

Values-based food supply chains: Full Circle

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This series of case studies examines values-based food supply chains—strategic business alliances formed between primarily mid-sized farms/ranches and their supply chain partners—to distribute significant volumes of high-quality, differentiated food products and share the rewards equitably. Farmers and ranchers function as strategic partners rather than easily replaced input suppliers. All participants in these business alliances recognize that creating maximum value for the product depends on significant interdependence, collaboration and mutual support. These supply chains attach importance to both the values embedded in the production of the food products AND the values that characterize the business relationships.¹

Historical development through 2012

Introduction. Full Circle <www.fullcircle.com>² is an organic farm to table delivery service based in western Washington that grows, sources and distributes fresh produce to West Coast communities on a subscription basis. It was initiated as a small, five-acre fresh market farm in 1996 by the husband-wife team of Andrew Stout and Wendy Munroe and a friend, John Huschle. John soon split off his own successful farm business. Full Circle now delivers produce from California to Alaska and employs more than 250 people. Their original network of Community Supported Agriculture (CSA) members and farmers' market and restaurant customers has grown to over 16,500 regular customers in four states. Products are sourced from 430 acres of certified organic land on the Full Circle Farm in Carnation, Washington, as well as from an expanding network of organic farms and distributors and artisan food producers from different growing regions.

Strategic and philosophical goals. Full Circle's mission is to "... change the food system. Full Circle values organic and sustainable farming, transparency, and access to healthy food for everyone. ..." <www.fullcircle.com/about-us/our-mission/>. Andrew and Wendy's original business strategy was to control their product supply chain from the farm to the customer through direct marketing. Early on they identified their niche as producing a high diversity of quality organic fruits and vegetables for direct delivery over an extended season. Starting with restaurant accounts, farmers' markets and

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¹Values-Based Food Supply Chains: Strategies for Agri-Food Enterprises-of-the-Middle explains the terminology and general characteristics of values-based food supply chains: <www.agofthemiddle.org>.

²All websites referenced in this document were accessed on 5/15/13.





Photo credit: T. Collicott

Andrew and Wendy (here with their kids and dog) started with a five-acre CSA farm in 1996.

CSA, they expanded to include home deliveries and a wider range of products delivered year-round. They accomplished this by incorporating products from other organic farms and artisan food producers from within Washington's diverse climate zones. Later, they expanded their sourcing to organic farms in California and Mexico during the off-season in order to supply fresh produce throughout the year.

Initially, their marketing was based on personal relationships. Starting out with restaurant accounts, they staked their reputation on trustworthiness and an ability to meet commitments. As they've grown, they feel that building and maintaining a strong business reputation for customer service, reliability and quality is more important than ever. Their concept of food quality includes taste and freshness, organic certification and enhancing the environment through soil and wildlife habitat restoration. They added Salmon-Safe <www.salmonsafe.org> certification to their farm in 2004. They are considering formalizing their sustainability mission further through a sustainable business audit program. (See "Future Dynamics," page 9.)

In creating a sustainable business model, Andrew said it was important to go beyond growing all of the products themselves. By aggregating and distributing products from multiple organic farms, Full Circle has found a way to scale up alternative food networks by making more organic products accessible to more people. They selected partner farms based on organic certification, produce quality and integrity. Full Circle wants each product in their delivery box to be traceable to an authentic farm with identifiable production standards.

Early enterprise development. Andrew and Wendy began developing the idea and business model for their enterprise in 1995 while working as apprentices on a pioneering CSA farm in the Midwest. They considered a wide range of locations around the country for their own farm, seeking affordable farmland within a reasonable distance of an urban market. In March 1996, they and a friend started farming five acres that could be rented cheaply in the rainy Cascade Mountains, about 30 miles outside of Seattle.


