

Katie Baldwin: 0:03

And that's how we started to think about what products we would carry and why. What complements what we were growing? What builds the basket? What do people need? And I think you know, in the context of being vertically integrated and having an on-site retail market, there are you know it's a very narrow percentage of vegetables that are retail ready. They have to be nearly perfect in appearance, no nicks or dings or scratches, or, you know, they really have to look exceptional for retail. And a way that we decided to expand our product offerings beyond raw fruits and vegetables is to create a kitchen within the retail market to start to process vegetables into value-added prepared foods. And I think that evolution is important to point out for us because, while we were retailing raw fruits and vegetables, the customer demand trend that came, especially in the last several years, is that people's desire for prepared foods, prepared salads, prepared vegetable dishes in a retail context is something that we now lean really heavily on.

Brian Sheehan: 1:18

Welcome to Retail Intel, the podcast where we dive deep into the dynamic world of commercial real estate. I'm your host, Brian Sheehan, and I'm thrilled to be your guide on this journey through the bustling streets of retail, the aisles of shopping centers and the world of commercial property investment. Today I'm excited to welcome the co-founders of Amber Waves Farm, Katie Baldwin and Amanda Marrow, to the show. Waves Farm, Katie Baldwin and Amanda Marrow to the show. Amber Waves is a growing, non-profit teaching farm market and farm shop that unites food and community to provide educational opportunities in agriculture for aspiring growers, thoughtful cooks and eaters of all ages. From humble beginnings to becoming a cornerstone of multiple communities, their journey is truly inspiring. I'm eager to learn more about their story and the incredible impact of Amber Waves Farm. Yeah, well, let's jump right into it. I'd love to start with your background. So can you tell us more about kind of your career journeys and then what ultimately led you to start Amber Waves?

Katie Baldwin: 2:26

Amanda, you go first.

Amanda Marrow: 2:28

Okay, well, I you know I was fortunate to find agriculture really just after undergrad, right after I finished college. I graduated in 2007 from Hamilton College with a degree in economics and environmental studies and thought that I wanted to do something in the world of economic development, microfinance, women's empowerment, something in the developing world, you know, to help people. And this thing happens when you're a

new graduate, where you can't get a job without experience and you can't get experience without a job. You're in this kind of tricky, tight spot. And so I was looking around for something to do to get myself some experience, so that I'd be qualified for something else, essentially.

Amanda Merrow: 3:07

And someone recommended to me that I check out Quail Hill Farm, which is where Katie and I met in Amagansett, about 500 yards from where Amber Waves is now, and I went and interviewed with Scott Chaskey, who then became our mentor, and decided to do a season-long farming apprenticeship to kind of learn the ins and outs of agriculture, thinking that I would take that experience to do something else. But then, in fact, what happened that season is that I completely fell in love with the work. I just was like kind of swept off my feet by it, and by July of that year Katie and I were really scheming of how it was that we could continue to farm together and to farm in Amagansett, you know, on the east end of Long Island, and I really never looked back after that. So I certainly didn't set out to be a farmer, I you know I wanted to make the world a better place.

Amanda Merrow: 4:00

I wasn't quite sure how and I just I feel so fortunate that I kind of stumbled into it accidentally as a 22 year old.

Brian Sheehan: 4:07

Katie, anything you want to add to that background?

Katie Baldwin: 4:10

Yeah, my journey is a little bit different about how I arrived at Quail Hill. I graduated from the University of Southern California with a degree in international relations and I had an interest in taking a career on the path of working in diplomacy, foreign service, non-governmental organizations, and so I took a job experience in the real world of how is policy made. Being in a think tank environment post-graduation gave me the opportunity to have exposure to other fields, including public health, and I had not gained any experience with that arena in my studies. But I started to make the connections and my own personal interest in public health what that means on the international level, what it means on the local level, and how does food play into it? I had a particular interest in food, and so a friend recommended that I just scratch that itch and go start talking to farmers at the Union Square Farmers Market.

