typically maintained as long as certain standards of price, quality, and professionalism are kept.

While the buyers whom I interviewed value supporting the local food economy, they place even greater value on relationships. Close ties between growers and buyers are key components of the local food economy in Eugene. These close relationships allow growers and buyers to be economically successful. This success is based on trust, information exchange, and the ability to negotiate challenges in a mutually beneficial way. Further, many of these relationships blend the business and personal spheres, and long-term business partners often become close on a personal level as well. These close ties produce benefits that extend well beyond the simple monetary exchange that characterizes a basic business transaction. As Rachel articulates, there is a personal investment for buyers in the success of the grower they know well (and vice versa): “We just have a solid history with all of these people. They’ve seen our farm grow and they want to see us succeed.”

CHAPTER VI

CONCLUSION

The previous chapters represent my exploration into the social dynamics that shape business transactions within the local food system of Eugene, Oregon. Each of these chapters in isolation present an argument into the structure of this food system based on interviews with 20 of its participants. In this conclusion, I will briefly summarize the main points of these chapters and tie their arguments together.

Chapter II highlights the importance of this study within the greater context of local and alternative food system research. Whether actual or only perceived, the benefits of local food systems are widely stated in journalistic and academic literature. With this understanding of the benefits that local food systems can provide to communities and the environment, it becomes necessary to understand the dynamics that make them work. This study is a step in shedding light on these dynamics. This chapter also points out the bias that overemphasizes consumers in studies of conventional and alternative food systems. By paying more attention to the role of producers, as this study attempts to do, academic research can provide a valuable and more holistic picture of how a particular food system operates. Finally, this chapter provides a brief overview of the case – Eugene, Oregon. This vibrant local food system can provide an example for other communities to emulate. While some of my findings may be generalizable in other contexts, it is important to stress the influence of time and place on the outcome of this research.

Chapter III addressed the role of direct sales for local, small-scale growers in the Eugene area. Despite this sales approach's popularity among growers, the oversaturation

of this market has made it unviable as the predominant income source for some local growers. These growers have adopted a number of different strategies to adapt to local marketplace where direct sales avenues are oversaturated. In adapting these different strategies, producers face the challenge of balancing the priorities of farming and non-farming work.

Chapter IV highlights the challenges and benefits of the three primary distribution avenues that local producers utilize. In direct sales, farmers receive a premium price for their product. They are also exposed to the farmers' market, which serves as an important space for networking and advertisement. The primary challenges that growers discussed were the time and resources dedicated to the farmers' market and marketing and distribution for CSAs. Wholesale distribution removed some of the uncertainty of other strategies, thanks to crop coordination and the immediate payment. This benefit was tempered by the lower margins and the time associated with paperwork and regulations and communication within a more corporate structure. Direct wholesale provided the best of both worlds (to an extent), with higher margins than through distributors and the ability to move larger quantities at once. Among the challenges that go into direct wholesale was the work of building and maintaining relationships with buyers. Within each of these distribution strategies, the issues that grower's face challenge their ability to balance priorities. Specifically they require farmers to dedicate time to work outside the work of farming.

Chapter V discussed the dynamics of relationships between growers and buyers, most specifically in direct wholesale relationships. This chapter focused on the process of starting a relationship between a grower and buyer and the characteristics of successful

versus unsuccessful relationships. This chapter showed that close ties between growers and buyers help to streamline distribution processes and overcome some of the juggling of priorities that local, small-scale growers face.

Taking these central themes together, I argue that through developing direct wholesale relationships that rely on close ties where the grower and buyer know one another well and are able to trust and rely on one another, local growers can better negotiate the non-farming work of farming. In this way, direct wholesale provides additional benefits not found in either direct or distributor sales avenues. Building close ties is work, just as marketing CSAs and completing organic certification reviews is work. However, the benefits of building strong ties are multifaceted and include fine-grained information transfer, joint problem-solving, mutual familiarity, special arrangements, and the development of personal connections. These arrangements can ease the effort put into balancing priorities and allow the grower to focus more fully on the work of farming.