As first generation farmers, Andrew and Wendy had a lot to learn about farming and the northwestern maritime climate. They gained vegetable production and marketing experience and knowledge from their apprentice days, as well as observing other organic farms in the area. Their land came without infrastructure or equipment, so they built a crude shack in the middle of the field using 4 x 4's, scrap wood and an extension cord. They took a welding course to adapt and repair equipment. In designing their production system, they never considered non-organic practices. Early on, they employed mechanical farming with intensive row spacing on

in-field raised beds because they knew that they eventually wanted a high output. They believed that efficient production systems would provide the basis of a profitable business. In the first year, Andrew's brother joined the three partners as the enterprise's sole employee.

Their goal was CSA, but they soon realized that delivering weekly produce from a first-year farm would be too difficult. They wanted to become more skilled before taking on this obligation. Andrew and Wendy instead started selling in two Seattle farmers' markets: University District and Redmond. They added restaurant customers to gain steady orders, presold produce and adopted a delivery schedule that complemented their farmers' markets. They developed relationships with restaurants by providing them a beautiful sample box of produce, a cover letter, a current fresh sheet and a delivery schedule. The team set out to build a reputation for dependability, quality and customer service. Building personal relationships with chefs was key. They dropped off 25 sample boxes to some of the best chefs and restaurants in town, many recommended by friends, late on a Friday afternoon at the end of June 1996. While the dinner rush was not the ideal time to talk with chefs, the produce quality and farm story took root and sales started the next week, adding up to \$1,600. They ended their first year with \$46,000 in total sales. Most importantly, the team created long-lasting relationships, which allowed for future growth including leading co-op grocery Puget Consumer Cooperative <www.pccnaturalmarkets.com> and prominent local distributor Charlie's Produce <www.charliesproduce.com>.

Early on, the company found a niche in selling extended season produce. Instead of becoming someone's select supplier, they found a role providing long-season products and reliability. "Buyers knew that we would show up and do a good job." (Andrew Stout, interview, 9/12/11). With their reputation for follow-through and consistent quality, they helped develop the market for other organic producers.

In addition to restaurant and farmers' market sales, Andrew and Wendy did CSA for three years at the same site, distributing 60 shares out of their driveway the first year and gradually adding members in subsequent years. By 1999, they had cobbled together 20 acres of leased land from three more sites. They recruited about 150 Seattle-based members who received produce over a 20-week season. In 2000, they used the Washington Farm Link program <www.cascadeharvest.org/programs/washington-farmlink> to locate a larger tract of more fertile and level river bottomland, closer to Seattle. Because the land was zoned agricultural and could not be developed, the landowner—a retiring dairy farmer—wanted to lease it to another farmer. The tract had 80 acres, a barn and a house only 20 miles outside of Seattle. Signing for this land forced significant decisions. With only a five-year lease, they needed to make sure the



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farmer would allow them to make necessary changes and decide how much to invest in improvements.

After analyzing their business, they realized the seasonality of CSA was a challenge. They had annual cash flow shortages, worried each year about their member return rate and had to let employees go at the end of each growing season. So in 2001, they started year-round CSA deliveries. To retain customers, they worked with other farmers to supply products from different growing regions through the seasons. Looking back, Andrew said their original idea of growing everything themselves restricted their growth and prevented them from meeting customer needs. Partnering with other farms, they could expand their customer base and offer a wider range of products over a longer season. Over time they added delivery locations, a home delivery service and a weekly, customized ordering system. They were the first CSA farm in the area to do home deliveries.

Later, a group of consumers in Juneau approached them, looking for fresh organic produce. In response to this request, Full Circle worked out a collaborative arrangement with Alaska Airlines and began delivering to Alaska year-round in 2005. This opened up a vast new market opportunity, and eventually deliveries to Alaska constituted about 70 percent of their business. In 2011, they purchased an established farm to table delivery service in Hollister, California, called “Eating with the Seasons.” This acquisition brought them a new network of organic farm suppliers, along with their subscribers. Their business expanded to 525 pick-up sites plus home delivery, encompassing four states. They have divided their delivery service into three separate market areas: Washington and Idaho combined, Alaska, and California. As much as possible, each area is supplied by a network of producers specific to that region during the regular growing season. In the off-season, produce is supplemented from organic farms in warmer growing regions.

Historical growth indicators.

