



Harvesters' Handling Fee FAQ January 2017

What is the handling fee?

As partner agencies of Harvesters—The Community Food Network, agencies agree to share in the cost of collecting, storing, and distributing the food Harvesters provides. Agencies do this by paying a handling fee. Currently, Harvesters' agencies pay a maximum handling fee of \$0.13 per pound.

During 2016, Harvesters' agencies acquired nearly 50 million pounds of food and household goods from Harvesters. The value of that food was 79 million for which the agencies' share was about 2.4 million.

What is changing?

Effective April 3, 2017, Harvesters' handling fee on nonperishable foods and personal care items will increase from \$0.13 per pound to \$0.16 per pound.

What is NOT changing?

As in the past, no handling fee will be charged on highly perishable products like dairy, bakery and fresh produce due to the short life span of these items and the need for quick distribution. When these items with no fee are included, agencies will continue to pay, on average, a fee of \$0.02 a pound to acquire food from Harvesters.

Why is Harvesters making this change?

In 2008, the handling fee was \$.16 per pound. When the recession began pushing up the need for food in 2009, Harvesters reduced its handling fee to \$0.10 a pound to help agencies address the increased need. As costs continue to rise to acquire, store and distribute food safely and efficiently, Harvesters has gradually increased that fee (.03 increase in 2013 and .03 increase now in 2017) back to the 2008 level.

How does a small increase in the handling fee benefit Harvesters' agencies?

Sharing slightly more of the costs of handling the food we distribute will help Harvesters continue to acquire food, provide efficient transportation and operate two large warehouses. Harvesters' warehouses have a superior rating from AIB International, an organization that works with the food industry to ensure the safety of the food chain.

- Charging a small handling fee also places a value on the donated food and helps minimize waste and encourages equity.
- Harvesters will continue to offer agencies co-op product. These are high demand items that are not donated in sufficient quantities to meet agency needs. Harvesters leverages its purchasing power, on behalf of our agencies, to acquire these products at reasonable rates, provides the convenience of picking up the food at Harvesters and shares the savings with our agencies.

- Harvesters has raised and invested separate dollars (through a capital campaign) to expand its freezer/cooler. This addition, much needed to increase distribution of fresh produce, does not have any connection to the handling fee. Handling fee funds help support the operating costs of acquiring, storing and distributing food for the network.

Is it still a good deal for nonprofit agencies to be a member of Harvesters' network?

Harvesters provides approximately 66 percent of the food distributed by its partner agencies. Most agencies do not have the capacity to safely transport, handle or store large quantities of food.

Harvesters also gives agencies access to additional sources of food, including large national food donations distributed by Feeding America and food distributed through USDA commodities programs.

Serving as an acquisition, storage and distribution site for our network frees agencies to do what they do best—providing much needed food directly to hungry children, families and seniors.