Katie Baldwin: 5:26

And what I started to uncover? There was these hardworking folks who'd been up since 2 am, who had loaded up their trucks and traveled up to sometimes nearly four or five hours to sell their wares under a tent to millions of people in four hours time, and they did it with an upbeat smile and passion that I could not believe they were taking time to talk with me about their favorite tomato and how they grew their garlic, and it was something that really stuck with me, because talk about excellent salespeople they do not want to go home with that food, they want to tell you the story of how they grew it and they want to tell you how good it tastes and they want you to buy it. And they do it convincingly and lovingly. And so I think what captured me at that time was I am interested in food. I don't know a lot about where our food comes from. These people love what they do. These farmers love what they do. It's hard. These people love what they do. These farmers love what they do. It's hard, but it's fun and it's good work.

Katie Baldwin: 6:29

And so then I started to explore how does one become a farmer? I'm not a farmer, I was not on this path. So you can go back to school, you can go to graduate school and sit in the classroom and understand it kind of from the academic soil science perspective, or you can literally get your hands dirty in. What I discovered is an apprenticeship program model where you work at a farm for a year, which is ultimately what I ended up choosing to do to test it out to see. You know. Well, if I'm going to be in food policy, I better understand what it's like to start growing food from seed. What is even the process and how does it work on the very micro level? And so I took an apprenticeship at Quail Hill Farm and met Amanda there.

Brian Sheehan: 7:14

It's fascinating that neither of you really set out to become farmers per se and ended up having this shared experience. And then what was it at Quail Hill that made you think you know we should go start our own thing? Was that part of the program? I mean, they were really training you to go out and do this on your own.

Amanda Merrow: 7:34

Well, I think that you know, starting in the middle of that season, we were thinking, well, how can we just keep farming by any means necessary? And there wasn't necessarily like a forward career path available at that time for us at Quail Hill, for us to stay for a second season. And in looking around at the other farms on the east end, it didn't really feel like they had jobs for people like us who were inexperienced, and we started just kind of fantasizing about the type of farm we could have if it was our own farm. So we were thinking about, you know, a fabric farm or a pizza farm or you know some experiential, fantastical place, because when you're, you know, when you're working side

by side in a farm field, your hands are busy but your mind is not. And so there's really there's kind of no better place to make a real connection with your colleagues and coworkers, which is how Katie and I became so close that season. And so we started really kind of scheming about this. And so we started really kind of scheming about this, and when we were talking about kind of daydreaming about the sort of farm that we would have, we were talking and reflecting on the diversity of the East End food shed.

Amanda Merrow: 8:34

So where we are here at the East, on the eastern end of Long Island, has a tremendously rich heritage of agriculture here, and so it's fruits and vegetables and, of course, seafood and meat and eggs and dairy. And no one, when we were going kind of through the you know, the food pyramid, we were realizing, huh, no one really is growing grains or certainly not organic grains for culinary consumption. People are growing cover crop grains, and so that really kind of piqued our interest and we were very friendly at the time with a baker who'd had a sourdough starter that he started in Amagansett in the 1950s, that was still alive, and we learned a lot from him and kind of his. You know, we kind of hooked on this concept of wheat and grains and thought, oh, that might be kind of the hook, that might be the niche for us if we're going to start our own farm, something that might differentiate ourselves from our neighbors but also help to shore up and strengthen the East End's food shed, you know, in terms of diversifying the products that are grown here.

Amanda Merrow: 9:36

So we went about, we started thinking really seriously about starting Amber Waves and then, of course, in 2008 was the financial crisis and so, as wild as it kind of seemed to start our own farm with one year of experience, our friends who'd taken more traditional career paths were kind of losing their jobs left and right and it just seemed like actually spending your career growing food for yourself and others didn't actually seem and, given the context of the time, didn't actually seem as risky as it may have in other economic environments, and so we decided to just go for it. So we submitted a business plan in response to a public request for proposals. That went out the year that we were apprentices on a newly preserved piece of farmland and we were awarded a three-year lease on it, and we just picked ourselves up and went around the corner and started Amber Waves in March of 2009.

Brian Sheehan: 10:26

So there's a lot of different pieces to Amber Waves Farm and I'm curious how do you describe to people in a nutshell you know, sort of like your mission and then all the things that you do and provide in the community?