Going year-round. In the beginning, Andrew and Wendy got a small security-backed line of credit based on their personal finances. They cycled all their profits back into the business and insisted the business carry the full expense of the owners’ salaries. The losses in the early years were covered by personal loans to the company. While modest in the first years, salaries eventually reached their goal of the three partners each earning \$30,000. They needed \$250,000 in sales to meet this goal, which they achieved by moving to year-round sales. Season extension also created a steady cash flow, retained CSA customers throughout the year and reduced employee turnover.

Securing land tenure and making investments. After finding the new farm to lease, they secured an important first right to

purchase it. Having this option and developing a solid relationship with the landowner gave them confidence to make investments in infrastructure. They built a cooler and packinghouse and poured concrete for a vegetable washing and packing facility, costing more than \$100,000. When they reached a million dollars in annual sales, they began to feel more financially secure, yet each week it seemed there was something new that needed their investment. Looking back on lessons learned, Andrew said that if they had understood their business dynamic better, they probably should have expanded more incrementally. He said they might have realized better profits by remaining at the same scale for a few years before making another expansion. As it was, they continued reinvesting everything. They made about \$46,000 their first year and then had 40, 50 and even 90 percent revenue increases, but their expense line kept pace.

Planned growth. Now, as a roughly \$20 million company at a point where they can consistently generate revenue, Andrew said they may have reached a plateau where they can more strategically consider their next moves. Now that he understands the economics better, he believes it will be important to plan further ahead when deciding how and when to grow.



Photo credit: J. Moring


This Full Circle Farm seasoning mix is marketed as a differentiated, high value product.

Dynamics as of 2012


Creating and marketing differentiated, higher value food

products. Andrew summarizes the Full Circle business model as, “We grow it, we select it, we pack it, we box it, we ship it and you eat it.” (Andrew Stout, interview, 9/12/11). Throughout their evolution, the weekly vegetable box has remained the heart of their business and the key to lasting relationships with customers. Full Circle is differentiated by having diverse, weekly selections of top-quality organic fruits and vegetables, traceable to unique farms and available for individualized ordering throughout the year. Customer members can customize weekly orders online, selecting from four different box sizes and a list of more than 80 items available in their region. A different selection is offered in each region and in each season. Weekly organic produce orders can be supplemented with sustainably produced eggs, dairy, meat, seafood and grain. Members are not obligated to order a box each week and can modify orders online up to 72 hours ahead of delivery.

Full Circle communicates with members through e-mail updates, a website and a blog, “The Good Food Life” <www.fullcircle.com/goodfoodlife>, in which authors offer observations from the fields, food preparation and cooking tips, and recipes. The blog also features discussion and feedback opportunities on current agricultural issues and politics. The website profiles employees and farmers and offers FAQs about the farm to table service, such as how much



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produce is local. Each weekly box contains a packing list showing where products were sourced.

While the number of Full Circle suppliers has expanded rapidly and includes distributors, the company has committed to 100 percent traceability for each product. They have used their purchasing power to insist that even distributors such as Charlie's (see page 3) and Organically Grown Company <www.organicallygrown.com> identify farms for each product. Their goal is to push distributors to develop longstanding relationships with growers so customers can easily obtain sourcing information. Andrew's other goal is to have a stable group of farmers who supply each product. "This industry has been built up around commodities, but I want organic broccoli from a specific place, on a specific farm and by a specific grower." (Andrew Stout, interview, 9/12/11). Full Circle has created full-time farm liaison positions in Washington and California to visit and consult with partner farms as well as find new suppliers who meet their environmental, labor and quality standards.

Creating effective internal organizational forms. In 2009, Full Circle was split into two separate divisions: the farm operation, known as Full Circle Farm, and the farm to table delivery service, now known as Full Circle. The farm division includes organic vegetable and fruit production, harvesting, packing and sales from their 430 acres. The delivery division involves aggregating their own products with those sourced from partners and suppliers, as well as packing, distributing and delivering boxes.

