A Guide for Farmers and Ranchers

The purpose of this document is to share the vision of the Puget Sound Food Hub Cooperative with the farmer membership to provide guidance for farmer and rancher sellers and provide printed reference and training resources to best optimize food hub services to increase sales and build new customer relationships. The Puget Sound Food Hub Cooperative reserves the right to make periodic updates and changes to this document.

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Administrative Office: Mount Vernon, Washington 98273

Distribution Warehouse: 15612 Best Road, Mount Vernon, Washington 98273

Satellite Product Drop Site: Everson, WA

Legal Structure: Operating as a Farmer-Owned Cooperative, a Non-Profit 521 Corporation

Farmer Board: Mike Finger, President Tim Terpstra, Vice-President
Jimmy Kintzele, Treasurer Erik Olson, Secretary
Griffin Berger Vince Caruso
Amy Frye Anna Martin

Model: Farm to business/institution

Target Market: Restaurants, grocery stores, food co-ops, food manufacturers, corporate and institutional campus dining services, commissaries, schools, childcare centers and hospitals throughout the Puget Sound region, from Whatcom to King counties, including San Juan Islands.
A Note to Farmers and Ranchers

Together we’ve gathered hands-on experience and listened to you, your customers and market research which has helped to shape where we are today. We understand the market is changing for farmers, and are better able to anticipate needs and issues that might arise. We still consider this business a start-up operation and continue to work together through growth and operational challenges as they arise while building on our foundational success.

In the coming years, the Puget Sound Food Hub Cooperative plans to increase farm sales, and offer increased access to local food for wholesale customers. The active participation of all involved adds to the success of the Puget Sound Food Hub Cooperative.

As farmer owners, we’re in this for the long haul. Thank you in advance for your personal commitment and investment to the future of food and sustainable farming.

About

The concept of the Puget Sound Food Hub Cooperative was first researched in 2006 and began to be implemented in 2009 and 2010. For the purposes of this document the Puget Sound Food Hub Cooperative will be referred to simply as the “PSFHC”.

The PSFHC is a farmer owned cooperative operating in the Puget Sound region, the PSFHC combines marketing, aggregation, storage, and distribution for member farms and ranches. The goal is to develop relationships between local farms and businesses/institutions with a vision of creating healthier communities while expanding economic opportunities for local Northwest Washington farmers and ranchers. PSFHC’s purpose is to increase the production, distribution, and consumption of regionally produced food.

Puget Sound Food Hub Cooperative provides marketing, aggregation and distribution of the freshest, seasonal produce, meat, dairy and more, direct from local agriculture producers.

- We’re making it convenient for businesses and institutions to buy source-identified, local food direct from local farms with an online marketplace, streamlined payment options and aggregated delivery to their door.
- Shared marketing and infrastructure opens up markets for farms to increase sales, reduce costs and waste, and decrease carbon footprint due to coordinated and combined delivery.
- Farm product is never mixed or combined with other farmer’s product. A farm packs a box at the farm and it stays in that box with traceable identification back to the actual farm that produced it.
- Farms own their product through the supply chain – their production methods are transparent and food is traceable to the farm. It’s not a warehouse store selling nameless, faceless “local” food.
• Farms develop and maintain direct customer relationships, negotiate their own prices and nurture business growth.

• Traveling distance between farm to customer is shortened compared to broad line distributors. Member farms operate within the 6 counties of Northwest Washington including Whatcom, Skagit, Island, San Juan, Snohomish and King.

• Food is fresher than a typical distributor’s offerings. Produce is often harvested the day before delivery.

• Buyers appreciate greater varieties of vegetables, fruits, livestock breeds atypical in the commodity market and highly prized for and sustainability practices, NOT whether it can hold up after being stored and transported. High demand exists for such unique products.

Purpose

• Link local farms to local consumers focusing on high volume, business-to-business commerce. Promote and identify opportunities for investments in infrastructure for value-added products, allowing for larger scale buyers (schools, hospitals, restaurants and grocery stores) to buy regionally grown source-identified products.

• Enhance the economic viability and sustainability of local farms and farmland by providing access to profitable marketing opportunities and delivery. Retain dollars locally, create and retain jobs in rural communities, and connect rural economies to the regional food system.

• Foster growth of a regional food system that seeks to secure the long-term health of local agriculture and the preservation of a sustainable food system. Limit energy waste by utilizing efficient aggregation and delivery systems.

• Maintain a desirable brand focused on high quality, source-identified products, supported by excellent customer service and an easy to use online marketing and management platform to increase farmer-member sales and coordinate delivery.

• Ensure food safety and manage risk by requiring aggregation and delivery contractors to comply with current food safety and handling requirements including Preventative Control Plans and/or Hazardous Access Critical Control Point (HACCP) plans, and requiring all producers to carry appropriate licenses and product liability insurance coverage.
Farmer Board of Directors

The Puget Sound Food Hub Cooperative’s Board of Directors meets monthly to discuss operations, finance, policies, and provide direction to the PSFHC’s employees and contractors. This board is responsible for decisions related to the development of the Puget Sound Food Hub Cooperative business. The current Board of Directors include:

Mike Finger, President (Cedarville Farm)
Tim Terpstra, Vice-President (Ralph’s Greenhouse)
Jimmy Kintzele, Treasurer (Southern Exposure Family Farm)
Erik Olson, Secretary (Well Fed Farm)
Griffin Berger (Sauk Farm LLC)
Vince Caruso (Caruso Farm)
Amy Frye (Boldly Grown Farm)
Anna Martin (Osprey Hill Farm)

Marketing Committee

The Puget Sound Food Hub Cooperative Marketing Committee is comprised of a board member, volunteers from farmer members, NABC and operations staff. The Marketing Committee meets as needed to address marketing and sales strategies, tactics and outreach to build brand awareness of the Puget Sound Food Hub Cooperative and its value propositions to increase sale and community engagement.

The current roster includes:
Kai Ottesen, Hedlin Farms (Committee Chair)
Janet Bauermeister, Red Shed Farm
Amy Frye, Boldly Grown Farm
Hal Jackson, Hunter’s Moon Farm
JoanE McIntyre, PSFHC Sales & Marketing Manager
Karen Mauden, Northwest Agriculture Business Center
Cheryl Thornton, Cloud Mountain Farm Center

Operations Committee

The Puget Sound Food Hub Cooperative’s Operations Committee is comprised of farmer members and PSFHC staff. The Operations Committee meets regularly to discuss business operations and logistics.

