

case 1-543-605
May 2, 2019

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Argus Farm Stop: Can a Low-Profit LLC be Scaled to Save the Family Farm?

Sitting in the greenhouse-turned-community gathering space at their West Liberty Street location in Ann Arbor, Michigan, Bill Brinkerhoff and Kathy Sample, founders and co-owners of Argus Farm Stop, were sharing their story with a group of enthralled MBA students. The students were fascinated by how two former corporate executives were leveraging their business education to pilot a completely new model of selling local food. Brinkerhoff and Sample had reimagined how retailers could work with farmers and were successfully putting more money back into the pockets of local producers in their community.

Having recently opened a second Argus Farm Stop location, the owners now faced a decision regarding what to do next in order to advance their mission of sustainable and local food systems while growing their business. Should they continue to scale up Argus Farm Stop in the community? If so, how? What would their model of an “everyday farmers market” look like outside Ann Arbor? Could they fulfill their farmer-supporting mission, be sustainable in business terms, and keep growing?

Overview of Argus Farm Stop

Brinkerhoff and Sample, two University of Michigan Business School graduates, opened Argus Farm Stop in August 2014. Inspired by Local Roots in Wooster, Ohio, and The Wild Ramp in Huntington, West Virginia, Argus Farm Stop was an “everyday farmers market” connecting local farmers with local consumers. Upon realizing that modern retail models were leaving farmers with just 14.8 cents of profit on the dollar,¹ the founders set out to create a new model that prioritized payouts to farmers. With an initial investment of their own \$171,000, Sample and Brinkerhoff leased and repurposed an old automobile servicing station as their new shop.

Commonly referred to as “Argus,” the store featured fruits, dairy, meat, and vegetables, along with other items from producers in southeast Michigan. The Argus model was built around the farmer, removing many barriers they faced at traditional farmers markets. At Argus, farmers could stop by at any time to drop off

Published by WDI Publishing, a division of the William Davidson Institute (WDI) at the University of Michigan.

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