Farm division. Andrew and Wendy have built a solid relationship with Bill Knutson, owner of their 80-acre home farm, packing and office site. Bill gave them a 15-year lease with first right to buy. In 2003, they purchased 53 acres contiguous with the Knutson property for a total of 133 acres at that location. They also farm two additional parcels: the 126-acre Ames Creek Farm, acquired in partnership with the PCC Farmland Trust <www.pccfarmlandtrust.org>, and the 72-Acre Willows Farm. (See <www.fullcircle.com/food-sources/our-farms/#s.aeoeckfuybaaa> to learn more about these three land parcels.) They also lease 100 acres contiguous to one of the three main properties. All of their property is certified organic and managed for biodiversity and habitat conservation, with an emphasis on soil regeneration and salmon habitat restoration. They raise more than 60 different crops and 150 varieties, many over extended seasons.

The farm business employs about 80 seasonal workers and 10 full-time equivalents, including farm managers, a packing shed manager, administrators and a sales team. For accounting purposes, the farm division includes production, harvesting, packing and produce sales. Annual produce sales from Full

Circle Farm total around \$2.5 million. Historically, approximately half of the farm sales have gone to their own delivery service at wholesale-adjusted prices. The rest of the produce is sold as follows: 20 percent to groceries and food cooperatives, with Whole Foods as their largest account; 10 percent to restaurants; nine percent to farmers' markets and six percent to wholesale organic distributors. Wholesale and commercial grocery accounts have been growth areas while sales to restaurants, cooperatives and farmers' markets have remained flat. They participate in about 10 farmers' markets, down from a high of 20. Full Circle was recently voted best farm stand in a *Seattle Weekly* reader's poll. They have participated in several farm to school projects because they believe it benefits the community, but the sales have been minor.

Farmers' markets and the on-farm portion of their business give Full Circle Farm staff opportunities to interact directly with Seattle-area customers, community members and other farmers. They host educational and volunteer events such as riparian buffer zone restoration projects, harvest celebrations, gleaning (post-harvest gathering) projects for food banks and farm tours. They have also hosted on-farm soil research projects and farm walks and field days for other farmers, in collaboration with Washington State University.

Farm to table delivery division. With \$22 million in annual sales and 150 employees, this division comprises the bulk of company revenue and encompasses delivery areas stretching from Alaska to California and as far east as Idaho. The list of delivery locations provided on the website is constantly expanding (see <www.fullcircle.com/organic-produce-groceries/delivery-areas/#s.aeoexsn3abiaa>). While they no longer consider themselves a CSA, Full Circle offers both home delivery and traditional, CSA-style drop-off sites. They consider their base product to be the home delivery service, which Andrew describes as “the pinnacle of our product” and the default option for customers. Customers receive a discount for picking up boxes at a drop-off site. Full Circle has 525 different sites, with home delivery service offered in most of the same locations.

Selecting markets and values-based food supply chain partners. As organic produce from other farms has become increasingly central to their delivery business, Full Circle is evolving what Andrew described as a “sustainable sourcing program.” From the start, they have explored how they can best fulfill customer expectations. They look for farms that share their core mission of organic production, reliability and quality. They require that farms treat their land and their workers conscientiously. According to Andrew, preference is given to family-scale operations with strong stewardship practices



Photo credit: J. Moring

Full Circle's farmers' market sales are flat. They now participate in 10 markets, down from a high of 20.



Photo credit: J. Moring

Full Circle has several distribution centers, each supplied by a different set of local farms.

and a unique story. If a product such as salad mix is only available from a corporate supplier, they may elect not to provide it at that time.

Andrew says that, rather than trying to negotiate with suppliers to get them to lower their prices, he expects farmers to set their own prices based on their costs. He says that he respects each farm's individualized pricing strategy because the farmers are in the best position to know their true costs. Relationships with the different farm suppliers vary in their nature. Around 30 key partner farms have supplied products directly throughout the years, some since 2001. This network has been augmented by the acquisition of the "Eating with the Seasons" farm to table program that came with its own set of growers in California. While rarely formalized, agreements with these farmers are long-term and based on trust. Partner farmers are featured on the website <www.fullcircle.com/food-sources/#s.aeovwyaeybaaa>. Full Circle also has regular, but less frequent, business relationships with 50 to 75 other farms.