The current roster includes:
Harley Soltes, Bow Hill Blueberries (Committee Chair)
Griffin Berger, Sauk Farm LLC
Scott Morris, PSFHC Operations Manager
Erik Olson, Well Fed Farm
Tom Thornton, Cloud Mountain Farm Center
Membership Committee

The Puget Sound Food Hub Cooperative’s Membership Committee is comprised of a board member and volunteers from farmer members. The Membership Committee meets regularly to review new farmer membership applications, provide information and education to members and production planning. The current roster includes:
Vince Caruso, Caruso Farm (Committee Chair)
Jimmy Kintzele, Southern Exposure Family Farm
Anna Martin, Osprey Hill Farm
Tim Terpstra, Ralph’s Greenhouse

Finance Committee

The Puget Sound Food Hub Cooperative’s Finance Committee is comprised of a board member and volunteers from farmer members. The Finance Committee meets regularly to discuss business finances and budgeting.

The current roster includes:
Jimmy Kintzele, Southern Exposure Family Farm (Committee Chair)
Jeff Richardson (Thoughtful Food Farm)
Asche Ryder (North Cascades Meat Cooperative)
Rob Smith (Viva Farms)
Puget Sound Food Hub Seller Eligibility Check-list

The Puget Sound Food Hub Cooperative’s purpose is to grow market access and build economic sustainability for northwest Washington farms while increasing access to locally grown food. In an effort to ensure transparency and compatibility, all suppliers must meet the following eligibility requirements before selling online.

The **Guide for Farmers and Ranchers** will answer many questions and clearly state what is required of participating sellers.

Before selling products through Puget Sound Food Hub Cooperative, farmers and ranchers must meet all of the seller eligibility requirements below. Please use check marks below indicating your farm and/or ranch meets each requirement, and provide documentation where required.

___ Complete the Membership Subscription Agreement and pay $250 for one share of common stock. Only current, paying Northwest Washington member farms and ranchers are eligible to participate.

___ Print, sign and return the Farmer and Rancher Commitment (page 26).

___ Obtain a Master Business License (WA UBI) and any required Specialty Licenses. Farmers must be legally permitted to sell raw and value added agricultural products commercially. Apply for a Master Business License through the [Washington State Department of Licensing (DOL)](https://www.dol.wa.gov). Specialty Licenses may be required in addition to a Master Business License for products such as eggs, cut flowers, and products sold by weight. Please provide the PSFHC Manager a copy of your Washington state business license.

___ Follow WSDA marketing guidelines and have implemented quality production standards according to the size and scale. Reference the WSDA Small Farm and Direct Marketing Handbook.

___ Print, sign and return a W-9 form for the current year.

___ Have at least one year of commercial or wholesale experience prior to participating in the Puget Sound Food Hub Cooperative (i.e. direct to restaurants, institutions and/or grocers).

___ Comply with current county, state and federal food safety requirements for product categories. Reference the WSDA Small Farm and Direct Marketing Handbook.

___ Each farm shall provide copy of the certificate of coverage for a $1M/$2M
policy. Please add as additional insured: Puget Sound Food Hub Cooperative, 419 South 1st Street, Suite 200 Mount Vernon, WA 98273-2924. Tel: (360) 336-3727;

If you are in Whatcom County and utilizing Cloud Mountain Farm Center as a drop site for your product, please also provide an additional insured certificate to them as well:
Cloud Mountain Farm Center, 6906 Goodwin Road, Everson, WA 98247, (360) 966-5859.

_____ If you have any certifications (GAP, Certified Organic, etc) please provide a copy of these to the PSFHC Manager.

Return signed W-9 form, copies of WA UBI business and specialty licenses, certificate of insurance (copy of certificate of coverage with additional insured names added) to Puget Sound Food Hub, c/o NABC 419 S. 1st Ave. Ste 200, Mount Vernon, WA 98273, fax to 360-336-3751, or send electronically to terri@agbizcenter.org

After you complete these steps and submit your paperwork, the Membership Committee will review your application with the Board having the final decision to accept or reject it. Once a final determination is made, a PSFHC representative will contact you and, if approved, assist you in setting up a Producer account and provide training on how to revise/upload your product information into the online market website. We look forward to working with you!
Rules of Collaboration and Participation in the Puget Sound Food Hub

How It Works

- Buyers establish an online account and a Hub Manager reviews new Buyer accounts to confirm they are wholesale businesses and in our delivery area.
- Sellers add and update their own inventory, farmer profile and descriptions, pricing and availability.
- PSFHC distributes a weekly fresh sheet by email (twice weekly during peak season) to customers reflecting all offerings for sale that week.
- Buyers shop online through the Puget Sound Food Hub Cooperative’s website which uses a Local Food Marketplace platform. Buyers may order from multiple farms, compare products, and read farmer profiles including Who, How, and Where the food is produced - learn about each product, growing methods, certifications, and more.
- Buyers place their order, choose a delivery date and pay one invoice online by credit card or purchase order (for qualifying customers only).
- Farms receive orders by email with delivery instructions.
- Farms pick, pack and deliver ALL ORDERS to the Skagit Warehouse or Whatcom County drop site (Cloud Mountain Farm Center).
- The Puget Sound Food Hub Cooperative coordinates customer pick-ups and delivery into Seattle, San Juan, Skagit & Whatcom on Tuesdays and Fridays (to be expanded as demand increases).
- Products are labeled & delivered, the customers are billed in one invoice and farmers are paid weekly.

Product qualifications and origin

Food or floral products grown in Northwest Washington including vegetables, fruit, herbs, dairy, eggs, meat, poultry, grains, flours, dried beans and legumes, value-added products (jam, pickles, etc) are acceptable.

All products should be produced and sold by the farmer or rancher seller and must bear the farm’s name on product labeling.

Co-packed products that are not of the farmer’s direct production must be approved by the Board in advance.