Amanda Merrow: 10:43

It's hard to wrap it up in a few sentences. I usually lead by telling people that we're a teaching farm. So Amber Waves is a 501c3 nonprofit organization, you know, with no owners. Katie and I are the co-founders and co-directors and on our board of directors, but it's really. It's a farm that exists to teach people about food and that takes shape in grower education, so new farmer training through our apprenticeship program, and then eater education, which of course is everybody, because everybody eats. But we really what we specialize in? Young children, but we have programs and experiences for people of all ages. So if when I'm when I'm trying to wrap Amber waves up into a couple sentences, you know we're a teaching farm a mile from the ocean on Eastern long Island on 35 acres with a roadside market and kitchen and robust kids programming it's kind of the way to say it which I think takes people a minute to digest. But that's, that's who we are and what we do.

Brian Sheehan: 11:36

And a farm shop as well, right.

Amanda Merrow: 11:39

Yes, yeah, a roadside, yeah, a roadside farm market.

Brian Sheehan: 11:41

Yeah, okay.

Amanda Merrow: 11:43

Yeah, the you know retail Right.

Brian Sheehan: 11:53

Well, and that's the emphasis on retail intel, and I think I probably first heard about Amber Waves oh maybe a year ago and was really interested in kind of the story behind some of the products that sort of became kind of like viral basically and really took off and helped tell the story about Amber Waves to the rest of the world. I wonder if you wouldn't mind talking about that for a second. Let's start with, I guess, how does the retail component of your business support the mission behind it? How integral is it to your business, maybe from a shared revenue perspective? Does the farm work without the market? Vice versa, a big part of our tenant mix. We call them neighbors but like our

neighbor mix, you know, we always have a grocery store and then we have other retail stores and service providers alongside of those. You guys are unique, it would be in our world is that the farm's there with the market plus some other retail that goes along with it? Right, like, how does that all fit together?

Katie Baldwin: 12:53

Well, we are unique in that we are a vertically integrated organization. So that we start seeding plants, we start I'll use salad as an example so we start seeding lettuce on the property in a greenhouse, the farmers grow it and wash it and walk it to the kitchen, which is also on site, where they begin to process it, make dressings for retail and to dress the salad. And then the salad can go out through the door, either in a packaged to-go container through a retail market or be ordered off of a menu through a cafe or restaurant style embedded in the retail. So I would describe it. So I think the vertical integration part, the retail being the last touch point. But we have been creating the product on site for months already.

Katie Baldwin: 13:45

So the integration of the retail came later. We were farmers first. Our version of retail early on was going to farmers markets off site and in a weekly context and selling our wares. And we had the opportunity to start a retail market on the farm seven years later, after we had already started. Later after we had already started, and it felt like a moment in time where we didn't have retail experience outside of a weekly farmer's market but the opportunity to increase our revenue through retail sales seemed like it happened at the right time in our growth arc. We needed it to continue. We needed the retail revenue to continue to grow the organization. Amanda, do you want to add to that concept of vertical integration retail on site?

Amanda Merrow: 14:41

Yeah, our market now is kind of a huge bustling year round brick and mortar institution. But for the first seven years that we farmed, Katie and I went to the farmer's market and, you know, became those people that Katie was talking about at Union Square. I mean, we weren't going to Union Square, we were going to the town green in Montauk once a week and, you know, selling produce to people in their bathing suits right off the beach. But Katie and I have always really loved commerce. We love displays, we love marketing, you know we love signage, we love a display box, we love displays, we love marketing. We, you know we love signage, we love we just we we love a display box, we love a false bottom, we love cascading, you know, kale and tomatoes out of baskets, and so we

always really were drawn to that and that was kind of it was such a fun day for us off the farm on Thursdays for the.

Amanda Merrow: 15:25

You know, for the first seven years that we farmed together and I think the thing that we really like, kind of the hook that we got in those early years, was getting immediate customer feedback about what people wanted and what the new food trends were, which would kind of inform us of how we might build our displays but also how we'd build our crop list in the following year, like I remember kind of you know that when shishito peppers started to become a thing and Japanese eggplant started started to become a thing and people would start asking more about this and we'd kind of feel a trend coming and that was so fun.

