

## BUSINESS PROFILES

### BROKER-PLUS MODEL

**1. Business name:**

Red Tomato, North Eastern United States

Website: [www.redtomato.org](http://www.redtomato.org)

**2. Business Profile:**

The company was founded in 1996 by Michael Rozyne, one of the founders of the fair trade company Equal Exchange. Red Tomato's mission is to connect farmers and consumers through marketing, trade, and education, while maintaining a belief that a family-farm, locally-based, ecological, fair trade food system is the way to a "better tomato."

When originally established Red Tomato functioned as a small warehouse and distribution operation, offering marketing and sales service. Eventually, it became clear that a conventional distribution model at that scale could not compete economically. In 2002 Red Tomato closed its warehouse, and completely restructured the supply chain to manage logistics through a network of farmers, independent truckers and wholesale partners. This shift allowed for a renewed focus on marketing, product development and sales.

Red Tomato now markets produce for a network of over 40 farms, and apple orchards, through its Eco Apple™ program. Over 200 retail stores in New England, New York, and the mid-Atlantic carry Red Tomato produce, as well as a few select markets outside of the region. Its marketing and education efforts now reach thousands of consumers, and produce sales are growing steadily every year.

**3. Ownership Type:**

Non-Profit, Market Oriented Business

**4. Distribution Model/Structure:**

Broker-Plus

**5. Market Channel**

<i>Market Outlet</i>	<i>% of Total Sales</i>	<i>Details On Market Outlet</i>
<b>Direct-to-Consumer</b>	--	
<b>Food service: Restaurants</b>	5-10%	
<b>Food service: Institutions</b>	5-10%	
<b>Specialty retail</b>	90%	
<b>Large retail (regional, national)</b>	--	
<b>Other market outlets</b>	--	

## 6. Products and Services:

Products:

- Produce (fruit & vegetables)

Services:

- Pre-season planning
- Food system development consulting
- Producer education

## 7. Business Operations:

Members of the Red Tomato network include over 40 fruit and vegetable growers.

Growers harvest, process, pack and store what they grow. This low-overhead approach allows Red Tomato team to focus on: marketing & promotion, managing supply, and developing strong relationships with retail and wholesale buyers.

Most Red Tomato growers have the facilities and equipment to pack and store on the farm; the few that don't, work in collaboration with other growers in the network to pack and/or store their product.

Red Tomato coordinates the design and production of packaging (designed specifically for their farm and product), adding value and traceability for the buyer and consumer.

Red Tomato employs a small team:

- Account Manager
- Product Manager
- Operations Manager

## 8. Other Logistics: Product & People

In order to streamline trucking routes, Red Tomato Operations Manager, Angel Mendez works closely with farmers in the network to gather product at consolidation points on centrally located farms, at the produce market in Chelsea, MA or at distribution centres.

Consolidation is particularly crucial when orders from a single farm are not large enough to fill a truck, which increases the cost of transportation.

Red Tomato products arrive to a retail produce department one of two ways: direct store delivery and through a distribution centre.

Transportation is done by a network of regional growers and third-party truckers. In order to get products from a farm to the store or distribution centre efficiently, they may ride on two or three different trucks in a 24 hour period.

## 9. Membership Requirements

**Producer member requirements include:**

- Wholesale Experience
  - It is expected that the wholesale market will be a priority for the farmers in the Red Tomato Network, with preference given to those that come with experience selling into this market channel.

- Appropriate Infrastructure
  - To remove field heat immediately upon harvest
  - To maintain cold or appropriate temperature after field heat is removed
  - To clean, grade, pack and store
  - Safe, dry storage for supplies
  - Refrigerated transportation
- Effective Communication
  - Communicates clearly and directly; is responsive; welcomes feedback
  - Is accessible by phone or email, especially when product is moving
  - Is transparent and open
  - Is flexible and adaptive in problem-solving and planning
  - Cooperates in the aggregation and fulfillment of group orders (involves use of a farm's Infrastructure and staff)
  - Maintains computerized record-keeping of pest management practices
- Dependability
  - Ensures quality control and delivery of consistent high-quality product
  - Fulfills orders on-time at the volume committed
  - Forecasts product availability
  - Communicates problems or changes immediately
- Commitment to Advanced IPM Practices (and beyond)
  - Ready to join a team of growers, scientists and marketers who will, collectively, influence and define the production protocol
  - Willing to take calculated risks to advance the protocol and keep the program moving toward higher standards of ecology, fair trade, and apple quality control
- Commitment to Continuous Improvement
  - Reflected in all aspects of operations from quality control to new product development to order fulfillment, etc.
  - Maintains an understanding that daily operations impact medium- and long-term objectives.

## 10. Looking Ahead

“In the next few years, we seek to further diversify our customer base by adding 1-2 new large scale customers and developing institutional customers through conventional distributors. We are also working hard to diversify our grower network within our region to protect against weather incidents, lengthen the growing season, and diversify product base.” (Laura Edwards Orr, Director of Resource Development).

### Sources:

1. Red Tomato Website: [www.redtomato.org](http://www.redtomato.org)
2. Interview with Laura Edwards Orr, Director of Resource Development, Red Tomato. July 17, 2012.

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