

CASE STUDY

Common Market

Philadelphia, Pennsylvania Established 2008

EXEC JOINS HUB AHEAD OF CURVE

As chief financial officer and general counsel for Maryland-based SAGE Dining Services, Tina Rodriguez has helped grow a national company by meeting institutional demand for scratch cooking and sustainable sourcing.

Rodriguez became acquainted with Common Market when the regional food hub launched in 2008. She thought it might be a good fit for SAGE’s Mid-Atlantic college cafeteria accounts. She couldn’t justify a contract, however, citing one of the industry’s core concerns: “We want local, but we need safe and local.”

Instead, Rodriguez joined the start-up’s board. Today she’s bullish about a business she believes is the lynchpin of regional food system infrastructure. “Food hubs are the boots on the ground, figuring out how to link produce from very small farms with wholesale channels,” she explains. “Common Market knows their farmers far better than any of our 800 other vendors around the country.”

“Tina brought an understanding of our core market segment that we didn’t have,” Executive Director Haile Johnson recalls. “She helped us to build internal competencies needed to quickly scale our ability to provide institutional food service to vulnerable populations.”



BUSINESS BASICS

Non Profit

2013

- \$1.7 million in sales
- 15 employees

Supply Base

- Stocks 700+ sustainably produced SKUs, including fruits, vegetables, dairy, meats, grains and value-added products.
- Sources from 75+ farmers in the Mid-Atlantic region.

Customer Base

- Delivers to 200+ customers.
- Market share for 2013 sales includes schools and colleges (23%), retailers (24%), workplaces (21%), and restaurants (13%). The balance to hospitals, nonprofit organizations, and faith-based institutions.

Supply Chain Approach

- Brokers local food sales.
- Operates in 20,000 square-feet of a warehouse in North Philadelphia that Common Market owns, with 100,000 cubic feet of cold storage available.
- Operates a fleet of three refrigerated trucks, picking up from producers’ locations and rural aggregation points.



"One of the 21 Philadelphia charter schools we serve asked us to work with Common Market in 2012. Common Market now helps us supply 16,000 breakfasts and lunches a day to inner-city children at 13 charter schools who may not be used to seeing something so simple as a carrot."

Russ Hengst

Vice President Operations
Lintons Managed Services

Helping the organization get a handle on food safety and logistics meant finding efficiencies in the small-farm model. For example, Common Market has reduced transportation costs by developing aggregation points where growers drop off product.

The board includes a Penn State University agriculture development specialist, the CEO of Washington, D.C.'s Central Kitchen and a former Microsoft lobbyist. This unique blend of expertise helped Common Market raise \$2 million to underwrite its 2012 warehouse purchase and related expansion activities.

"The fruit Common Market delivers is cleaner, fresher and lasts longer. I can count on one hand the products that have arrived damaged or bruised."

Chef Will Murray

Wissahickon Charter School

The financing package included an \$800,000 loan and \$100,000 grant from RSF Social Finance, a lender that uses capital from high-net-worth individuals and foundations to generate social and environmental benefits.

RFS lending director Ted Levinson called the experienced board Common Market's "secret sauce."

GROWTH AND PLANS

Growth

Buoyed by 60 percent increase in sales since 2011, Common Market looks north to New York City and south to Baltimore for more customers and bigger orders over a broader geographic territory.

Key Development

A new frozen spinach pilot is the first foray into local, source-identified frozen produce. Institutional customers, primarily hospitals, are driving demand for lightly processed fruits and vegetables, which offers year-round business.