Beyond farm suppliers, Andrew works with two Northwest-based organic produce distributors: Organically Grown Company and Charlie's Produce (see "Creating and marketing significant volumes of differentiated, higher value food products," page 5). Both companies have a mission of buying from small-scale farms. Organically Grown is a farmer- and employee-owned company. Both suppliers help facilitate out-of-region distribution, including growers in Mexico. Charlie's and Organically Grown also purchase Full Circle Farm produce. Andrew contracts with both companies to provide long-haul trucking for the farm to table delivery service, but Full Circle uses its own trucks and drivers for all local delivery services.

Full Circle has also formed relationships with "green grocer artisans," whose specialty products can be added to customer orders. These artisans are generally small Northwest companies with products from bottled milk to breads, cheese, eggs, meats, seafood and tofu. Most products are organic, depending on availability. For example, Andrew sources bottled milk from Fresh Breeze Organic Dairy <www.freshbreezeorganic.com> in Lynden, Washington; goat cheese from Quillisascut Farm <quillisascut.com> in Rice, Washington; organic breads from Essential Baking Company <essential-baking.com> in Seattle; and organic tofu from Small Planet Tofu <www.smallplanettofu.com>, a micro-tofu producer in Vashon, Washington. Pasture-raised meats are sourced by Heritage Meats <lqgjh.poaev.servertrust.com>, a Rochester, Washington, butcher who works with small farmers. Seattle's Theo Chocolate <www.theochocolate.com> provides fair trade sweets.

In addition to farmer suppliers and distributors, Alaska Airlines is another strategic partner. This Seattle-based airline provides reasonable transportation fees to Full Circle's packinghouse and delivery locations in Alaska as part of its regularly scheduled flights

and also assists with strategic business development consultation. An additional long-term strategic partner includes PCC Natural Markets <www.pccnaturalmarkets.com>, a Seattle-based cooperative of 45,000 consumers with nine retail outlets. PCC has purchased Full Circle Farm produce from the beginning.

Developing effective supply chain logistics. Andrew said their delivery business remains efficient, even with order customization (Andrew Stout, interview, 9/12/11). Customers' choices are limited to a range of products available in any given season. During the growing season, nearly all products are sourced within a specific region. During the extended season, products increasingly come from southern growing regions. Record keeping has shown fairly predictable patterns in the fluctuation of weekly canceled orders and customers' preferences in box size and crop choices.

Full Circle's corporate headquarters are in Seattle. The Northwest distribution center is in Kent, Washington, and serves members in Washington, Idaho and Alaska. There is a small distribution center in Anchorage and small cross-dock areas for reloading trucks in Idaho and Spokane, Washington, to facilitate local deliveries. The San Francisco Bay area is served out of a distribution center in south San Francisco. The distribution facilities are approximately 12,000 square feet with coolers, packing lines, a small office space and loading docks. Each facility is supplied by a different set of local farms. The company owns about 30 refrigerated delivery trucks and hires their own drivers and warehouse employees in each region. Drop-off sites and home delivery services are generally co-located so trucks can cover both services. Areas with low population density may only have drop-off sites available.

Achieving economic sustainability. Andrew is a firm believer in keeping and analyzing company records. He holds weekly metrics meetings where senior team members meet with management to review 600 business data points in order to better understand business dynamics and the causes behind any problems. For example, if there was a drop in sales, was it due to lack of availability or something else? They have also developed an extensive database on their own farm operation. They try to track every activity as much as possible and determine how long each task should take, always with an eye toward new efficiencies. Andrew believes he is creating an efficient and lasting business model that allows producers and consumers with similar values to connect in the marketplace, ultimately expanding the portion of the food supply that can be supplied through sustainable channels.



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Future dynamics as viewed in 2012

Internal organizational structure. Full Circle has gradually implemented a more efficient internal corporate management structure.





Photo credit: J. Moring

One challenge for Full Circle as they continue to grow is to stick to their core messaging and product branding.