An important caveat to this argument is that the farmers' market also provides a significant additional benefit from non-farming work outside of income. These benefits come from the farmers' market's role as a place to network and advertise to bulk buyers. This type of non-farming work relates to my wider argument in two ways. First, this work is also relational. Like the work of building ties with direct wholesale accounts, networking at the farmers' market requires a similar skillset and follows a similar process. Second, the benefits of networking and advertising at the farmers' market are most often realized as increased direct wholesale.

These findings and the context in which the study was completed present a number of implications that are worth touching on briefly. This study adds to the growing body of literature that is working to correct the consumer bias in food systems research. This literature discusses food as something to be consumed, and also as a source of many people's livelihoods. Among researchers that have worked toward this end are the two members of my committee: Jill Ann Harrison and Sarah Wald (see Harrison, 2012; Wald, 2016). While this study provides more of a producer analysis than the system-analysis that I emphasized in the Chapter II, it aids this shift by shedding some light on the process of distributing food and the people involved. Second, this study places a greater emphasis on the business side of farming, which is part of the non-farming work of farming (as I referred to it earlier). Finally, my hope is that some of the findings from this study will prove valuable to practitioners, the people growing food and those distributing it. Some of the insights that I make on the decision-making process for distribution strategies and the characteristics of relationships could be helpful for new and experienced farmers. Some of the system-wide findings could be applicable to policymakers trying to strengthen local food systems. I am working on ways to get this information outside of the university and disseminate it to these types of people.

In weaving together the themes of my individual chapters, I have argued that the relational nature of direct wholesale arrangements provides the greatest benefit to local, small-scale growers. These benefits help to allow the farmer to focus on the work of growing and harvesting their products. In this context, I conclude by returning to Sandra's quotation:

[W]hat's the benefit of [direct] wholesale accounts? Well, the fact that they allow me to farm. They are paying for your product, so you can do what you feel called to do.

APPENDIX A

INTERVIEW SCRIPTS

Interview Protocol #1: Farmers/Producers

Background/Demographic

- 1) Can you tell me a bit about the history of your farm?
- 2) Are you one of the founders? If not, what is your role and how did you come to be involved?
- 3) How did you get interested in farming?
- 4) How long have you been a part of the Eugene community as a resident?
 - a. Where did you grow up? How did you wind up in Eugene?
- 5) What production styles do you practice on the farm? (conventional, spray-free, integrated pest management, organic (certified), organic (not certified), biodynamic, other)
- 6) What are your main products currently? (Which types of products form the largest share of your business?) – livestock, produce, grains, dairy, orchard fruits, orchard nuts, honey, beans, berries, other

Perceptions of Local Food Economy

- 7) How do local farmers distribute their products?
- 8) Is this similar to how things were done in the past?
- 9) What role do farmers' markets and CSAs play for local farmers?
- 10) What about local grocery stores, restaurants, and wholesalers?

Distribution / Sourcing Methods

- 11) What are your different strategies for distributing your products? Direct-to-consumer? Wholesale?
- 12) About what percentage of your sales come from the local market? What percentage of sales are wholesale vs. direct-to-consumers?
- 13) Have your distribution strategies changed over time?

14) Are there particular strengths/weaknesses of different methods for distribution (wholesale methods, direct-to-consumer)?

Relationships

15) Can you walk me through the wholesale distribution process?

- a. Who do you distribute to?
- b. How long have you worked with ____?
- c. How did you first start to work with ____?
- d. Did you know anyone working there prior to doing business with them?
- e. What do you like about working with _____?

16) Have you sourced from different companies / individuals in the past?

- a. Do you mind telling me what happened with this relationship?
- b. What caused you to sever this relationship?

Perceived Future Outcomes

17) Where do you see your (1) business and (2) the local economy in 5 years?

18) What role do business/interpersonal relationships w/ other local food institutions play in your business's future outlook?