Amanda Merrow: 15:56

So by the time that we were able to open our market on site, when we had the opportunity to buy our farmland and there was a brick and mortar market on the farmland which had previously been separated and isolated from the farm, but under Amber Wave's ownership the two have been linked back together we had this kind of like desire and drive to sell things, but not at the scale that we're doing now. It's much more, you know, much more extreme than our 10 by 20 once a week tent.

Brian Sheehan: 16:26

There's so many interesting pieces to that and I didn't think about, kind of like the lead time in your product selection curation process that you know a customer asks for a particular type of produce, you go out and find the seeds, you plant those, you see if they grow well Next year, next year you can offer it, you know, and there's similar lead times and kind of every product that any merchant is going to sell, right, I guess. When we back up a second, though, so you know to your point, everybody is a food consumer, nearly everybody buys groceries or produce at some point, right, and there's something really unique about your model and so far as you get to buy it right where it's produced, where it's grown, and it's very experiential and I'm curious that's such a big part of the retail environment today. How important was that for you, transitioning from the farmers markets to having your own kind of quote, unquote brick and mortar store? Did you think about it being a very experiential type of retail experience?

Amanda Merrow: 17:38

Well, in the years that when we were going to the weekly farmer's market, we also had weekly CSA pickups at our farm, so we kind of already had like these two separate customers. We had people coming to the farm every week to pick up their community

supported agriculture shares, you know, so they bought in at the beginning of the season. You sign up for a weekly box of vegetables. We also offered pick your own flowers as included in your membership alongside that. So Katie and I were used to hosting people on the farm for an experiential day with us already and we loved that too. And so really kind of bringing retail on site really kind of merged those two, the two things that we were already doing.

Brian Sheehan: 18:17

Gotcha, what led to kind of the actual what was the idea behind transitioning into a physical storefront that you owned or controlled, you know, right next to the site, and how did you navigate it? So you're leasing farm land, correct, and then want to co-locate a store on site, can you talk a little bit about that process?

Katie Baldwin: 18:41

The idea of having a retail location on farm for us became something that we saw ourselves being able to grow into it. The market itself, the building itself, already existed on the property, but there was another grocery operator in the space. So we had the opportunity to envision we're vegetable farmers and we can supply all the fruits and vegetables to that market. We can do that, but it was a different transition than to take on about a 3,000 square foot retail building that had traditionally been a seasonal market to service our customers from the months of really like May to September, super highly seasonal. What would it be like to expand the Amber Waves experience so that when they're picking up their vegetables through the community supported agriculture subscription retail model essentially to go next door, to create a retail experience that could complement what we were growing. So we started to think about, as retailers, the fruits and vegetables, the plants that we were growing are the center, the heart of the market. It's almost the inverse of a traditional grocery retail experience where you find the center of the market is dry packaged or frozen goods. We were the opposite. We had heavy emphasis on fresh. It was our whole world. It's all we knew. We spent time growing food that was going to expire or start decomposing in 72 hours. So we were really good at inventory turns of fresh produce that we were growing and we wanted to keep that ethos and keep that at the core center of our market. But what we discovered is that we had the opportunity to build out our customer's basket to say they were committed to finding highly seasonal, nutrient-dense vegetables from us, but that they also wanted a dressing for their salad and they also wanted balsamic and olive oil to top dress their tomatoes and they also wanted a nice sea salt. So essentially for the home cook, we built a really nice market with the vegetables being at the core, but for home

cooks who wanted to round out a meal. And that's how we started to think about what products we would carry and why what complements what we were growing.

Katie Baldwin: 21:10

To think about what products we would carry and why what complements what we were growing, what builds the basket? What do people need? And I think you know, in the context of being vertically integrated and having an on-site retail market, there are you know it's a very narrow percentage of vegetables that are retail ready. They have to be nearly perfect in appearance that are retail ready. They have to be nearly perfect in appearance no nicks or dings or scratches, or, you know, they really have to look exceptional for retail.

