Online Local Food Platforms:
A Nantucket Case Study

Executive Summary

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Full report is available at on WPI Nantucket webpage
http://wp.wpi.edu/nantucket/projects/projects-2016/sustainable-nantucket
Early American lifestyles were dominated by agriculture. Colonists had to procure their own food due to the logistical challenges of importing goods. Locally based food production was the norm; people either grew their own food or bought food from their neighbors (USDA, 2000). This dependence on one another for essentials of life created a collective social mentality. Communities survived, thrived, or even perished based on their ability to reliably produce food. Farming was an integral part of these early American communities, and the source of food helped define local cultural identities. In more recent times, industrialization of agriculture has alienated the public from growing their food sources and has led to widespread environmental degradation (Hinrichs, 2000). In response, many communities are looking to get back to their roots with local food (Ciuchta, O’Toole, 2016). This call to action has created a global local food movement to make local food more commonplace in the average citizen’s diet. The island of Nantucket, once an intensely agricultural community, is among those seeking to revitalize their local food system and increase self-sufficiency.

The local food movement is best epitomized in farm-to-table initiatives. These focus primarily on educating the general community about picking location and nutritional value of their food, and providing quick local food access for individuals and food businesses such as cafeterias and restaurants. These programs function through local food education and distribution programs (Hyder 2011). In addition to having readily available access to healthy local food, communities in turn have a positive social impact on the livelihood of local farmers (Grubinger, 2010). The combination of health and social benefits to the community is the backbone of the farm-to-table movement.

On the island of Nantucket, the non-profit organization Sustainable Nantucket, in addition to other roles in the local food system, facilitates a farm-to-restaurant program. In conjunction with their Nantucket Grown brand, which denotes food businesses that are locally sourced, they created a delivery service for orders from local farms to restaurants. In an effort to make sales and purchases easier for farms and restaurants on the island, Sustainable Nantucket also ran a pilot program in 2016 with a company called WhatsGood, a Rhode Island-based company designed to connect chefs to sources of local food through an online platform. Our team was asked to investigate the pilot program from the different perspectives of the stakeholders and evaluate options moving forward. The purpose of this project was to provide our sponsors at Sustainable Nantucket with a recommendation stating whether to continue their relationship with the local food platform WhatsGood, or to switch to a different online food coordination platform.

**Methodology and Key Findings**

Our team first focused on creating connections with key informants as identified by our project liaisons at Sustainable Nantucket, representing three stakeholder groups: coordinators of the local food system, producers (farmers), and consumers (chefs). Through conversations with these key informants, we determined which features of an online platform each stakeholder group desired. Our findings in terms of stakeholders’ expectations of an online platform are shown below in Table 1.
Online Platform Expectations:

Coordinator (Sustainable Nantucket):
- View orders and delivery information
- Define a closed network for Nantucket Grown members
- Quick technical support
- Communication between producers and consumers
- Integration and education before 2017 season

Producer (Farmers):
- Mobile application
- Push notifications
- Product photo uploading
- Percentage of sale-based fee for platform service

Consumer (Chefs):
- Mobile application
- Push notifications
- Inventory list: local and updated

Next, we used these expectations to evaluate three local food platforms: WhatsGood, FarmersWeb, and Local Food Marketplace. To complete these evaluations, we contacted representatives from all three companies, and either set up an online demonstration with them, or received permission to test their platforms using trial accounts. After observing platform functionalities, we determined which features each of the platforms could perform.

After individual platform evaluations, we compared the three platforms to determine which was most suitable for Sustainable Nantucket’s needs. To compare the platforms, we created a feature status spreadsheet and cost analysis table, and examined other critical areas like business model and technical support. The feature status spreadsheet shown in Table 2 uses colors to display whether the desired features exist, are in development, do not exist, or were not tested.

<table>
<thead>
<tr>
<th>Feature</th>
<th>WG</th>
<th>FW</th>
<th>LFM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall:</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Mobile App Capabilities</td>
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<tr>
<td>Closed Network</td>
<td></td>
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<td></td>
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<tr>
<td>Administrative Capabilities</td>
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<tr>
<td>Delivery Coordination</td>
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<tr>
<td>Tutorial of the use of platform</td>
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<tr>
<td>Quick customer service response</td>
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<td></td>
</tr>
<tr>
<td>Producer:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upload/Delete produce &amp; Generate pick list</td>
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<td></td>
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<tr>
<td>Real time inventory quantity update</td>
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<tr>
<td>Contact consumer on platform about order changes</td>
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<tr>
<td>Upload produce photo</td>
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<tr>
<td>Hide items with zero inventory</td>
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<tr>
<td>Marketing Tips</td>
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<tr>
<td>Custom price list</td>
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<td></td>
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<tr>
<td>Review order histories</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Look up products by produce type / producer</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Contact producer on platform about order changes</td>
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</tr>
<tr>
<td>See photo of produce &amp; Review order histories</td>
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<tr>
<td>Online payment</td>
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<tr>
<td>Add/Delete item in shopping cart</td>
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<td>Push Notifications</td>
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<tr>
<td>Email Notifications</td>
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</tbody>
</table>

Table 1: Stakeholder Online Platform Expectations

Table 2: Feature Status Spreadsheet
Cost Analysis – Platform Comparison:

The cost analyses shown in Table 3 and Table 4 were performed under the conditions of 10 farmers making $2,000 and $10,000 per year respectively. These annual profits were selected as realistic scenarios for local Nantucket farmers. The tables below display each of these conditions for the three platforms.

