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features

The local food movement is just a click away

WHITNEY PIPKIN | TUESDAY, MARCH 12, 2013



RELAY FOODS

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For Gretchen Anderson, perhaps the best part about a new food delivery service that's expanded into Baltimore is the ability to trade out her glass milk bottles for fresh, organic [Trickling Springs Creamery](#) milk right at her doorstep in Charles Village. With a 16-month-old girl and full-time jobs, Anderson and her husband like that the milk refills come with a pile of groceries from Charlottesville, Va., online grocer [Relay Foods](#).

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"It was a solution to two needs of mine at the same time," says Anderson, a former New Yorker who finds herself miles from the nearest Whole Foods in Harbor East. Anderson says she also likes that she doesn't have to lug the bottles to a farmers' market for an exchange.

Online grocery Relay Foods expanded last year into Baltimore, Washington, D.C., and Philadelphia with its acquisition of the delivery service Arganica Farm Club, which already had a growing fan base in the cities. The merger was made public in September and, after raising \$8 million from investors last year, Relay Foods is primed to expand its market share.

"We are capitalizing on a couple of trends: the local food trend and that people are becoming more comfortable with buying food online," says Caesar Layton, Relay's senior vice president of marketing and sales who was hired in July to help Arganica

transition to Relay Foods.

Relay Foods launched three years ago alongside a new wave of online grocers who see food purchases as "the last frontier of e-commerce," Layton says. Hometown Harvest, Friends & Farms, Baltimore's Green Grocer and Relay are capitalizing on consumers' desire to buy fresh, local food in Baltimore. It's a city in which many residents live in a food desert, where access to nutritious food is limited. It's been more than a decade since Webvan's spectacular flop. Among the earliest dot-com companies, the national online grocer laid off 2,000 and filed bankruptcy in 2001 after having raised more than \$400 million.

"That killed online grocery for a while," Layton says.

These online grocers have learned a few lessons. Since history has shown it's a good idea to add a premium for door-to-door delivery, Relay tacks on \$20 a month for that. Otherwise, these new grocers typically deliver to select locations or on certain days, thereby minimizing delivery time, money spent on fuel and their carbon footprint.

[Baltimore's Green Grocer](#), which serves Maryland, Virginia, Washington, D.C., and Delaware, offers vegetables a la carte as well as a pre-selected produce box, whose selection changes weekly. Three-year-old [Hometown Harvest](#) delivers to Maryland (including Baltimore City), Washington, D.C., and Virginia, sourcing produce from more than a dozen Maryland farms. While it focuses now on fruits and veggies, it will add eggs, poultry, meat and cheese in May, Co-founder Tony Brusco says.

Phillip Gottwals and Tim Hosking launched [Friends & Farms](#) last year, [offering fresh dairy, eggs, produce and meat](#). It offers the food for pickup at locations in Howard, Baltimore and Anne Arundel Counties and launched a vegetarian-only basket March 10. It will begin serving Baltimore City by April and most likely deliver on Saturdays, Director of Marketing Regina McCarthy says.

Relay's niche falls somewhere between the Giants and the Green Grocers of the market, as it sells conventional grocery store products alongside a smattering of

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locally grown and created offerings available for pick-up or delivery. If it makes all the right moves, Relay is poised to capitalize on a growing market. Research firm IBISWorld estimates that while online sales account for just 2 percent of packaged food purchases in the U.S., online grocery sales will grow by nearly 10 percent each of the next five years to more than \$9 billion.

While Relay, Baltimore's Green Grocer and the others must compete against the Giant and Safeway, they may benefit from a slightly greener image than the supermarket chains.

Relay sells Baltimore's [Zeke's Coffee](#) and Gwynn Oak's [Vanns Spices](#) and relies on farms from neighboring Virginia and Pennsylvania to get convenience shoppers to hop on the buy-local train. Its website features bios and photos of local producers that draw customers in until, suddenly, their carts are full of items they didn't know they needed. Locally laid quail eggs anyone?

Though not everyone comes to Relay Foods to access local products, encouraging local food purchases is part of Relay's mission. As a newly minted [B Corporation](#), which certifies that the company exists to not only make money but also to benefit the public in some way, Relay is a quasi-nonprofit.

While it makes the conventional products available, Relay's website also suggests to customers the local or organic alternatives, subtly guiding customers toward more sustainable purchases. It's like the Genius Bar on iTunes, which suggests songs you might like.

"We try to ease people into eating local without bashing them over the head," Layton says.

But Relay costs more than your average grocery store. Layton likened Relay's prices to that of Whole Foods for similar products, but says the costs are "competitive" with other stores on conventional items like milk or bananas. Convenience items like ready-to-cook meals curated by local chefs cost about \$45 and feed a family of four.

But even the online grocer's promise of local, fresh foods may not be enough to make people change their long nurtured food-buying habits.

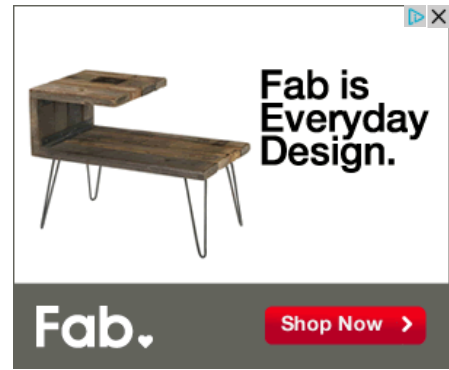
"One of the major obstacles to online grocery is quite simply that customers are happy with how they get their groceries now," Mirko Warschun of research firm A.T. Kearney wrote in a paper about the industry.

But so far, there's at least one Relay convert in Baltimore who couldn't be happier since she switched to Relay four months ago. Anderson says that while she still treks to the Waverly Farmers Market on Saturday, she says Relay's expansion is "great news for Baltimore. It's allowed me to eat really locally."

Whitney Pipkin is a Virginia freelance journalist who covers food, agriculture, and the environment/. She writes about food at thinkabouteat.com.

All photographs courtesy of Relay Foods.

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