All products must be produced with a high standard of farming practices that are transparent and reflect a commitment to the integrity (health) of the land, water, animals and people.

All pre-sold orders must be inspected by the farm before bringing it to the hub for
delivery. Products must be packed neatly in a new waxed or sturdy box, free of dirt and insects. The food hub does not own the product, nor does the staff open or repack contents inside boxes. There is no excuse for poor quality.

All processed foods must be made in a properly licensed processing facility, with all ingredients listed on product label (must follow FDA label requirements).

For value-added foods, 51% of the defining ingredient(s) in the product must be produced by the farmer selling it.

Meats must be processed at a USDA licensed facility and poultry must be processed at a USDA or WSDA licensed facility and be legal to sell to retail and wholesale buyers.

If shortages exist from inventory levels online, DO NOT find alternate product from other producers or retailers to fill the order from the secondary tier or brokers. The Manager should be notified immediately for resolution and payment accounting.

Farm co-ops or associations may list products under one organizational name, however all farm members must be listed in the farmer profile with a primary point of contact established for hub communications and customer inquiries. Each product must be labeled with the actual name of the farm where the product was produced. Brokers are not allowed to sell other farm products through the Puget Sound Food Hub Cooperative.

**Production systems and related claims**

The buyer will decide which farm and farm products and select appropriately, based on their individual needs, resources and expectations.

Farmers should avoid making claims that cast doubt on the safety, healthfulness or nutritional content of products produced under systems other than their own.

Complaints or accusations of improper production practices or sourcing by others should be made to the Manager for resolution and should not be a part of the marketing of any producer.

All producer claims made regarding their production practices MUST be verified/explained fully (For example, the use of the word “natural” would need to be defined) to the buyer in your producer profile and product listings.

If products are sold as “organic” an appropriate and current certification must be posted and made available to the Manager. All appropriate records shall be maintained.

Regardless of production practice, participating farmers shall make their farm
available for inspection as needed.

If a farm has a food borne illness or is being investigated related to an illness outbreak, the farm must notify the Manager immediately by phone and by email.

**Seasonality**

It shall be the goal of the Puget Sound Food Hub Cooperative to operate 51 – 52 weeks a year, however there may be occasions, such as holidays or unforeseen events that require adjustment to the delivery schedule. All sellers will be notified by email in advance of any changes in delivery schedule.

Farmers should consider a mix of crops and products that will provide for market product diversity throughout the year and to increase their opportunity for sustained sales.

Farmers should consider a full complement of season extension tools and techniques, systems to allow for product storage (that retains quality), as well as value added products that offer shelf stability and a longer season of marketing, in order to take full advantage of the PSFHC as a marketing tool.

**MARKETING SUPPORT & OPPORTUNITIES**

The Puget Sound Food Hub Cooperative provides marketing, sales and outreach activities on behalf of the Hub. We encourage producers to take advantage of as many of these opportunities as possible. Below is a list of the tactics that the Hub uses to promote the Hub’s farms and a list of activities that farmers can do to maximize potential sales.

**Food Hub Marketing on Behalf of Producers**

- Food Hub website
- Weekly Fresh Sheets
- Buyer newsletter and communications
- Coordinated sales meetings with buyers
- Provide buyer groups for farmers to target – 10 buyers for initial sales contacts
- Pursue and engage opportunities with organizations such as: Eat Ballard, Edible Seattle, Cascade Harvest, Sustainable Connections, Tate’s List, Healthcare Without Harm, National Good Food Network Food Hub Collaboration, etc.
- Present to key groups such as: WSDA Farm to School, City of Seattle Farm to Table Partnership, Healthcare Without Harm, Bon Appetit Management Company, Compass, etc.
- Facilitate sales to large scale buyers looking to work with larger, more experienced growers. Some of these larger accounts do not utilize our online
platform and PSFHC sales staff work directly with these customers, linking them to farms that meet their requirements (such as GAP Certification and consistent, large product quantities). Growers with ambitions to expand to large scale wholesale sales, please contact our Sales & Marketing Manager.

**Marketing Opportunities and Activities for Farmers to Maximize Hub Sales**

1. Proactively communicate with food hub staff about sales goals, strategies for the farm
2. Orient the food hub staff and specifically distributors/drivers to the farm – location, history, products, people, animals, etc.
3. Provide robust farm and product descriptions on pugetsoundfoodhub.com
4. Provide suggestions to food hub staff for products to be featured on the Fresh Sheet
5. Keep food hub staff apprised of new products, products leaving, and special opportunities
6. Provide samples for buyers to be delivered by distributors/drivers -- as often as possible
7. Participate in Bon Appetit’s Farm to Fork program by completing their application and becoming pre-approved
8. Participate in coordinated sales visits with intuitional or grocery buyers (UW Medical Center, Compass, Bon Appetit, Community Food Co-op, Central Co-op, The Markets, PCC, Sno-Isle Co-op, San Juan Co-op, Seattle area restaurants, etc.)
9. Participate in conferences and presentations (Sustainable Connections, Tilth Conference, Etc)
10. Create relationships with buyers by sending personal notes, recipes and/or pictures with deliveries
11. Review buyers’ menus weekly and identify farm products to meet ingredient needs
12. Provide marketing materials specifically for Farm to School or Farm to Table child care centers – suggest kid friendly foods, offer information for staff to share with children about the farm, photos
13. Follow up with buyers after orders by email or phone call
14. Use PSFHC logo on farm marketing materials, including web and social media
15. Provide suggestions to hub staff for Facebook posts and newsletter topics
16. Post information about food hub to social media sites for the farm such as Facebook, Twitter, Instagram, etc.
17. Discuss possible institutional CSAs with buyers
18. Discuss forward contracting with buyers
19. Invite buyers to guest author posts on farm blogs
20. Extend formal invitations to buyers to visit farm, volunteer, host staff gatherings
**Competition**

PSFHC provides many Producers and Buyers access to otherwise unavailable commercial and institutional markets and provides support for marketing, sales and outreach activities to Producers and Buyers on behalf of the PSFHC. We encourage Producers to take advantage of as many of these opportunities as possible (see PUGET SOUND FOOD HUB MARKETING SUPPORT & OPPORTUNITIES) to optimize sales. All those using the Hub benefit from the time, effort, and financial resources spent to build and maintain the Hub.

