



# Values-based food supply chain case study: Full Circle

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### Origins of Full Circle

Full Circle is an organic farm-to-table delivery service based in western Washington, that grows, sources and distributes fresh produce on a subscription basis. Begun in 1996 by the husband-wife team of Andrew Stout and Wendy Munroe plus a friend, Full Circle now delivers produce from California to Alaska and employs more than 250 people. They have more than 16,500 regular customers in four states. Products are sourced from Full Circle's 430 acres of certified organic land as well as from an expanding network of organic farms, organic distributors and artisan food producers from different growing regions.

Andrew and Wendy began developing the idea and business model for their enterprise in 1995 while working as apprentices on a pioneering Community Supported Agriculture (CSA) farm in the Midwest. In March 1996, with their friend they started farming five acres about 30 miles outside of Seattle. They sold their produce in two Seattle farmers' markets and added restaurant customers to gain steady orders. They ended their first year with \$46,000 in total sales. Most importantly, the team created lasting relationships with chefs, a food cooperative and a distributor that allowed for future growth. Andrew and Wendy also operated a CSA for three years at this farm, distributing 60 shares out of their driveway the first year and adding members in subsequent years.

In 2000, they used the Washington Farm Link program to locate a larger tract of land closer to Seattle. In 2001, they started year-round CSA deliveries, working with other farmers to supply a wide range of products from different growing regions through the seasons. Over time they added delivery locations, a home delivery service and a weekly, customized ordering system.

After working out a collaborative arrangement with Alaska Airlines, Full Circle began delivering to Alaska year-round in 2005. 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 and subscribers. As of 2012, they are about a \$20 million company with 525 pick-up sites plus home delivery in four states divided into three markets: Washington and Idaho combined, Alaska, and California. Full Circle grew 37 percent in 2011.

### Key characteristics

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

The farm division employs about 80 seasonal workers and 10 full-time equivalents including farm managers, a packing shed manager, administrators and a sales team. Annual produce sales from Full Circle Farm total around \$2.5 million. Historically, approximately 55 percent 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; 9 percent to farmers' markets and 6 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. 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.

With about \$20 million in annual sales and 150 employees, the farm-to-table delivery division comprises the bulk of company revenue. 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



Photo: J. Morning

*Full Circle is scaling up alternative food networks.*

for customers. Customers receive a discount for picking up boxes at a drop-off site.

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 select partner farms based on organic certification, produce quality and integrity. One of Andrew's goals is to have a stable group of farmers who supply each product. Another goal is to push distributors to develop longstanding relationships with growers so customers can easily obtain sourcing information. They have used their purchasing power to insist that distributors identify farms for each product, and the company has committed to 100 percent traceability.

As organic produce from other farms has become increasingly central to their delivery business, Andrew and Full Circle have focused on developing sustainable sourcing guidelines. 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 and unique stories.

Full Circle's corporate headquarters are in Seattle, with distribution centers in Kent, Washington, South San Francisco and Anchorage. The distribution facilities are approximately 12,000 square feet with coolers, packing lines, office space and loading docks. 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.

## Strategic partnerships

About 30 key partner farms have supplied Full Circle directly with products throughout the years. While rarely formalized, agreements with farmers are long term and based on trust. Andrew said he prefers farmers set their own prices because they are in the best position to know their true costs. Partner farmers are featured on the Full Circle website. Full Circle has regular, but less frequent, business relationships with 50 to 75 other farms. They have also formed relationships with "green grocer artisans" whose specialty products, including bottled milk, breads, cheese, eggs, meats, seafood, tofu and fair trade sweets, can be added to customer orders. Beyond farm suppliers, Andrew works with two Northwest-based organic produce distributors:

Organically Grown Company and Charlie's Produce. Both companies have a mission of buying from small-scale farms. Andrew contracts with these distributors to provide long-haul trucking for the farm-to-table delivery service, but Full Circle uses its own trucks and drivers for local delivery services. Other strategic partners include Seattle-based Alaska Airlines, which provides reasonably priced transportation to Full Circle's locations in Alaska as well as strategic business development consultation, and PCC Natural Markets, a Seattle-based food cooperative.

## Future dynamics

Full Circle is implementing a formal sustainability audit and evaluation under the metrics developed by the Sustainable Food Trade Association. Andrew sees this as translating into policy their strong philosophies of environmental restoration, energy conservation and fair labor. Ultimately, Full Circle 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.

In hindsight, Andrew feels that he has learned important lessons about the importance of planning in advance for growth so that it can take place in an efficient, stepwise fashion. Andrew sees few limitations to his company's potential. 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." Full Circle has sometimes been criticized from within the sustainable agriculture movement for its rapid growth and expansion beyond local food provision, but Andrew believes he is creating an efficient, lasting business model that allows producers and consumers with similar values to connect in the marketplace, ultimately expanding the volume of food that can be supplied through sustainable channels.

A longer version of this case study (and related research and updates) is available at two locations:

[www.cias.wisc.edu](http://www.cias.wisc.edu)

[www.agofthemiddle.org](http://www.agofthemiddle.org)

The Full Circle website is [www.fullcircle.com](http://www.fullcircle.com).

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