



Case Study

Wintergreen Herbs and Vegetables

Winslow, Maine
Kate Newkirk, Owner

This case study of WinterGreen Herbs and Vegetables demonstrates how e-commerce can be used to provide a flexible Community Supported Agriculture (CSA) model. The Web site is used to expand the market for organic produce, Maine-produced herb teas, and free range eggs and broiler chickens by providing consumers with a way of ordering products online for pick up at the farm gate.

Profile

WinterGreen Herbs and Vegetables uses a modified Community Supported Agriculture (CSA) model as its primary strategy to market organic produce. WinterGreen's CSA members select their level of membership and order farm fresh products weekly through the Web site. In addition, the Web site has an online shop which is used to expand the farm's business activity outside the traditional growing season through the sale of Maine-grown herb teas.

History

In 1998, Kate Newkirk and her husband Peter bought an old dairy farm in Winslow, Maine with the goal of establishing an organic herb and vegetable operation. While farming is a way of life for many in the area, organic farming was a relatively new activity. In addition to herb and vegetable production, the farm also produces free range eggs and pastured broiler chickens which are ordered by customers early in the season and then made available for pick up the day of slaughter.

WinterGreen uses the CSA model as a way to have local residents participate and make an investment in local agriculture. CSA's are meant to help a farm's cash flow at the beginning of the season by supplying needed cash before there is any actual sale of crops. CSA's benefits farmers financially, while also providing local residents access to farm fresh products. Traditional CSA's provide shares to customers each week, but customers do not have much choice of what they receive. WinterGreen's CSA model is unique, using the Internet to provide members greater flexibility in using their shares as well as communicating easily with members about the farm and its products. WinterGreen's produce sales occur in two ways. Prior to May 1st each year, WinterGreen enrolls a limited number of CSA members. Customers purchase shares

that range from \$50 to \$300 and they receive a 15 percent dividend. Shares must be used by October 31st each year and are non-refundable. Unused shares are donated to local food pantries or senior centers in the form of produce. Members receive weekly e-mails directing them to the online ordering form that lists the herbs, vegetables, eggs and teas that are available for selection that week. Orders must be placed by noon on Friday and picked up at the farm by noon on Saturday. For members' convenience, orders are prepared and ready for pick up when they arrive at the farm gate. Each member has the flexibility to order only the produce they want and to place orders at their discretion.

In addition to CSA member sales, those who choose not to become members can participate in Wintergreen's online Farm Stand on a 'pay as you go' basis. These customers do not receive any dividend. They receive the same weekly e-mails directing them to the current online ordering form. They can order products for pick up at the farm gate. CSA members, however, receive priority over Farm Stand customers when quantities are limited. The online Farm Stand allows WinterGreen to extend its sales to local customers who choose not to participate or who cannot afford to participate in the CSA or who find the farm after May 1st when CSA membership is closed.

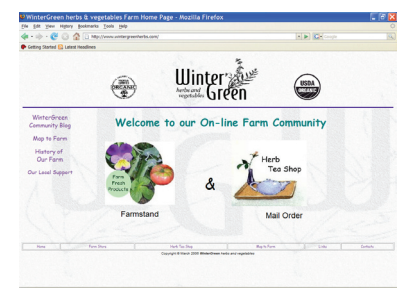
WinterGreen also sells to three restaurants and two bed and breakfasts in the region that are serving local organic produce. The online features of WinterGreen farm are not as important to these restaurant clients as they are to the CSA and Farm Stand members. Prospective clients can use an online form to express interest in the wholesale distribution of WinterGreen's produce.

Kate Newkirk sees a bright future for local,

Area Population: **7,743**

Web site:

www.wintergreenherbs.com



organic agriculture, particularly in light of recent food scares associated with imported products and those produced by large-scale agribusinesses. The challenge for WinterGreen Herbs and Vegetables, however, will be meeting this increased demand. Currently, the farm has no outside employees, making for a busy growing season. While some CSA members earn shares by working on the farm, this arrangement does not provide the sort of labor that would be required to increase the production of the farm to meet increased demand.

