



An Introduction to the Kenai Peninsula Food Hub for Participating Produce Growers, Seafood Harvesters, Value-added Vendors, and Crafters

Note: This document is not meant to be a comprehensive work but rather an overview of some of the possibilities and considerations for growing a vibrant and sustainable regional market system. No one has all of the answers and there are no guarantees for success. The Kenai Peninsula Food Hub has been developed with much thought and producer input that anticipates a lot of the issues that might evolve. We will work through unanticipated issues as they arise as best we can. The patience of all involved will be necessary to the success of the Kenai Peninsula Food Hub.

For the purposes of this document, the Kenai Peninsula Food Hub will be referred to as “the Food Hub” and sellers as “Producers.”

Cook Inletkeeper initiated the concept of the Kenai Peninsula Food Hub in early 2015. Through the funding of Local Foods Promotion Program, a two-year grant provided by the USDA, the Food Hub will open for business in April 2016.

The purpose of this document is to share the vision of the Market steering committee, how the Food Hub will operate, and to define the rights and responsibilities of producer participants.

The goal of the Food Hub is to provide opportunities for Kenai Peninsula producers and consumers to connect in a way that will create benefit for both, as well as strengthen the Kenai Peninsula economy, increase food security, and reduce the carbon footprint created from importing food. In so doing so, the Food Hub will:

- Provide locally produced food and products direct from our producers, connecting producers to consumers
- Serve local consumers of all income levels
- Support sustainable, local, high quality agricultural practices
- Provide a network for the production and distribution of locally prepared foods and locally made non-food products
- Support a Kenai Peninsula food system that in turn preserves the landscape, water, soil and air vital to a sustainable community

How the Food Hub Works: The Basics

1. The Kenai Peninsula Food Hub strives to be a business that is financially viable, environmentally sustainable, and socially just.
2. Membership in the Hub is \$40 for producers and \$20 for consumers annually. Membership fees go toward expenses the Food Hub incurs in the administration, aggregation, and sales of the food. Examples of these expenses are staff time, advertising, and monthly web marketplace fees.
3. The Food Hub marks-up products sold 25%. While grocery stores typically double their cost of products to consumers, Food Hub producers set their own prices based on our 25% mark-up.

The Kenai Peninsula Food Hub is a non-profit venture. The markup percentage will be re-evaluated annually based on the overall volume of the program and how close we are to breaking even. Our goal is to develop a sustainable pricing strategy that will be fair to producers and keep the food hub successful beyond the USDA grant funded period.

4. Volunteer labor helps run the Hub and keeps overhead costs low. Please consider volunteering your time to help the cooperative grow and prosper.
5. Every member of the cooperative is eligible to buy products from, and sell products to, every other member; as long as the producer meets the Food Hub's Producer Guidelines and has been approved as a vendor.
6. Producers are strongly encouraged to disclose the practices used to raise livestock/shellfish, harvest seafood, and grow crops to other members of the Food Hub. In this way consumer members can make informed purchasing decisions about producers and products offered. Full disclosure of growing, farming and production practices forms the basis of trust between the producer and consumer members of the cooperative.
7. Producers may only sell products they themselves have grown, processed, harvested or crafted. A producer may not buy wholesale from someone else and then retail the product through the Food Hub.
8. Producer members may only sell value-added products that they themselves make. Purchasing ingredients for value-added products is permitted. Value-added products must use as many ingredients as possible produced by the member, or purchased from Alaskan farmers. Simply changing the form in which the product is offered for sale, such as repackaging into a smaller size, does not add value and is not permitted.

9. Every producer member is responsible to know and be in compliance with all appropriate federal, state and local inspections, licenses, statutes and ordinances. Producers must follow all labeling and permitting procedures outlined in the Food Hub policy, and by federal, state, and local policy.
10. Each completed order is a legally enforceable contract to pick up and pay for the products ordered, unless the products are damaged, broken, or undeliverable. Ordering windows will be pre-determined and publicized to all members.
11. Producers are responsible for dropping off product and picking up their orders during the times specified. Distribution location and time will be pre-determined and publicized to all members.
12. Customers are responsible for ensuring they receive all items ordered and for carefully checking their invoices. All product orders must be paid at the time of ordering by credit card; Quest users must pay onsite with card (until online purchases are approved by the USDA); additional purchases, like Food Hub tote bags and membership fees may be paid onsite with credit card. Prompt payment is a condition of membership.

