

Suggestions for New Food Hubs When Building Relationships with Producers and Buyers

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Organizers of food hubs might believe that focus of their initial efforts should be on procuring the product to sell, organizing the distribution center to receive the product and identifying buyers who will purchase the product. Food hub operators would be well-served to develop relationships with growers and potential buyers before product is bought or sold. How does one build relationships with people and businesses they do not know?

- A. Be yourself. When meeting with farmers or buyers early on, do not use the opportunity to do a sales pitch. Rather, consider the meeting as a conversation with a colleague. Utilize the time to share and gather information. Explain the vision of the food hub and how the hub could complement farm and buyer businesses.
- B. Engage in useful conversation and gather information. For producers, relationships can be forged during times outside of the growing season. Food hub operators should talk to farmers about what they would commit to supply to the hub. Emerging food hubs should contact potential buyers to learn about the requirements to sell product – preferred products, payment terms, slotting fees, point of purchase materials, delivery schedules, packaging requirements, etc. These conversations are not a ‘sales pitch.’ They are a means to build relationships to create customer satisfaction.
- C. Value the relationship. Persons representing the food hub must value the relationships that develop with both suppliers and buyers. The food hub must honestly have something to offer farmers and buyers. This value will build long-term loyalty to the food hub.
- D. Be inquisitive. Be genuinely interested about the people and enterprises that will do business with the hub. It is important to understand the language and acronyms of the industry to communicate and build credibility. Farmers and buyers are drawn to others who are genuinely interested in them.
- E. Be dependable. Anticipate glitches at start up. Develop processes that build consistency. Work through ‘what-if’ scenarios with food hub employees before the food hub accepts product. Have systems and procedures in place to minimize the glitches and anticipate problems that invariably will arise. This builds predictable behaviors, which in turn build the trust of farmers and buyers.

People want to do business with people they know, people they like, and people they trust. Trust comes from creating confidence. Without confidence there will be no customer loyalty.

- F. Be truthful. The food hub representative builds trust between the hub, its farmer-suppliers and buyers when (s)he shows how the hub is a mechanism for them to achieve their goals. Explain to the buyer how the hub will access products with attributes desired by the consumer. Show the farmer how the food hub provides a new market channel in which to sell product. The reality is that the hub may not meet the needs of all farmers or buyers approached. Acknowledging this truth builds trust and respect for the enterprise and leaves an opportunity to build a relationship when circumstances change through time.

- G. Be professional. Farmers and buyers will trust food hub operators who are serious about what they do. It is important that food hub operators be familiar with the issues facing their suppliers, their buyers and the industry.

Relationship marketing based on trust and commitment will meet the needs of both farmers and buyers. Farmers receive the benefit of access to intermediary market channels and market or higher than average market prices for the products they supply. Buyers' needs, in terms of volume, quality, price and delivery are met. Loyalty across the supply chain is developed, which can lead to economic stability and long-term sustainability.

To learn more about how relationships are developed between cooperatives, their members and their customers see *Building the Success of Food Hubs Through the Cooperative Experience – A Case Study Perspective* (Cornell University, Charles H. Dyson School of Applied Economics and Management Extension Bulletin 15-04).