The PSFHC depends on consistency, honesty and cooperation from its farmer members in order to provide competitive, transparent, efficient and mutually beneficial services. To sustain and expand this system, the PSFHC and all its enrolled Producers and Buyers are asked to follow certain non-compete guidelines:

- All Producers and any individuals, businesses, or organizations with which they or their employees are in any way affiliated will sell their goods to the PSFHC Buyers only through the PSFHC. Producers will not seek to create new business relationships with PSFHC Buyers for sales outside the PSFHC.
- All Buyers and any individuals, businesses, or organizations with which they or their employees are in any way affiliated will purchase goods sold by the PSFHC Producers only through the PSFHC. Buyers will not seek to create new business relationships with Hub Producers for sales outside the PSFHC.
- Producers and Buyers with an established history of doing business with each other prior to joining the PSFHC may continue transactions outside of the PSFHC, though they are encouraged to use the PSFHC instead.
- Violations of the above-listed guidelines could erode the value and viability of the PSFHC and its enrolled Producers and Buyers. Any Producer or Buyer who knowingly violates these guidelines may face an immediate and permanent termination of enrollment in the Puget Sound Food Hub Cooperative.

**Farm-Direct to the Businesses and Institutions**

The Puget Sound Food Hub Cooperative’s website format allows direct purchases from farmers whom the customers select and build a relationship with for repeat business.

If your product does not look good or meet their expectations, or if they doubt that you produced it (for any reason) they will likely be customers lost forever!

PSFHC reserves exclusive oversight and publishing rights of all content on its website. You must refrain from making your product look better based on claims made against others. In this regard “others” means other farmers in the PSFHC or selling at the local farmers’ market but also the big box stores, “corporate/industrial” agriculture, foreign producers etc. *We cannot raise the bar by stepping on other farms.*
While there will be some funding to promote the PSFHC, it will be the ongoing responsibility of all involved (every farmer member) to promote the PSFHC at every opportunity and to build a relationship between potential customers and their products. Let's work together to increase all farm sales!

- Keep your farmer profile and inventory up to date and easy to understand with good pictures that clearly represent the products you offer.
- Follow-up with customers after a sale! The PSFHC is different than a traditional distributor. We want farms and buyers to have direct relationships. This helps to build capacity and keeps operational costs manageable. Make sure your customers appreciate that the work you do is important to you and that your customers are a priority to you.
- Talk with the Manager to offer periodic discounts, and product samplings. Encourage them to see you at your other points of sale, such as farmers’ market, roadside stand, farm market, etc. Invite Hub Managers to tour your farm and see your growing practices to that they can talk about your farm and products to potential buyers.
- Offer referral discounts if a repeat customer sends you someone new—communicate with Manager to apply customer discounts.
- Participate in PSFHC farm marketing events. The PSFHC has a full-time Sales & Marketing Manager that is developing a customer retention program that will include sellers and customers in farm tours, trade meetings, open houses, etc.
- Communicate with Customers about variable product size or quality if there is a relationship to the time of year, growing conditions etc.
- Let buyers know in advance when to expect your products: “Sweet corn will be ready in 2 weeks...stock up on the butter!”
- Be honest... Be transparent... Go the extra mile to demonstrate a commitment to customer service.
- Encourage your existing business customers to purchase from you through the Puget Sound Food Hub Cooperative. This way you can maintain and streamline your commercial and wholesale accounts, spend less time off the farm, save money and provide a great service to your customers.

Remember: Quality, honesty, professionalism and consistency make customers happy and individual farmers successful. Successful farmers and satisfied customers will make the Puget Sound Food Hub Cooperative successful for all. **It all starts with YOU!!!**

**Crop Diversity**

Season extension methods serve farmers well who participate in the PSFHC. Buyers are looking to source product beyond what is typically available during a typical Washington summer. Hoop house products, covered row crops are in high demand in the shoulder seasons through the PSFHC.

Grow products for the shoulder seasons, communicate with buyers in advance about demand for products; ask for estimations of volumes, talk about pricing.
Consider hardy greens, root crops like carrots, leeks, onions, parsnips, potatoes, beets, turnips, celeriac, garlic, shallots, winter squash and anything that can be stored for winter sales. Also consider hoop houses or covered row tunnel crops.

Work with PSFHC to assess the following and consider growing what:
- you enjoy growing and gives you the greatest satisfaction
- grows well in your soil
- takes no more labor than you are able to commit to it
- provides you the greatest yields
- is in demand in the wholesale marketplace
- gives you the highest return to your inputs of land, labor and capital

**Regulations and Food Safety**

The PSFHC will abide by all applicable federal, state and local regulations. All sellers must complete and file all licenses and product liability insurance coverage required for seller participation. Please see the eligibility requirements checklist on page 6 of this document.

It is of great importance for farmers and ranchers to create a food safety and recall plan as part of their standard operating procedures. PSFHC aggregation and distribution sites have all filed HACCP plans for warehouse operations and logistics and the PSFHC has a Customer Complaint process in place. Farmers are ultimately responsible for any food recall but PSFHC will support the farmers any way we can.

It is HIGHLY recommended that all growers attend NABC’s Transition to Value Added Courses and Workshops (NABC Network members get a discount) and become familiar with the principles of GAP (Good Agricultural Practices). PSFHC works closely with the WSDA to ensure that the most up to date information about GAPs, Food Safety Modernization Act and other food safety regulations are followed.

**The following standard operating procedures are required of all farmers delivering to the PSFHC:**

**Product Handling**

1. Only potable water free of pathogenic organisms may be used for washing produce. Impurities in the water can drastically alter the effectiveness of a detergent or a sanitizer.
2. Manufacturer’s instructions must be strictly followed when using sanitizers, chemicals or additives.
3. Harvesting containers must be made of non-toxic materials and constructed so they can be easily cleaned and sanitized.
4. Harvesting containers should be discarded when cleaning becomes difficult or when damaged such that they might break and pieces fall into the produce.

5. Harvesting containers that have been in direct contact with soil, mud, compost or fecal material should not enter the receiving or processing facility at any time.