Remember:

Quality, honesty, professionalism and consistency are what will make customers happy and individual farmers successful. Successful farmers and satisfied customers will make the market successful for all. ***It all starts with YOU!!!***

Food Hub Operations, Policy and Terms of Service Handbook

Operations:

How does the Kenai Peninsula Food Hub Work?

The Food Hub runs on a “shopping-cycle system,” meaning that product is available at set times each week and varies week-to-week according to season and availability.

Homer: Weekly Order Cycle

SUN	MON	TUES	WED	THUR	FRI	SAT
Shopping Open	Shopping Open Closes at 6:00pm Pick Tickets Created	Producers Harvest and Gather Products Sold	12:00pm-2:30pm Producers Deliver 3:30-6:30 Customers Pick Up	Producers Enter Products Online	6:00pm Cycle Begins Online Shopping	Shopping Open

Kenai: Weekly Order Cycle

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- Customers shop online 6pm Friday through 6pm Monday each week. All customers and producers receive a reminder email when the shopping cycle is open.
- Elect payment type- either pay online with credit card or pay via Quest at pick-up, and complete order process.

- At the close of the shopping cycle 6:00 PM on Monday, all producers who have received orders will receive an email detailing their order information.
- Producers prepare their product for delivery to Kachemak Community Center between 12:00 and 2:30 PM on Wednesday.
- Producers, with the help of volunteer/staff, will be responsible for aggregating their items at the drop site:
 - Each customer will have designated area, with complete order list
 - Producer will place ordered item(s) into each customers' area, checking off each item on lists
 - This process ensures product availability and limits the amount of time products are touched
- Customers who have ordered will receive an email reminding them to pick-up their order between 3:30 and 6:30 PM on Wednesdays.
- Producers enter in new product by Friday evening at 6pm in preparation for the next shopping cycle and the process repeats! Producers may add more items after the 6pm cut-off; they may alter quantities at any time during the cycle- if a product becomes unavailable and has already sold, please contact the Coordinator ASAP

Food Hub Policy:

1. Communication Requirements

The most efficient way for us to communicate is by email. All producers will be required to use our online software for listing products and printing pack lists. We regularly use email to contact all our members and producers. Please notify us when any of your contact information changes, most importantly your email address. When you join the Food Hub, you will be assigned a user name and password so you can access the producers-only pages of our web site. All members will need to keep track of their user name and password to login to the system.

2. Products Allowed

Quality Alaskan grown/harvested products are the main emphasis of the Food Hub. The Market will also be an outlet for other Alaskan value-added foods and nursery products, as well as handcrafted items made with locally grown, harvested or wild-crafted materials. Crafts made from kits are not allowed; crafts made from non-renewable resources are strongly discouraged. All crafts must be approved prior to selling on the Food Hub.

The Food Hub strictly prohibits RESALE of any kind.

3. Prepared Foods: Value-Added Products/ Cottage Foods/ Baked Goods/ Processed or Dried Foods

Currently the DEC does not allow the sale of Cottage Food items through any other method than face to face sells between the producer and the customer; the Food Hub is actively advocating for a reinterpretation of this rule.

In the case that Cottage Foods are allowed in the future, these will be the rules:

These rules apply to ALL prepared food, including cottage food and those prepared in a DEC kitchen. Labeling on all food products including jams, jellies, pickles, kimchi, baked and dried goods and the like, must include:

- Name of product (i.e., Apple and Kale Salad)
- List of all ingredients
- Name, address and phone number of where food was prepared, and/or business license number.
- Net weight, volume or numerical count
- Production date (if shelf stable, month/year is acceptable)
- Storage instructions, if not shelf stable.