Katie Baldwin: 21:38

And a way that we decided to expand our product offerings beyond raw fruits and vegetables is to create a kitchen within the retail market to start to process vegetables into value-added prepared foods. And I think that evolution is important to point out for us because while we were retailing raw fruits and vegetables, the customer demand trend that came, especially in the last several years, is that people's desire for prepared foods, prepared salads, prepared vegetable dishes in a retail context is something that we now lean really heavily on in terms of production, with a kitchen that's associated with the retail market and also is a major revenue driver for the retail market.

Brian Sheehan: 22:28

Yeah, we see that in our portfolio certainly doesn't seem to be kind of going away and you felt really well positioned to be able to develop those products because you had the ingredients and it wasn't a stretch to build out a kitchen inside the 3,000 square foot space.

Amanda Merrow: 22:47

There had been a kitchen which had been abandoned in the kind of in the few years before we took over the market. So there was a space for it. But we put in ovens and a range and, you know, entering the retail was, like you know, a hugely steep learning curve. And then opening a kitchen a year later was another huge, just bite of the apple for us of how to figure out how to make that work as well.

Katie Baldwin: 23:14

I think to circle back, since we're an educational institution. We did know and we had experienced that one of the best ways to educate eaters is I'll use wheat, the Amber Waves namesake we started growing grains. One of the best ways to educate an eater

about the story of a grain is while they're having a whole wheat blueberry muffin. I mean it really cements the food story such that Amanda can describe how complex it was to seed the grain in October and the nine months of care it took to grow the whole wheat and that we milled it into whole wheat flour.

Katie Baldwin: 23:53

And what is whole wheat flour? It's in your muffin right now that we baked five minutes ago. So this living, breathing retail experience that is full sensory in the market is complemented with the farmer telling you here's how I did that, here's how I made that for you. The farmer telling you here's how I did that, here's how I made that for you. And I think what we've discovered is there's just a different level of appreciation for food that our customers have because they know their farmer and they can ask them questions and they have an appreciation for the whole story arc of the muffin, from seeding it in October to eating it 10 months later and enjoying it. And that sort of food education is the underpinning of the whole organization.

Brian Sheehan: 24:43

That's incredible. It's such a core part of how to be successful in retail today, kind of what you just described, which is having that level of knowledge and passion for the product on the shelf and being able to translate that to your customer in a way that creates a connection. That's kind of unlike what you find a lot of times throughout our economy, right, and I guess I'm so curious about the retail component of the business, not just because it evolved naturally for you it sounds like but it sounds like it's really integral to the success and supporting the farm. And I'm curious if you can talk a little bit about how they support each other sort of not maybe specifically the economics of it, but how do you think about that dynamic and that relationship? Could this model work for any other nonprofit that's in a similar sort of situation, maybe in another geography, any other part of America? Really?

Amanda Merrow: 25:53

be in another geography, any other part of America. Really Well, I think something that's like fun and exciting about small farms and why they're so important in the you know, in the fabric of strengthening regional food systems around the country, is that they're nimble and they can adapt to what their local community kind of demands and calls for in a way that well, just in a way that can be really helpful.

Amanda Merrow: 26:10

So that means opening a store that is suitable for the customers that live there and supporting, you know, food security challenges in their own communities. They're just

nimble and able to adapt kind of immediately. So I think, in terms of you know if would an exact carbon copy of Amber Waves exist in rural Iowa? Perhaps not, but there is a model that would. There is a model, I think, that could be a cousin of ours that would work. So, and in terms of I mean to touch on the vertical integration piece, I think having knowing that we are in control of how things look on the shelf at the end gives us this control over really what our crop list is. So a fun thing that we sell at our market is edible flowers and these little packages that are beautiful to put in a salad or to put on cupcakes, and that we make summer rolls in our kitchen that and you can see them through the rice paper wrappers and they're absolutely beautiful. They have a short shelf life. I mean, like how you would get those from a farm field into a conventional grocery store would really be a challenge, but we're able to do that, and so I think this vertical integration of being the end retailer talking to the end user gives us the opportunity to grow really fun and exciting things that we otherwise wouldn't if they were going on a wholesale truck and certainly most people are, you know, have to buy things that are coming off of a truck. But I think that you know, in going to a local farm market, a local farm stand, you are going to find things that you don't find in other places, and so I think that the fact that we have unique items that are coming out of the field really drives people into the retail space. And then the fact that we are our own middleman helps us take kind of take margin at every single pass where we would otherwise be wholesaling or trekking stuff off site enables us to kind of keep that margin for a stronger revenue profile at the market that ends up.