Business Location

Winslow, Maine (2000 population 7,743) included the town of Waterville until 1802. Its history has been dominated by mills, notably a Scott paper mill in operation until the late 1990s. Located in nonmetropolitan Kennebec County (2000 population 117,114), the town continues to be tied to Waterville, which provides most of the retail shopping opportunities for Winslow residents.

Role of e-Commerce

As described above, WinterGreen's model represents a unique application of the Internet to CSA. Recognizing that customers are relatively knowledgeable in terms of technology and use of the Internet, WinterGreen has created a CSA model that provides maximum flexibility for the customer. While the online ordering for CSA is not accompanied by online purchasing, it does provide an easy way for customers to learn about products available each week and then make their purchasing decisions. In addition, a weekly blog keeps customers connected with the farm and serves as a communication vehicle for information about product availability, slaughter dates for broilers, and even recipes and ideas about preserving foods purchased from the farm. Both CSA members and Farm Stand customers receive the weekly blog.

More traditional e-commerce tools are used in the herb Tea Shop that is part of WinterGreen's Web site. The Tea Shop features a shopping cart, allowing customers to purchase teas online. At present, e-commerce is an important, but small part of WinterGreen's overall business. Creating the online Tea Shop has increased sales but Newkirk has not separated out the online sales from the sales for the farm overall. What online sales have done, however, is expand the product line beyond the traditional growing season, providing a source of cash flow when direct farm sales are limited.

While Newkirk established the online and e-commerce capability of the site herself, she has received assistance from several resources in the region. The Herb Growing and Marketing Network hosts the WinterGreen Web site, at a cost of \$25 per month. Newkirk has a financial advisor who

is working with her to develop a business plan for the farm. And, Newkirk participated in the e-commerce courses offered by Coastal Enterprises' Women's Business Center, receiving assistance with the creation of the online store. Since Newkirk is supporting the Web site herself, the cost of e-commerce for the farm is less than \$100 per month. This cost does not, however, factor in the time Newkirk spends maintaining the site, preparing online order forms, and blogging for customers.

Challenges and Lessons for Rural Entrepreneurs

WinterGreen Herbs and Vegetables provides a number of lessons for other rural entrepreneurs.

- One of the challenges for WinterGreen's Tea Shop is search engine optimization – getting WinterGreen's Web site to appear on the first few pages of a Web search. To expand tea sales and, perhaps, increase WinterGreen's exposure to potential CSA and Farm Stand customers will require an investment in building this optimization capacity – a challenge for many rural entrepreneurs.
- Newkirk has also experienced challenges with gaining access to high speed Internet and some of the technical resources, such as software, that she needs to fully develop her e-commerce capabilities. It is difficult to find someone locally, who can help her develop skills beyond the basics of Web site development, at low cost. Presently, the farm business does not have the resources to make a heavy investment in outside advisors to develop e-commerce tools for the site.
- Initially, Newkirk's approach to the Tea Shop was "here I am, here are my teas." Now she is thinking about what more she can do with the site. Her advice to others considering the creation of an e-commerce Web site is to work on building an online community around the products. Through her blog, Newkirk is working toward having her site viewed as a tool and not an end. She provides advice, information, commentary, etc. in the interest of building a deeper relationship and connection with her customers – creating a Web site that brings more value to them. This approach is as important for an artisan, a recreational tourism venture, or other businesses that depend upon relationship-building as part of the promotion and sales of their products or services, as it is for WinterGreen Herbs and Vegetables.

From e-Commerce as a Strategy for Improving Business Vitality: Lessons Learned from Small Businesses by Deborah M. Markley, David L. Barkley, and R. David Lamie

See related case studies and learn more about e-commerce at <http://srcd.msstate.edu/ecommerce>.