- Vendors of baked goods are required to sell items individually wrapped

All items that are not exempt by Cottage Food laws and require a DEC kitchen must have all DEC permits, business license and carry liability insurance, and be on file with Food Hub. It is your responsibility to obtain clearance on food products from the DEC prior to selling.

Processed foods not exempted by Cottage Foods are subject to DEC regulation. Producers are responsible for working directly with the DEC to insure compliance with Alaska Statute 18 AAC 310 and other applicable regulations, and must provide a copy of their DEC certification and proof of liability insurance to the Food Hub Coordinator.

Fruits, vegetables, and herbs used in processed foods should be primarily grown or wild-crafted by the producer, or purchased from a local grower

Prior to selling any of these items, including cottage food, you must clear it with the Food Hub Coordinator.

Again, at this time, Cottage Food Items are not allowed items on the Food Hub. Cottage Food information is below, should it be allowed in the future:

A DEC approved kitchen is not required for the preparation of baked goods including pastries, cookies, muffins, breads, pies and granolas, preserves, jams and jellies, honey, fruit syrups, dried herbs and teas, and herbal vinegars.

This does not include items that require refrigeration like cream pies, cheese cake, or items with all meats including fish and poultry. All vendors must be familiar with and follow all aspects of DEC regulations. These regulations (Statute 18 AAC 31.012) can be found at:

<http://dec.alaska.gov/commish/regulations/pdfs/18%20AAC%2031.pdf>.

http://dec.alaska.gov/eh/fss/Food/Cottage_Food.html

Some highlights include:

- The individual who makes the food must be the one who sells it directly to consumers.
- DEC requires that vendors label each product with the statement

“THESE PRODUCTS ARE NOT SUBJECT TO STATE INSPECTION” as well as the vendor’s physical address and telephone number or vendor’s business license number. The Food Hub will check for this statement.

- In regards to foods like pickles or sauerkraut, refer to DEC regulations for the requirements for testing before selling at the Food Hub. It is your responsibility to obtain clearance on food products from the DEC prior to selling, and proof of clearance/testing is required.

4. **Mushrooms and Sprouts**

Wild harvested mushrooms are potentially hazardous and are **NOT ALLOWED** to be sold through the Food Hub.

Producers wishing to sell cultivated mushrooms are strongly recommended to adhere to the Mushroom GAP Standards, as laid out here:

<http://tinyurl.com/mushroomgap>

Sprouts are considered a potentially hazardous food by the DEC and must be produced in a DEC approved facility in order to be sold on the Food Hub. Producers selling either of these items must provide a copy of their DEC certification and proof of liability insurance to the Food Hub Coordinator.

5. **Fish/Seafood/Shellfish/Meat**

The sale of fish and seafood is regulated by the Alaska Dept. of Fish & Game and the DEC. Poultry processed through DEC Policy is allowed. All other meat (i.e. pork, beef, etc.) must be inspected and bear the label of the State or Federally inspected plant where they were processed and must be in a completely frozen state when brought to the aggregation point. All producers of fish/seafood/shellfish/meat must:

- Comply with all applicable local, state, and federal regulations
- Must provide the Food Hub with copies of their licenses, insurance, permits, and certificates.
- Maintain and use a temperature control transportation plan for the full Food Hub delivery and pick up timeframe, and communicate this to the Food Hub and consumers
- Must provide their own coolers, cooling system, and thermometers, and be responsible for retrieving after pick-up hours
- Products sold through the Food Hub must be caught or raised in Alaska by the producer.

Poultry processed through DEC Policy is allowed, but requires permitting and liability insurance. Should any food safety issues arise around meat products, the Advisory Board may choose to review your product line and revoke Food Hub selling privileges.

6. **Regulations**

The Food Hub will abide by all applicable local, state and local regulations.

We strongly recommended that all producers attend and become familiar with the principles of **GAP (Good Agricultural Practices) and GHP (Good Handling Practices)** and have an active Food Safety Plan in place.