Amanda Merrow: 27:57

We I mean, as you know, as a non-profit we're reliant on grants and contributions and private funding that we seek off the farm, but we think of ourselves and our retail market as our own biggest donor and we're able to do that because of the market. So that's a really helpful piece to our kind of financial resiliency, I think, particularly now with what's going on nationally, with people who were reliant on federal funding and kind of seeing that funding evaporate and are wondering what the future of their organizations are, we will be able to pivot in the ways that we need, because we're so diversified in terms of the, you know of our top line revenue the mix between children's educational programming, retail sales, sales from our kitchen, nonprofit funding that we're able to kind of mix those in a pot that can shift a little bit from year to year. It gives us some control. That makes us feel a little more comfortable.

Brian Sheehan: 28:50

Well, I think one of the ways I originally became aware of Amber Waves was through your hat and some of your apparel, and I'm curious, kind of to your point about how important that is. Do you think about Amber Waves becoming a brand per se? You know,

in terms of apparel, and that you know that is a way not just to expand your mission but to also grow the brand nationally, internationally, that you know this is a way to help support and diversify your revenue stream further. Is that something you're really leaning into?

Katie Baldwin: 29:26

I think it is. But I think the reason it's working is because it came from such, I mean, much of what we've talked about already. It just started from such an authentic place and the story of the hat just comes from. We're farmers working in the farm field and we need a hat. And I was wearing a different hat that said something else on it and people kept asking us is that the name of your farm? And we're like no, it's not. I guess we should print our farm name on a hat. No, it's not, I guess we should print our farm name on a hat. So I mean, from that context it just became, you know, I mean that old adage, necessity is the mother of invention.

Katie Baldwin: 29:58

We had to wear hats in the field or outside in the sun for 12 hours a day. We were wearing a comfortable, breathable hat that we thought was like tolerably stylish at the time, and what happened was we gave them away to our CSA members for a while and then we were like hmm, like we need to make, we can't be losing money on this, so why don't we like self-serve, like leave a \$10 bill in a little bucket and take your hat? And it was like our 18s. It was people who were joining our club as people who were supporting a local farm and they were proud to do it and it was their way of saying I'm proud of this, I'm proud to be supporting this, about the idea of their place in the food chain, as eaters wanting to support local farmers, that they will wear a brand that says the farm name on it, and that became a thing in Amagansett. It was almost like I'm not going to wear a Nike hat, I'm going to wear an Amber Waves farm hat. And so the growth of that.

Katie Baldwin: 31:10

Over time I think it became like hey, do you know Katie and Amanda and they started Amber Waves and I'm going to wear their hat to support them and help get their mission and message out there.

Katie Baldwin: 31:19

That was the origin story of it, but I think what it has become for us is still very much that. I mean we still think of it as a way to communicate why it's important to support your local farmer, and if you're going to wear an Amber Waves hat instead of any other brand, then good, please, be our Amber Basseter and wear it and tell the story of why it's

important to support your local farmer. So I think Amanda and I, for a long time we were reluctant to even say oh, we're a brand. We are, we have created a brand, but we've done it over time in a way that kind of much like our personalities, is just authentic and meaningful in that it is an avenue to tell, is an avenue for education. Really, if people say what is Amber Waves Farm, then it's the hat, is a prompt to be able to share our work.

Brian Sheehan: 32:12

It's so important. You really can't fabricate that kind of authenticity, and the authenticity is what helps make the brand itself successful and grow and something that people want to be a part of over time. And then thinking about going forward, how do we want to expand that, our reach? Thinking about the future, I guess what are your growth goals over the next five years? What's in store for Amber Waves Farm? Do you envision having, you know, more physical retail locations as part of that? How are you going to continue to grow this?

Amanda Merrow: 32:45

We opened a second location a couple years ago in East Hampton Village, so just about five miles from the home base of the farm, and that's been really fun. It's fun to be in a second spot. I think that the expansion that Katie and I are really thinking about in the next five years is actually on-property expansion. We farm 35 acres 10 of those we own and the 10 that we own is largely open to the public. That's a huge part of what Amber Waves is From the beginning.