6. The ceiling over the processing and packing area must remain free of leaks and condensate.

7. Packaged product must be transported to the PSFHC in a clean, dry and sanitary environment. Transport sanitation must be checked before fresh fruits or vegetables are placed in the unit.

**Product Packaging**

1. Product delivered to the PSFHC must be packaged in a new, unused box or clear plastic bag or a sanitized reusable box. The PSFHC recommends lining boxes with vented plastic liners to protect product.

2. Boxes with openings on the top of the box must be covered with clean butcher’s paper or cardboard.

3. Plastic bags may be used to package appropriate products such as bulk root crops. Products such as leafy greens do not hold up well in plastic bags during transport. The PSFHC will not be responsible for product damage or quality issues arising from packaging products in plastic bags.
   a. Bags must be clean when delivered to the PSFHC.
   b. Bags must be thick enough to protect the product from exposure to contamination, and must be securely tied to prevent spillage.
   c. Bags must be new, with plastic clear enough so the product is discernable through the bag.
   d. Bags must be sized to fit easily within a PSFHC reusable crate.
   e. Bags must contain a label that meets all PSFHC labeling standards.

4. Packaging must protect the product from exposure to contamination from:
   a. foreign objects
   b. pathogens
   c. allergens from other products.

5. All products must be packaged in bags, boxes or flats that prevent spillage. PSFHC will not be responsible for product that freely spills out of boxes. Farmer is responsible for any product spillage in addition to damage or contamination of other farmers’ products.

6. To prevent cross-contamination of allergens, packages with allergens must not be placed over packages without each of those allergens.

7. The PSFHC will not deliver boxes or bags that have been torn or damaged exposing the contents.

8. Certified organic products must not come in contact with a used box or liner.
9. Certified organic produce must be handled in a way that does not risk cross contamination or co-mingling of organic products with non-organic products.

**Additional Packaging Notes**

Presentation, including packaging, is important! All products must be packaged in the units that were purchased by the consumer. Example: If a consumer purchases 5 pounds of tomatoes the tomatoes must be delivered to the aggregation point in an appropriate package sized for that quantity (do not use a 10 pound box for 5 pounds worth of product).

Meats should be wrapped in their original wrapping that bears the mark of state or USDA inspection facility and then also placed in a separate plastic bag (new) to reduce any concern for any cross contamination with other products. The meat then needs to be placed in a sealed box (without holes) and taped shut so that all cracks are covered.

Product packages must contain the farm and farmer name on the product. Branding will help the customer identify your farm, differentiate you from others and find your products week after week.

Presentation is important. The customer gives up the ability to choose just the right tomato for their kitchen by purchasing sight unseen. It is your responsibility to see that they are not disappointed that they placed this trust in you to select for them.

*Consider over packing:*

Everyone is familiar with the concept of a “baker’s dozen.” Most customers will appreciate the fact that you have added an extra “potato to the bag,” etc, just so there is no doubt that the amount delivered is at least the volume they purchased.

Farmers are responsible for building your brand and building customer trust!

**Labelling**

The PSFHC HACCP plan requires that all products delivered to the PSFHC must contain a legible label that effectively identifies:

1. The source of the product.
2. The type of product that the package contains.
3. The amount of product in the package.
4. Packaging date or lot number.
5. All allergens within the package.
6. Special handling instructions such as “keep chilled below 41°F”
7. All frozen products should be clearly marked as “Keep Frozen”

The packaging label cannot indicate an organic product if product isn't certified organic.
Certified organic products must identify the production lot number of the product if applicable.

The following are suggested Operating Procedures for all PSFHC growers:

Cleaning Fruits and Vegetables

Surface microorganisms of fresh produce vary widely and are highly dependent on the type of commodity and the agricultural practices used. Reduction of pathogens on produce is an important step to reduce foodborne illness, decrease spoilage and to improve appearance and nutritive value. Washing and sanitizing fruits and vegetables is a common practice to reduce surface contamination. PSFHC recommends a four-step procedure for cleaning fruits and vegetables:

a. Remove surface soil by dry cleaning (brushing or vacuuming) before the washing step, and with commodities that cannot tolerate wetting. It is essential to remove surface soil by dry cleaning, brushing air blowers or vacuum (if the item will physically tolerate it).

b. Remaining surface dirt may be removed with the initial water wash. A thorough spray wash with chlorinated water or multiple washes are generally more effective than one soaking wash.

c. Wash with a sanitizing agent (generally a chemical agent) to reduce surface contamination. The PSFHC realizes that the application of such treatments is dependent on the ability of the commodity to tolerate water, and the shelf life of some delicate produce is reduced after they get wet. This is especially true for commodities with large water-adhering surface areas, like strawberries, other berries and grapes. Another cleaning media, air, may be preferred for removal of dust and other debris from these delicate products.

d. Final rinse.

1. The characteristics of the commodity will determine the selection of wash equipment. Soft fruits are generally washed on conveyor belts using water sprayers. More solid fruits like citrus, apples, and pears may be washed in rotating devices or by fluming. Root crops are typically cleaned with brush washers which contain cylindrical rotating brushes. Brushes must be cleaned and disinfected often because they can become a vehicle for spreading contaminants. Air cleaning may also be effective for removing debris, loose soil or other foreign material from very delicate commodities.

2. For quality purposes, it is a common practice is to wash and sanitize produce in cold water. Placing some warm produce in cool water results in a pressure differential. This creates a suction effect that can cause surface contaminants or contaminants in the water to be drawn into the flesh of the produce.
Maintaining the water temperature 5°C (9°F) above the internal temperature of the produce will help prevent this suction effect.

3. For those commodities that cannot be exposed to water, prevention of contamination is critical. Applying Good Agricultural Practices (GAP) and Good Manufacturing Practices (GMP) are necessary for controlling microorganisms on the surface of the fresh produce. This is the case for some berries and other commodities that cannot get wet.

4. Temperature control during preparation and use of sanitizers should be identified as part of the Sanitation Standard Operating Procedures. Water pH should also be monitored - the optimum range is 6.0 to 7.5.

**Packing and Storage**

Each grower should publish their own Good Manufacturing Practices for packing and storage facilities, equipment, containers, trash handling, worker health and hygiene, and storage of produce and packing material.