Food Safety Modernization Act: Starting in 2018, all producers that sell over \$25,000 (gross) in produce will be subject to FSMA regulations. The Food Hub is actively monitoring what that will mean for the variety of producers represented and is working on resources to help with compliance. Please read about the FSMA here:

<http://www.fda.gov/Food/GuidanceRegulation/FSMA/ucm334114.htm>

7. Food Hub Location and Hours

Homer: Kachemak Community Center, Wednesdays
Drop off 12:00pm-2:30pm, Pick up 3:30-6:30pm

Kenai: To Be Determined.

All producers are required to deliver all order products during the specified deliver window.

8. Vendor Application/Fees

Membership in the Hub is \$40 for producers. Memberships are non-refundable and non-transferable. This paid membership fee, along with a completed application, including a signed agreement to follow all policy, are required prior to receiving Food Hub producer login information.

9. Liability Insurance

Producers are strongly encouraged to carry individual liability insurance for their products. The Food Hub will not accept liability for any product safety issues/illnesses and the like. The liability lies with each producer.

Any products requiring a DEC permit/ kitchen will need liability insurance.

If insured, producers may list this in their profiles, making it more attractive to certain entities, like hospitals and restaurants.

10. Quality Control

To protect the integrity of our marketing system, the Food Hub reserves the right to verify via physical inspection, the production claims and geographic production location of products offered for sale through our marketplace.

11. Product Standards

Every producer member is responsible to know and be in compliance with all appropriate federal, state and local inspections, licenses, statutes and ordinances. Producers must also comply with any relevant health codes or

agricultural laws regarding direct sales of farm and food products to the public. A copy of any licenses or certificates required for your business must be on file with the Food Hub.

Some excellent sources for finding these standards and other tips:

- AK Department of Natural Resources, Division of Agriculture: http://dnr.alaska.gov/ag/ag_is.htm
- Cooperative Extension Service: <https://www.uaf.edu/ces/>
- AK Department of Environmental Conservation, Food Safety and Sanitation: <http://dec.alaska.gov/eh/fss/>

The Food Hub periodically reviews all products and may at any time question a producer about their compliance with Food Hub, local, state, and federal standards. Products that do not meet these standards may be removed from the availability list by the Food Hub.

The Food Hub reserves the right to prohibit products with objectionable images, messages, or product implications being sold.

Rotted, damaged, sunburned, diseased, insect damaged and unmarketable products will not be received under any conditions.

12. Packaging/Labeling Standards

Product must be carefully packaged and clearly labeled as to its contents upon delivery to the Food Hub. Seafood/shellfish, eggs, processed foods and other items must adhere to Food Hub, local, state, and federal regulations.

Other items must be clearly labeled so that staff and volunteers can help producers sort product appropriately (ex. plant starts, lettuce mixes can be especially confusing). *This is a great opportunity to market directly to your consumers with your business information while differentiating your product.* Presentation matters as these products are ordered sight-unseen.

All products must be labeled in a way that is easily traceable to the producer, for food safety and insurance concerns. This may be achieved in a variety of ways- twist ties, bags, food grade stickers and labels directly on produce, labels stuck to customer order form, etc.

13. Organic Labeling

To be fair to all producers, the Food Hub asks that you not label "organic" in their name, labeling or marketing. It is illegal for those who make over \$5000 a year to use the word without being certified organic (a very costly process), so it leaves them at a disadvantage and misleads consumers.

Feel free to explain details such as "Alaska Naturally Grown Certified: or "no pesticides" or "all natural" or "grown with ..." or whatever. That's the benefit of the Food Hub- customers can get to know their farmer and their food!

14. Changing Availability of Products During Order Cycle

Farming can be unpredictable. If you find that you have more or less of a product than you initially thought, you may sign in and update your quantities. If you have already oversold your product, please contact the manager of any changes or substitutes. The Coordinator will work with producers to remedy any issues.

15. Pricing of Products

Producers set their own prices. The Food Hub takes your listed price and marks it up 25% for the customer, who only sees the final marked-up price. There are no additional fees charged to the producer beside the annual membership fee.