The company has a five-member board consisting of Andrew, Wendy and three outside investors who provide leadership, ideas and decision-making for both divisions. Andrew is the CEO and Chairman of the Board, with COO, CFO, VP and director positions added to lead each corporate function, including a Human Relations Department. Andrew said layers of management are helping them successfully transition towards a more standardized corporate structure, laying the foundation for future growth.

Full Circle grew 37 percent in 2011. As their company continues to grow, Andrew aims to constantly reevaluate, set goals and plan further ahead. Having a strong organizational chart has been an effective tool for “putting the right people in the right places” with an end goal of greater focus and less employee turnover (Andrew Stout, interview, 9/12/11). Andrew recognizes that employees need different sets of skills in order for Full Circle to function best at its current size. Delegating responsibilities has been a challenge for Andrew, but he realizes that he can’t be everywhere at once.

Mission metrics. Full Circle is implementing a formal, baseline sustainability audit and evaluation under the metrics for mission-driven organic food companies developed by the Sustainable Food Trade Association <www.sustainablefoodtrade.org>. Andrew sees this as translating into policy the strong personal philosophies of company leadership regarding environmental restoration, energy conservation and fair labor. He also feels the audit could reveal current strengths and opportunities for improvement. Full Circle has developed a working group to set baseline goals and measurement criteria within the company. Ultimately, they would like to develop a system for assessing the long-term impacts of their company practices on energy usage, environmental restoration and worker well-being.

Andrew said they currently have an informal “buying manifesto” based on quality, environmental standards, location and business principles of their suppliers, but he would like to determine a role for sustainability audits among their strategic partners (Andrew Stout, interview, 9/12/11). Full Circle is in a good position to influence the practices of their suppliers because they provide such an important market for them. Andrew hopes to create a unified set of criteria so both suppliers and customers will have a clear understanding of what it means to be a part of Full Circle.

Future vision. Andrew sees few limitations to his company’s potential for growth. As he puts it, “We’ve got a great mission, a great vision and all the right components. We talk about everything in a completely different way than our contemporaries.” (Andrew Stout, interview, 9/12/11). He feels that Full Circle is a fundamentally sound company with strong partners. Andrew views the farm to table delivery service as a growing industry, and he wants to be a dominant player.

Beyond the direct market farm sector, Andrew feels he is competing with the grocery sector, opening up more growth opportunities. As long as they continue to follow their mission with strong ideals and integrity, he believes that people will be motivated by the kind of opportunity they have developed. Their challenge as they expand will be to stick to their core messaging and product branding. Andrew trusts this will be the legacy of his company long after he moves on.

He acknowledges that their company receives some criticism from within the sustainable agriculture movement for growing so large and expanding beyond what could be called local food provision, but Andrew thinks the company will be viewed differently in 10 years. By collaborating with other farms to provide a consistent supply, they hope to build “a better food and agriculture scene.” It can be difficult to be a pioneer in this sector, but he believes they are building models and sharing expertise that can bring more sustainable foods to more people. A new promotional statement on the Full Circle website reads: “Let’s change the food system together.”

Policy note

Full Circle makes greater use of programs and policies at all levels compared to the other businesses featured in values-based food supply chain case studies. Full Circle Farm and owners Andrew Stout and Wendy Munroe have received several Environmental Quality Incentives Program (EQIP) grants (Andrew Stout, interview, 3/6/12). They have worked with the Natural Resources Conservation Service (NRCS) on fish and nutrient management projects. In fact, federal dollars have often been leveraged to fund other projects. Full Circle has assisted in supplying food for participants in the federal nutrition program for women, infants and children (WIC). They are part of the USDA’s Farm to School Program<www.fns.usda.gov/cnd/f2s> through a pilot program run by the University of Washington. Full Circle was one of the first farms in Washington to be Good Agricultural Practices (GAP) certified through the USDA. They are certified organic through the Washington State Department of Agriculture and use federal cost-share funds to offset certification costs.