**PSFHC Packing and Storage Standards**

1. Facilities should be designed and maintained in a manner to support easy cleaning and sanitation.
2. Buildings should be well screened with barriers designed to exclude vermin, domestic and wild animals, birds, and insects.
3. During operation, all windows should be kept closed or covered with mesh.
4. Walls, floors and ceilings must be maintained in good condition and kept easy to clean and sanitize.
5. Lamps and bulb lights must be covered so that if they should break the product and the work area will not be contaminated with broken glass.
6. The floor should be constructed with a slight slope to avoid water accumulation in production areas.
7. The wastewater system should be constructed to prevent water accumulation in packing and storage rooms.
8. All chemical agents, such as fuels, additives, fertilizers, pesticides, sanitizers, etc. must be packed in durable containers, properly labeled, and stored in clean, dry, enclosed places, separated from food products and packing material. These supplies must be handled only by authorized personnel and should never come in direct contact with the fruits or vegetables.
9. Packing and storage areas should be separated and items individually protected to avoid cross-contamination.
10. Comprehensive Sanitation Standard Operating Procedures (SSOP’s) and maintenance programs should be published and implemented.
11. A functional pest control monitoring system should be in operation.
Equipment

1. All equipment and containers that come in direct contact with produce or ingredients should be stainless steel or plastic, since these materials can be easily cleaned, disinfected and hygienically maintained.
2. Equipment must have smooth surfaces and be situated to facilitate adequate cleaning.
3. Equipment should not have loose bolts, knobs, or movable parts that could accidentally fall off.
4. If equipment has any paint on it, the paint should be approved for food processing equipment and it should not chip easily. Rust should be removed so it will not flake off onto the product.
5. Oil leaks and over-lubrication must be avoided. Only food grade oil and lubricants should be used on all food processing equipment.
6. A complete equipment cleaning and maintenance program should be implemented to prevent hazards to the operator and the consumer.

Harvesting Containers

1. Containers used for handling produce must be cleaned and disinfected after each use.
2. Containers used for fresh produce should not be used to transport any other items including lunches, tools, combustibles, pesticides or any other materials. These practices can result in chemical or microbial hazards to the consumer.
3. Containers used within the packing facility for transporting the product before and after washing should be color coded or labelled and kept separated from harvesting containers to avoid cross contamination.
4. Container inspections should monitor and document incidents of pest control and infestation.

Trash and Waste Handling

1. A specific secure, confined area outside the processing facility should be designated for the temporary holding of trash and produce waste.
2. The trash and waste collection area should facilitate cleaning to avoid accumulation of residue and bad odors.
3. Trash and waste should be confined to closed containers.
4. Trash containers and wastebaskets used inside the production and packing areas should be conveniently located, properly identified, be able to be tightly closed, and should not be easily overturned.
5. Separation of plant waste and packaging waste material with appropriate recycling is recommended.
Storage of Packaging Materials

1. The storage area should be clean, dry, and free from trash, insects, and animals.
2. The storage location should be well separated from storage areas used for chemicals or other hazardous materials.
3. Packaging materials should be stored on plastic pallets or clean wooden pallets covered with a new slip cover and must avoid direct contact with floors.
4. Storage location should be separated from restrooms and wet production areas.

Produce Storage

1. All products should be stored in a clean location using an organized system. Codes and inventory rotation are important to minimize the time that the commodity is stored and to facilitate recall, in case of problems later in the food chain.
2. Boxes of product should be placed on pallets to avoid direct contact with floors.
3. There should be separation between pallets and walls to allow adequate ventilation and facilitate cleaning and inspection for rodents and insects.
4. Chemicals, trash, waste or odorous material must not be stored near products.
5. Fruit and vegetable storage areas should have accurate, recorded temperature and humidity control to prevent or delay microbial growth. The proper storage temperature and relative humidity will vary considerably depending on the commodity and its specific requirements.
6. Walls, floors and ceilings must be systematically and periodically cleaned to avoid filth accumulation.

Transportation

Shipping Container Sanitation

1. A complete inspection of the transport storage area should be performed before the product is loaded. Be aware of bad smells, visible dirt or traces of organic matter.
2. Transport storage area must be free of visible filth, odors and food particles.
3. Transportation storage area should not have any water condensation and should not be wet.
4. Hermetic seals are highly recommended to avoid pest access and environmental contamination during transportation.
5. If the fresh commodity requires refrigeration during transportation, refrigeration equipment should be functioning appropriately. Temperature monitoring devices should be used to monitor the performance of the refrigeration system.
Refrigerated transportation units:

1. Refrigeration and cooling systems should be inspected before each trip to ensure they are working properly. They should also be under a scheduled maintenance plan.
2. Minimize staging time (time between removal from cold storage and loading into refrigerated containers). Turn on refrigeration units and cooling transportation container before loading.
3. Allow for proper air circulation in the trailer or container by properly stacking, and not overloading the product.
4. Temperature records should be maintained during transportation.
5. Temperature recorders must be calibrated and tamper-proof to ensure that the proper storage temperature is being maintained.
6. Refrigeration coils should be clean and should not drip condensate on the load.

ADDITIONAL PSFHC OPERATING PROCEDURES

Inventory Management

Updating farm product availability and price is solely the responsibility of each individual farmer.

EVERY effort should be made to make sure that your inventory visible to the customer is accurate and that you actually have that product (quality product) in stock and ready to deliver.

Preorders, other sales

Customers may want to order larger quantities or other items that are not readily available through the online market. Please contact your aggregation site for help to set up custom orders/pricing, re-occurring orders and pre-orders.

Delivery

Please do not deliver Puget Sound Food Hub Cooperative orders to customers. All products that come in contact with shared infrastructure (cold storage, trucks,) must be purchased and tracked online.

According to the PSFHC HACCP plan, farmers are required to use the Puget Sound Food Hub Cooperative’s aggregation and delivery services. No unauthorized distribution services are allowed. There are other ways to stay connected with your customer other than delivery.

It is the responsibility of each farmer to deliver their quality, packaged product
customers ordered online to the designated aggregation site on the scheduled day and time.

Farmers may work collaboratively to share transportation to the aggregation site but are responsible for the condition of the product when it reaches the PSFHC site and for any delay in delivery.