The Kenai Peninsula Food Hub is a non-profit venture. The markup percentage will be re-evaluated annually based on the overall volume of the program and how close we are to breaking even. Our goal is to develop a sustainable pricing strategy that will be fair to producers and keep the food hub successful beyond the USDA grant funded period.

16. Sales Tax

As a non-profit entity, the Food Hub is exempt from sales tax liability.

17. QUEST Redemption

TO BE DETERMINED- Application for FNS in progress.

The Food Hub aims to create greater access to healthy, local food products, regardless of income. Recipients of the QUEST food stamp program may redeem benefits through the Food Hub by placing an order online and selecting the option to pay on site with their QUEST card, at the time of pick-up.

QUEST Benefit recipients will have their Membership Fee waived, on a yearly basis, but are encouraged to volunteer with the Food Hub.

18. Getting Paid

The Food Hub will pay you directly by check on the following Delivery Day, or via mail if you are not present on Delivery Day, unless there are missing item tickets or an unresolved discrepancy in the amount you should be paid. The Food Hub reserves the rights to refuse products that are not what customers ordered, or which are spoiled or contaminated, or otherwise not acceptable.

19. Advisory Council/Cook Inletkeeper

The Kenai Peninsula Food Hub is a program of the non-profit organization Cook Inletkeeper, managed by an advisory board representing farmers, fishers, and crafters. The Food Hub Advisory Council will manage all business, advertisement, and other organizational infrastructure. The Food Hub Coordinator, as an employee of Cook Inletkeeper acts according to the instructions of the Advisory Council, and ultimately to the instructions of Cook Inletkeeper Board of Directors.

20. Discrimination and Harassment

All members, producers and customers, of the Food Hub, participating in Food Hub, shall not discriminate against any individual with regards to selling of products, discipline, or other matters because of age, sex, race, creed, national origin, sexual orientation, or the presence of any physical or mental disability. Producers shall behave toward all customers, potential customers or other producers in a way that is free of harassment and discrimination. Complaints should be taken to the Food Hub Advisory Board and will be regarded with confidentiality.

Terms of Service

21. Customer Satisfaction/Refunds

Any customer complaints or requests for refunds or return of merchandise will be referred directly to the responsible producer and cc'd to the Food Hub. The producer should handle the complaint directly with the customer.

In the event of a dispute between a customer and a producer, the matter shall be referred to the Food Hub Coordinator. If a mutually agreed upon solution cannot be found, the Advisory Committee will advise.

22. Customer Expectations

Customers are expected to pick-up orders during the pick-up window. If customers do not pick-up orders, their items will be donated to a local non-profit organization, such as the Food Pantry. The Food Hub does not have a means to keep items until the next week, or to deliver them to you.

Since the growers harvested just for you, and (more importantly) since we paid the growers on your behalf when they brought them to our market, **you are still responsible for paying for items, even if you do not pick them up.** We'll charge your account, and that amount will get added to your next order.

23. Vendor Expectations

Producers are expected to deliver all items ordered during the drop-off window. The Food Hub operates on a specific time schedule and it is crucial for each producer to be on time.

- If a producer is late more than 2 times, they will be suspended from selling during the following order cycle.
- If a producer is late more than 5 times, they will be barred from selling for the remainder of the calendar year, with no refund of membership fee.
- The Kenai Peninsula Food Hub reserves the right to reject any product sold through the Food Hub that we believe is not up to standards or is delivered spoiled or contaminated, not packaged/labeled according to policy, or does not fit the description of the items sold, and we will certainly do this if we feel necessary.

Producers are expected to communicate regularly with the Food Hub Coordinator and have reliable access to the internet and email.

Producers are expected to follow all policy outlined in the Food Hub Operations, Policy and Terms of Service Handbook

Revised 03/11/2016

I have read and agree to abide by the policies contained within the Food Hub Operations, Policy and Terms of Service Handbook.

Signature

Date

Printed Name

Business Name

CONTACT INFORMATION:

Address

Phone Number

Email Address

(Detach this page and include with your application package.)

You must also provide:

- Completed Tax Form W9
- Appropriate permits, licenses, and insurance (if your products call for such)

You may also provide:

- Business License