Amanda Merrow: 33:09

One of the reasons Katie and I started as a nonprofit is that we wanted to build something that was bigger than the two of us combined and that would outlive us, and so we have created a food campus that needs some infrastructure. That needs some year-round infrastructure so that people can use our campus year-round. You know our gates are open every day of the year, but in the you know inclement weather of February it's hard to get people excited about being on the farm, and so I think signage and wayfinding and paths and a barn and some indoor growing space and is kind of where we're. We're looking for the next several years to kind of shore up the facilities on on site.

Brian Sheehan: 33:44

Thinking about somebody that's in a similar situation, and I think there's a good part of our audience is a you know, maybe first time retail entrepreneur. Maybe they have one locations or multiple locations. How do you think about growth and expansion, specifically with your retail footprint? What was it that drove you to want to open the

location in East Hampton, and what are some metrics that you use to judge how well that store performs? Because your model's a little bit unique, but in some ways, it's also physical retail that needs to perform well, and so how do you think about that?

Amanda Merrow: 34:28

Yeah and well, and I'll just mention that. You know and sometimes in being a nonprofit organization there's kind of a little bit of a misnomer there that we in fact we must have a net surplus. You know we must have a bottom line at the end of the year. The distinction is that any net surplus that the farm makes in a given year is it doesn't, it's not paid out to, you know, to shareholders or partners. It stays within the organization and goes back in to fund programs and capital projects et cetera. So we are certainly using the retail to pay for the programs and doing our very best to come out on top every year. So I'll just mention that. So I think within the confines of the retail operation we kind of function like conventional retail does. We're paying close attention to our margins by department.

Amanda Merrow: 35:13

I think that the advice that probably Katie and I would give in something we've gotten considerably better at in the last five or six years is keeping track of our data and looking for patterns and looking how things grow and understanding kind of growth trajectory and where it feels like there's opportunity for growth and where our costs are both opportunity costs in terms of our time and, you know, bandwidth and then also really how much cost is allocated to producing a certain product or like doing something a certain way, and I think it's. You know the numbers. The numbers really will set you free. They're scary at first, but I mean, I think that we we started introducing these concepts after learning them in in kind of what we call like business night school of, of running a retail operation, of saying, you know, if you're doing an analysis on how much it costs or how much you're making given a given in a given crop, and you realize you're losing money growing something, and you have to ask yourself, like, gosh, it costs me \$2,500 a year to grow green beans for not making any money on them at all. Does it make sense for us to still grow that thing? And I think, applying that rigor across the board, not getting too emotionally attached to anything that we do, so that we can kind of identify or at the very least identify winners and maybe things that are sinking us but that the public loves, and at least with that knowledge comes the freedom of saying gosh, this is really a breakeven product, but the public loves it and everyone who comes in to buy fill in the blank item also buys this other item which is really important for us, and so we're going to keep it.

Amanda Merrow: 36:50

So I think we're paying close attention to growth overall, like top line growth and then growth within the departments or movement within the departments, what our margin is by department, what our gross margin is in our store, what our labor to revenue ratio is.

Amanda Merrow: 37:06

Those are like our key KPIs that we're paying attention to on a monthly basis and we're really open with sharing those numbers with our senior leadership staff so people know exactly where they are in terms of their spend, the margin of the department that they are responsible for, their labor to revenue ratio.

Amanda Merrow: 37:24

It makes them think much differently about the schedule.

Amanda Merrow: 37:28

You know, Katie and I don't make the schedule, but you know you can really you can lose your shirt in a month if we're slow in a month and we and we haven't staffed appropriately or we may have, you know, we may have come out clean and instead, whoops, we were overstaffed the whole month and any, any surplus that we would have made is lost. And I think, particularly in our environment we're so hyper seasonal where we have to do 75% of our revenue in 25% of the year a lot of pressure to perform well in the high season summer months and then to kind of trim our losses as much as we can in the shoulder seasons and in the off season, but while also still wanting to be a consistent employer of our people. Our team is big and they're really loyal and they're really excellent. So that was a lot of things that we're paying attention to, but that's kind of like what a standard outline of a weekly management meeting that Katie and I'll have touches on each of those pieces that I just mentioned.