<table>
<thead>
<tr>
<th></th>
<th>WhatsGood 1.5% of sales</th>
<th>FarmersWeb 3% of sales</th>
<th>Local Food Marketplace Billed to SN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee 1:</td>
<td>$30/year</td>
<td>$60/year</td>
<td>Setup Fee $1,498 (first year)</td>
</tr>
<tr>
<td>Fee 2:</td>
<td>N/A</td>
<td>N/A</td>
<td>Account &amp; Application $2,976/year</td>
</tr>
<tr>
<td>Fee 3:</td>
<td>N/A</td>
<td>N/A</td>
<td>Content &amp; Member Management $1,176/year</td>
</tr>
<tr>
<td>Cost per farmer:</td>
<td>$30/year</td>
<td>$60/year</td>
<td>$565/year</td>
</tr>
<tr>
<td>Total Cost:</td>
<td>$300/year</td>
<td>$600/year</td>
<td>$5,650/year</td>
</tr>
</tbody>
</table>

Table 3: Platform Cost Analysis @ $2,000 Gross Annual Sales

<table>
<thead>
<tr>
<th></th>
<th>WhatsGood 1.5% of sales</th>
<th>FarmersWeb 3% of sales</th>
<th>Local Food Marketplace Billed to SN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee 1:</td>
<td>$150/year</td>
<td>$300/year</td>
<td>Setup Fee $1,498 (first year)</td>
</tr>
<tr>
<td>Fee 2:</td>
<td>N/A</td>
<td>N/A</td>
<td>Account &amp; Application $2,976/year</td>
</tr>
<tr>
<td>Fee 3:</td>
<td>N/A</td>
<td>N/A</td>
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<td>Cost per farmer:</td>
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<td>$565/year</td>
</tr>
<tr>
<td>Total Cost:</td>
<td>$1,500/year</td>
<td>$3,000/year</td>
<td>$5,650/year</td>
</tr>
</tbody>
</table>

Table 4: Platform Cost Analysis @ $10,000 Gross Annual Sales

This analysis showed that WhatsGood and FarmersWeb are very affordable and flexible for small farmers, who do not want to be overwhelmed by large fixed rates. Even if each farmer made $10,000 in one season, their fee would be substantially less than the fixed rate of Local Food Marketplace.
**Business Model Comparison:**

Sustainable Nantucket currently holds the role as an independent facilitator of the Nantucket local food system, which oversees the fulfillment of individual transactions between farmers and chefs, but does not require those transactions to be placed through them. In this model, shown in Figure 1, order logistics are made through the online platform, business transactions are made between the farmer and chef, and Sustainable Nantucket provides the delivery service.

In comparison, another popular business model for a local food system is the local food hub, shown in Figure 2. A food hub is set up with a central administrator that all business transactions and movement of products must go through. In the case of Nantucket, Sustainable Nantucket would have to be the central administrator and assume more administrative responsibilities to fulfill this role.
However, the participants of the Nantucket local food system enjoy having the personal relationships with their business partners and the change to a local food hub would reduce these interactions. Based on business model support by the platforms, both WhatsGood and FarmersWeb offer the foundation for Sustainable Nantucket’s current facilitator model. Local Food Marketplace was created for the local food hub model and the Nantucket local food system is not interested in switching business models.

Platform Comparison Summary:

Through feature, cost, and model comparison, we determined that the online local food platform WhatsGood was best suited for the Nantucket local food system. It was competitively priced for all of the tools and features included, and many features which WhatsGood did not currently have are in development. In addition, it supports Sustainable Nantucket’s current business model as an independent facilitator.

Our final project activity was to consider other findings we discovered through our work in the Nantucket local food system. We developed recommendations to maximize the value of WhatsGood communication with platform support, and potential future projects involving Sustainable Nantucket and the island’s local food system.

Recommendations

Our team sees potential for a mutually beneficial partnership to continue developing between Sustainable Nantucket and WhatsGood. We believe that our recommendations support Sustainable Nantucket in their mission to build a more locally based and self-reliant food system on Nantucket through providing education, expanding production, increasing demand, and improving distribution.

Based on the foregoing inquiries and findings, our team constructed the following recommendations for Sustainable Nantucket, WhatsGood, and the participants of the Nantucket local food system. The goal of these recommendations is to increase the efficiency of communication between parties and provide possible opportunities for improvement and expansion of the current local food system.

Recommendation List:

1. Sustainable Nantucket should continue their partnership with WhatsGood.
2. Sustainable Nantucket should establish regular communication for the production season with WhatsGood.
3. WhatsGood should reach out to Nantucket local food system participants during offseason for platform problems and upgrades.
4. Nantucket local food system participants should primarily report platform bugs in the onsite chat bar.
5. Farmers and chefs should keep each party updated on their business status through production season.
6. Farmers and chefs should perform cooperative planning before each production season.
7. Sustainable Nantucket should investigate new local food marketing strategies (e.g., group sampling boxes).
8. Sustainable Nantucket should investigate the expansion of their delivery service to include seafood providers and larger island farms.

Conclusion and Acknowledgments

The community of Nantucket has a unique local food system. It has definite geographical borders and services a largely fluctuating, transient population. As a tourist town with a long history of independence and self-sufficiency, Nantucket places great importance on identity, which translates to its communal pride in eating local food. The evaluation we performed of Nantucket’s local food system travels beyond the physical and cultural borders that isolate the island. Local food systems are more than just farmers’ markets and roadside stands. They involve sales to individuals and food professionals, and a myriad of distribution methods. Using an online platform to sell and buy local food can enhance the effectiveness of distribution, and picking the right platform for a community is critical. Furthermore, many of the values present as driving forces in Sustainable Nantucket’s mission are common to local food organizations across the country: support for local farmers and businesses, sustainable agriculture, and community self-reliance. Communities searching for a local food online platform will hopefully find our report helpful as they assess their own needs.

Acknowledgements:

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WPI and SN Team
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