Andrew said they work at the regional level on a ‘Salmon-Safe’ project through the Puget Sound Fresh program <www.pugetsound-fresh.org> and often cooperate with their Water Intensive Resource Allocation group on irrigation and drainage projects. He was an appointee to the state Future of Farming committee, which sent recommendations to the governor. Washington, like many other states, is facing tough economic times, so the state is not currently considering much of what the committee recommended.

On the research side, Full Circle was part of a flea beetle study with Washington State University (WSU) researchers, funded by the USDA Western Sustainable Agriculture Research and Education (WSARE) program <www.westernsare.org> for 10 years. They also participated in a soil mapping project led by Doug Collins of the WSU Small Farms Program, also funded by SARE and featured in a 2007 WSU Farm Walk.

Their agricultural land is zoned, and most is in the Farmland Protection Program <www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/easements/farmranch> or under other covenants, one of which was done through PCC Farmland Trust <www.pccfarmlandtrust.org>. From King County, they received cost-share that originated in the State Department of Ecology. Other county funds have been applied to habitat restoration. Full Circle performed water quality studies for the County Department of Water. And Andrew has worked with WSU Extension on a variety of projects and programs.

At the local level, Full Circle restored habitat with the non-profit Stewardship Partners <www.stewardshippartners.org>, the local operating arm of Salmon-Safe. Full Circle engaged with USDA and American Farmland Trust <www.farmland.org> on a foodshed study. Andrew is president and founding member of the Farmers Market Coalition <farmersmarketcoalition.org>, which leveraged funds from the Agricultural Marketing Service. He also worked with the National Sustainable Agriculture Coalition <sustainableagriculture.net> through the Washington Tilth Association <washingtontilth.org>.

Andrew claims that, on a large scale, USDA policies have created a dysfunctional food system, but he has not found fault with laws and regulations that directly affect him as a producer. He supports GMO labeling to protect organic farmers and is pleased with the latest food safety legislative changes. Andrew said immigration policy is becoming a bigger concern at the farm level. Many dairy farms in his area are in transition to specialty crops, but temporary housing for farm workers has not kept pace. The Endangered Species Act <www.fws.gov/endangered/laws-policies/index.html> requires that Full Circle adopt a range of practices to protect existing or potential salmon habitat. While these new laws have presented a range of logistical challenges for area farmers related to flood control, irrigation and riparian zone management, Andrew takes the optimistic view that most regulations are ultimately designed to improve farms, the environment and food quality. He also said that smart growth programs have contributed to improved land use.

Andrew has engaged in several policy change efforts: securing Farmers Market Promotion Program <www.ams.usda.gov/AMSv1.o/fmpp> grants and WIC funds with the Farmers Market Coalition; working with the county on conservation programs through Sno-

Valley Tilth <www.snovalleytilth.org>; and working on the Future of Farming effort for the governor of Washington. Andrew laments the elimination of the Washington State Department of Agriculture Small Farm and Direct Marketing Program and King County Agricultural Extension in recent budget cuts.

Andrew's top priority in the policy change arena is GMO labeling. Other issues of importance to him include immigration policy and research dollars for organic and sustainable farming.

Credits

Andrew Stout provided the interviews upon which this case study and the policy note are based. The policy note was authored by Kate Clancy, University of Minnesota Institute for Sustainable Agriculture.

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Organizations involved with this report:

The National Initiative on Agriculture of the Middle is concerned with a disappearing sector of midscale farms/ranches and related agrifood enterprises that are unable to successfully market bulk commodities or sell food directly to consumers. See www.agofthemiddle.org. The initiative has three areas of emphasis: new business and marketing strategies; public policy changes; and research and education support.

The Center for Integrated Agricultural Systems (CIAS) is a research center for sustainable agriculture in the College of Agricultural and Life Sciences, University of Wisconsin-Madison. CIAS fosters multidisciplinary inquiry and supports a range of research, curriculum and program development projects. It brings together university faculty, farmers, policy makers and others to study relationships between farming practices, farm profitability, the environment and rural vitality. For more information, visit www.cias.wisc.edu or call 608-262-5200.

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