19) What do you think of Whole Foods?

- a. Do you think a company like Whole Foods is beneficial for the local food economy?
- b. How do you think the introduction of Whole Foods will impact (1) your business, (2) your relationships with business partners, (3) the local food economy as a whole?

Wrap-up

20) Is there any other information on your on managing interpersonal business relationships that you've gained from your X years of experience that you'd like to share?

21) Do you have any questions for me?

22) Can you refer me to anyone who you think would be willing to talk to me and who you can connect me with?

23) If I have additional questions, can I contact you again in the future?

Interview Protocol #2: Distributors (Grocery Stores, Restaurants, Wholesalers)

Background/Demographics

- 1) Can you tell me a bit about the history of your business?
- 2) Are you one of the founders? If not, what is your role and how did you come to be involved?
- 3) How did you get interested in this type of work?
- 4) How long have you been a part of the Eugene community as a resident? (local)
 - a. Where did you grow up? How did you wind up in Eugene?
- 5) What are the specialties/defining characteristics of your business? What products do you focus on? What is your target customer audience?

General Perceptions of Local Food Economy

- 6) How do businesses like yours source local food products?
- 7) Is this similar to how things were done in the past?
- 8) What role do businesses like your own play for local farmers?
- 9) How important are interpersonal relationships to the local food economy?

Distribution / Sourcing Methods

- 10) About what percentage of your food products come from the local market?
- 11) Can you walk me through how you would source a particular product at your store? (e.g. carrots)
- 12) Do you prefer to source from local producers? What do you prefer about that?

Relationships

- 13) Can you tell me a little about the people that you source your local food products from?
 - a. How long have you worked with ____?
 - b. How did you first start to work with ____?
 - c. Did you know anyone working there prior to doing business with them?
 - d. What do you like about working with _____?

- 14) Have you sourced from different companies / individuals in the past?
- a. Do you mind telling me what happened with this relationship?
 - b. What caused you to sever this relationship?

Perceived Future Outcomes

- 15) Where do you see your (1) business and (2) the local economy in 5 years?
- 16) What role do business/interpersonal relationships w/ other local food institutions play in your business's future outlook?
- 17) What do you think of Whole Foods?
- a. Do you think a company like Whole Foods is beneficial for the local food economy?
 - b. How do you think the introduction of Whole Foods will impact (1) your business, (2) your relationships with business partners, (3) the local food economy as a whole?

Wrap-up

- 18) Is there any other information on your on managing interpersonal business relationships that you've gained from your X years of experience that you'd like to share?
- 19) Do you have any questions for me?
- 20) Can you refer me to anyone who you think would be willing to talk to me and who you can connect me with?
- 21) If I have additional questions, can I contact you again in the future?

APPENDIX B

PARTICIPANT LIST

Participant Name	Company/Organization Type	Participant Role
Alice	Community Food Non-Profit	Executive Director
Kirk	Community Food Project	Project Organizer
Frances	Community Grocery Store	Produce Manager
Lydia	Community Grocery Store	Produce Manager
Derrick	Community Grocery Store	Produce Manager
George	Community Grocery Store	Grocery Manager
Lucas	Community Grocery Store	Produce Manager
Shannon	Farm Stand/Community Grocery Store	Farmer/Farm Stand Manager
Joe	Processor/Distributor	Owner/Founder
Rachel	Producer - Dry Goods	Co-Owner/Founder
Kathleen	Producer - Dry Goods	Owner/Founder
Sandra	Producer - Livestock	Co-Owner/Founder
Preston	Producer - Mixed Production	Co-Owner/Founder
Lowell	Producer - Produce	Co-Owner/Founder
Amelia	Producer - Produce	Co-Owner/Founder
Meghan	Producer - Produce	Co-Owner/Farmer
Carlton	Restaurant	Co-Owner/Founder
Nate	Wholesale Distributor	Owner
Darrell	Wholesale Distributor	Senior Sales Representative
Lori	Wholesale Distributor	Vice President

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