If for any reason the farmer sees an issue in meeting the commitment to the customer they should COMMUNICATE ASAP with the Operations Manager to explain the situation and how it will be remedied. Adjustments will need to be recorded in a timely manner to credit the customer's account.

Customers have 24 hours to dispute payment for products that are not in satisfactory condition. They must take a photo of the product still inside the box that it came in, and explain the cause for dispute in detail to the Operations Manager. We will notify the farm and make sure the farmer has the opportunity to remedy the situation, but please communicate with the Operations Manager to let them know immediately how the problem was resolved so they may record the outcome in the system and take appropriate action.

**Puget Sound Food Hub Cooperative’s Pricing**

No one can or will price a farmer’s product for the PSFHC. All farmers determine their own pricing – the price you enter is what you get paid. There are websites that can provide current market prices but those are only a place to begin; they do not reflect your level of quality or production input costs. It is recommended that all farmers consider their production costs including labor, time and profit. Value your time and labor and remember that while you might take your product for granted, others place a high value on it. Competition is healthy but it is important to know your costs and set your price with those costs in mind. Pricing your product so low that you cannot realistically recoup your input costs is not sustainable and should be avoided. In addition, undercutting prices of others will have a negative downward spiral impact on the PSFHC as a whole.

One of the goals of the PSFHC is to educate buyers about the true cost of food production so that they are understanding of, and more willing to pay appropriate prices for sustainably grown food.

You might expect prices to fluctuate somewhat though the season. It likely costs more to produce those first nice high tunnel tomatoes but as the bulk of the summer crop becomes available the price may well drop.

**Membership Subscription Fee**

The PSFHC is a farmer owned cooperative and a member driven organization. As
such, each farmer member is required to complete a Membership Subscription Agreement and purchase one share of common stock for $250 to participate in the PSFHC.

**Puget Sound Food Hub Cooperative Services**

The operational costs of the PSFHC will in part be offset by a hub services markup associated with the gross value of the product sold by the farmer. Each transaction will include the cost of hub services based on a predetermined percentage of the gross sale. Hub services covers administration, bookkeeping, distribution services, cold and dry storage, food safety adherence, credit card/banking fees, communications, marketing and more.

It is also important to remember that since you may be investing less in marketing and distribution time by selling through the PSFHC that it will offset some of the PSFHC services cost. In addition, you are adding value for the customer through the convenience of online sales and delivery.

Total cost for hub services is currently a markup of 29% added to the farmer’s unit price for each transaction. Meat and poultry products are currently at a markup of 23%. **The payment that the farmer receives from the PSFHC for their products will be the product unit price entered into the system.** The software builds the 23% or 29% markup into the final customer price.

This PSFHC services margin may increase or decrease in future years, but not without providing notice in advance to the farmer. It is important to note, as a cooperative committed to supporting sustainable agriculture, one goal of the PSFHC is to keep costs to farmers as low as possible and allowing the majority of the revenue to flow to the farmer. **The hub services margin is what will ultimately pay for the services provided by the PSFHC.**

**Invoicing and Payments**

The PSFHC is responsible for customer invoicing and payments initiated online for sales on behalf of the farmer. The PSFHC has no primary or secondary agreement of assuring payment to the farmer and is not responsible for bad debt. While many customers use credit cards, a handful of authorized buyers, including larger institutions, will pay by purchase order. Net payment terms may vary. PSFHC will issue payment by check to sellers weekly.

**Warehouse Dry, Cooler and Frozen Storage**

The PSFHC provides storage at its warehouse in Skagit County to member farmers. Prices are per pallet and are available in the non-refrigerated, cooler and freezer areas of the warehouse. Please note that the farmer is responsible for insuring all products stored at the warehouse – the PSFHC does not maintain insurance on stored farmer product. Storage prices vary based on type of storage – please contact
the Operations Manager for more information.

Networking

While the PSFHC fosters the direct-from-farmer-to-customer model of transaction the quality of each grower reflects on every other grower. As the old saying goes, “A rising tide raises all ships.” If a customer receives poor quality goods or less than they ordered, they will not only associate it with that farmer but with all farmers in the PSFHC.

It is highly recommended that producers not only individually raise the bar but also work together, to network, share information and advice to increase local production, and help each other improve and grow when possible. Again, let’s work together to increase both quality and quantity of production!

Complaints/Appeals and Disciplinary Procedures

The General Manager (with input from the Operations Manager) will determine if any member is failing to adhere to the policies set forth in The Guide for Farmers or if a member’s products do not meet quality standards. Such failure will result in:

- 1st Offence: Verbal Warning
- 2nd Offence: Written Warning
- 3rd Offence: Account temporarily suspended and meeting scheduled with the farm and Board of Directors

If the Board votes to terminate a farmer membership, that farmer will be refunded their membership fee, their voting share will be returned to the PSFHC and their online account deactivated. If the farm wants to obtain membership in the PSFHC in subsequent years, they must make application to the Board of Directors.

The Board of Directors also reserves the right to terminate a farm’s membership if it is determined that the farm is not acting in the best interest of the PSFHC, per the Bylaws, Article 1, Section 1 (b):

Denial/Termination of Membership. The Board reserves the right to deny membership to applicants or to terminate the membership of existing Members if it is determined the applicant or Member in question in ineligible for membership, has conducted activities contrary to the best interests of the cooperative; or has violated the terms of the cooperative’s certificate of incorporation, or these by-laws, or the Policies on Growing Practices and Food Safety Standards. Membership termination shall be determined following a hearing before the Board, if requested, upon a two-thirds (2/3) majority vote of the Directors. Upon such termination, such terminated member’s right to vote and otherwise participate in the Cooperative shall cease and the Cooperative shall have the right to immediately redeem such terminated member’s share of
common stock for the actual consideration paid to the Cooperative upon original issuance. Upon such redemption, such membership and all rights incident to membership (except any interest such terminated member may have in the Association’s preferred stock) shall be terminated.

Appeals: The President of the Board will acknowledge receipt of the appeal and recommend, within 14 days, a course of action for dealing with it. The course of action may include, but is not limited to:

• Mediation between the affected parties.
• Setting up a committee of the Board to hear the appeal from all sides and recommend a course of action to the Board.
• Determining that the appeal should be dealt with through other channels.