Katie Baldwin: 38:21

Brian, to hit on your point of the second location, we held back and we watched some of our other local small business colleagues do it first and we had realized that there were three businesses that were either core similarities or just slightly different than ours. That began to open a second and third and even fourth location and we started to understand that we were going through a tremendous amount of effort to grow and make our products and then to add another outlet to sell them, albeit only four miles away. It's an entirely different customer base. It gives us an entirely different marketing opportunity for all of our educational programming to reach those folks and we had already gone through the effort of making the product. We thought getting that extra bump in revenue was important. The note on that because we're such a highly seasonal place, like Amanda said, we're usually going to have a very short time to do most of our

revenue. The second location is, we've determined is important. In being such a highly seasonal business, it helps us get to our goals.

Brian Sheehan: 39:45

Maybe the last question. I know we're kind of running out of time here, but thinking about how the first you know, the farm field, market, kitchen location really is truly a destination in every sense of the word. Your second location do you feel it functions as the same People view it as a destination? Really, it's competing with a lot of other retailers in a way that doesn't have the same draw as the farm does, and I wonder how you think about that.

Amanda Merrow: 40:16

Yeah, definitely doesn't have the same draw that the farm does. I mean Amber Waves, like the farm that we steward, that farmland is just pure magic. Just the first time that Katie and I set foot on it we just we fell in love with it. And it's hard to recreate that magic, I think, think in any other location, because it's just, you know, amber, the Amber Waves, the original place is just, it's our baby, we love it.

Amanda Merrow: 40:38

But I think that now that we're two years into, or coming into our third season of our East Hampton store, it's starting to kind of have its own identity. It's a really special thing to kind of walk quietly in that store and we don't necessarily know all the customers there and to see, you know, our team that's in that store have their own regulars that Katie and I don't even know and that's such a special. It's been really special to kind of watch that evolve and I think is another example of you know, in wanting to start the start something that was bigger than ourselves. That's kind of being in East Hampton kind of helps us be able to do that. There's also a really nice kinship and camaraderie of the year-round businesses that exist in East Hampton. That's really fun to just be part of like a genuinely, you know, kind and nice other group of business owners and operators who are loyal to the East End community.

Amanda Merrow: 41:25

So it's taken us a few years to kind of figure out how the stores can be the same and how they can be different, and just kind of letting them be different and have their own vibe. You know, people who are shopping in East Hampton Village are looking for a slightly different thing than people who are just off the beach in Amagansett who are coming to run around in the yard with their kids. So there's some overlap but it's actually it's nice to kind of have that Venn diagram of grabbing both groups of people Overlap,

but it's actually it's nice to kind of have that Venn diagram of grabbing both groups of people.

Brian Sheehan: 41:52

Well, it's impressive that you've been able to I mean, so much of what you're doing and have done is so impressive, and the fact that you've been able to figure out a retail strategy that complements and has now, you know, been able to expand and grow the reach of the brand is just really amazing. So I want to thank you for taking the time with me and with us today, and we'll certainly be on the lookout for potentially future Amber Waves store locations and other neighborhoods.

Amanda Merrow: 42:24

I think, yeah, keep your eye out. Well, that's great, and yeah, and we encourage, you know, anyone who's listening, who has the, you know, the opportunity to get to the East End to come see us. We're open year round and you know something that Katie and I have said since the beginning about Amber Waves and about what our you know, our life's work is that this is supposed to be fun, and it truly that is what's driven us for the last 17 years is this is so fun for us?

Katie Baldwin: 42:56

And also that retail is detail. Brian, we really appreciate you helping us share our mission and message and story and it is one that is unique to us, but I think that there are many applicable lessons and stories within the Amber Waves arc that hopefully there are some nugget takeaways for your audience that can be inspiring. If somebody is thinking about, in an entrepreneurial sense, taking something on and opening their doors in a retail shop capacity, we say do it.

Brian Sheehan: 43:24

I'd love it.

Katie Baldwin: 43:25

Don't wait.

Brian Sheehan: 43:29

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