Final thoughts

Marketing opportunities are expanding for consistently high quality Washington grown products. We look forward to an exciting opportunity for our farmer members and your customers. Food Hubs are relatively new and we look forward to working through the challenges and opportunities along the way as the Puget Sound Food Hub Cooperative continues to grow and evolve. THANK YOU!
CONTACT INFORMATION

General Inquiries, Administration, Billing, Technical Assistance:

Billing Address: P.O. Box 2924, Mount Vernon, WA 98273
Tel. 360-336-3727  Fax 360-336-3751

- General Inquiries info@pugetsoundfoodhub.com
- Terri Hanson, General Manager Terri@agbizcenter.org

Operational, Aggregation and Distribution Assistance:

PSFHC Distribution Warehouse, 15612 Best Road, Mount Vernon, WA 98232

- Scott Morris, Operations Manager Scott@pugetsoundfoodhub.com 360-399-8302

Sales and Marketing Assistance:

PSFHC Distribution Warehouse, 15612 Best Road, Mount Vernon, WA 98232

- JoanE McIntyre, Sales & Marketing Manager JoanE@pugetsoundfoodhub.com 360-399-9196

Farm aggregation and Drop Site for Whatcom County:

Cloud Mountain Farm Center, 6906 Goodwin Road, Everson, WA 98247

- Cheryl Thornton Cheryl@pugetsoundfoodhub.com 360-815-4343

Note: Please Contact Scott Morris, Operations Manager, listed above for Hub operational and technical assistance. CMFC is a drop site and not responsible for PSFHC operational or technical assistance.

Farm to Table Program (City of Seattle Human Services)or Farm to School

- Terri Hanson Terri@agbizcenter.org 360-336-3727
Puget Sound Food Hub Cooperative
Farmer and Rancher Commitment

The Puget Sound Food Hub Cooperative is committed to supporting Washington farmers. All farms participating in the Puget Sound Food Hub Cooperative have individually made a public statement about the standards of their farming practices and have received the “Guide for Farmers”.

☐ Pledge
By signing this pledge I agree to the Rules of Collaboration and Participation and verify that all farm information I have provided to the Puget Sound Food Hub Cooperative about our farm operations in our Producer Profile and Product Descriptions is complete, accurate, true and valid. For certification claims, I have provided complete, appropriate and current information and documentation. As a participating farm I fully understand that any knowing inaccuracy or failure to provide complete, proper and updated information and documentation will jeopardize my access to the Puget Sound Food Hub Cooperative’s distribution channels and participation in food hub related activities.

☐ Agreement to Terms and Conditions
I agree that I have read and understand the Puget Sound Food Hub’s “Guide for Farmers” and agree to the terms and conditions outlined. I also understand that farms own their product through the supply chain and is at no time owned by the Puget Sound Food Hub Cooperative.

Farm Name
________________________________________   __________________________________
Signors Name        Date

Signature
MEMBERSHIP SUBSCRIPTION AGREEMENT

WHEREAS PUGET SOUND FOOD HUB COOPERATIVE. (hereinafter “Food Hub”) has incorporated as a cooperative association under the laws of the State of Washington for the purpose of facilitating the sale of agricultural products produced by its members through marketing, aggregation, and distribution of the same; and

WHEREAS the undersigned (hereinafter “Subscriber”) seeks to become a member of Food Hub for the purpose of participating in the said system of cooperative marketing, aggregation and distribution as to Subscriber’s agricultural products, and

WHEREAS Subscriber is willing to acquire one share of common stock in Food Hub required to become a member of Food Hub on the terms and conditions set forth below;

IT IS AGREED as follows:

1) Subscriber will acquire one share of common stock in the Food Hub for the price of Two Hundred Fifty Dollars ($250.00). Upon (and only upon) payment of the purchase price in full, Subscriber shall be entitled to one non-cumulative vote in the affairs of the Food Hub as provided in its governing documents. The Food Hub, through its Board of Directors, will establish policies with regard to refund of this share purchase price should Subscriber withdraw as a member at a later date,

2) Subscriber has received and reviewed the Food Hub “Guide for Farmers and Ranchers”, (“The Guide”) the provisions of which are incorporated herein by this reference, and agrees that it will comply with the provisions and requirements of the same, as well as other requirements established by the Board of Directors of the Food Hub for its members.

3) As a further condition of this Subscription, at the time subscriber signs and submits this Subscription Agreement, Subscriber shall also submit to Food Hub a signed copy of the “Farmer and Rancher Commitment Form” contained in The Guide.

4) The agricultural products Subscriber will produce as a member are:

___________________________________________________________________________
___________________________________________________________________________

DATED this __ day of _____________________, 2017.

Subscriber Farm: ________________________________

<Signature>

Print Name: ________________________________

Address: ________________________________

E-mail: ________________________________
DIRECT DEPOSIT FORM FOR PRODUCERS

Instructions
Producer: Please fill out form and return to Puget Sound Food Hub Cooperative.

This document must be signed by Producer Members requesting automatic deposit of producer payments and will be retained on file by Puget Sound Food Hub Cooperative. Please attach a voided check for your account to help verify your account numbers and bank routing numbers.

Account Information
Account type: □ Checking    □ Savings

Name of Bank: _______________________________________

Bank routing number (ABA number): _______________________________________

Account number: _______________________________________

Please attach a voided check for the account

Authorization
This authorizes Puget Sound Food Hub Cooperative to send credit entries (and appropriate debit and adjustment entries), electronically or by any other commercially acceptable method, to my (our) account(s) indicated below and to other accounts I (we) identify in the future (the “Account”). This authorizes the financial institution holding the Account to post all such entries. I agree that the ACH transactions authorized herein shall comply with all applicable U.S. Law. This authorization will be in effect until Puget Sound Food Hub Cooperative receives a written termination notice from myself and has a reasonable opportunity to act on it.

Business Name: ___________________________________________

Owner/Agent Name: _________________________________________

Address: __________________________________________________

City: ______________________ State: ________  Zip: ______________

Phone: ____________________ Email: _________________________

Authorized signature: _______________________________________

Date: _________________________