



MARKETING IS AN ESSENTIAL PART IN THE SUCCESS OF A SMALL FARMER GROWING FRUITS AND VEGETABLES.

Although many people who join the farming industry are drawn to the production and growing tasks, the farm will have no sustainable success without marketing.

Marketing is what sets apart some small operations from simply being a hobby.

This marketing publication is intended to be used as a starting point for small fruit and vegetable farmers in Northwest Florida. It will help these individuals identify different steps that need to be taken in order for them to have the opportunity to pursue marketing in new, emerging, or traditional marketing channels.

FARM TO SCHOOL

Florida schools spend millions of dollars on fresh produce for their breakfast and lunch programs every year. Farm to School programs allow these dollars to remain in the state and help strengthen local food systems by providing economic opportunities for local farmers. Farm to School has become an increasingly popular movement throughout the country. Florida's robust vegetable production and extended growing seasons allow for successful local Farm to School programs. Schools on the National School Lunch Program must follow specific nutrition guidelines from the USDA that include providing a variety of fruits and vegetables. These requirements create ample opportunity for local farmers to sell their seasonal produce to schools.

The Florida Legislature has established a collaboration between FLDOE (Florida Department of Education) and FDACS (Florida Department of Agriculture and Consumer Services) to develop policies that support Farm to School efforts. These policies encourage School Food Authorities (SFAs) to purchase fresh, high quality foods grown in the state; farmers to sell their products to schools; and schools to demonstrate a preference for competitively priced organic foods. Schools can purchase food through a variety of ways that include buying directly from a farmer, buying through a farmers' cooperative or farmers market, and buying from wholesale distributors. Farmers interested in selling their products to schools can work directly with this distributor or the SFA can purchase directly from the farmer.

CHECKLIST

Requirements and recommendations for entering the Farm to School Market:

☐

UNDERSTAND SFA PURCHASING PROCESSES

☐

DEVELOP A FOOD SAFETY PLAN

☐

OBTAIN APPROPRIATE INSURANCE

☐

CONSIDER VOLUME AND TYPES OF PRODUCTS

☐

OBTAIN LOCAL BUSINESS LICENSES AND PERMITS

☐

UNDERSTAND PACKAGING AND DELIVERY REQUIREMENTS

SFA PURCHASING PROCESS

According to federal regulation, SFAs can choose to purchase directly from farmers through three possible purchasing processes. The micro-purchase process is for any aggregate purchase of less than \$3000 and allows SFAs to purchase reasonably priced products without soliciting competitive quotes from several vendors. The informal procurement process allows SFAs to purchase products under the small purchase threshold. The federal small purchase threshold is \$150,000, but state and local thresholds are often lower. The SFA must honor the lowest threshold and seek out bids accordingly. The informal procurement process is less rigorous than the formal procurement process, but still requires that the SFA seeks out competitive bids from at least three vendors. The informal process does not require that the bids be publically advertised and allows the SFA more control of the competitive bids that they seek out. The formal procurement process requires a publically advertised solicitation with all of the SFAs requirements written in and allows all vendors to respond. This is a firm-fixed-price contract and no negotiations can be made. The SFA can choose to award this contract to multiple vendors based on line items or to a single vendor. For more information about these processes, please visit: 1.usa.gov/1rRG8kG.

FOOD SAFETY

Foodborne illnesses are a serious issue that require the attention of growers and buyers. Considering the complexity of the food system, there is potential for widespread foodborne illnesses to occur because of contaminated produce. Prevention of contamination is the key to reducing the risk of human pathogens on fresh produce. With this in mind, many SFAs and distributors require growers to implement and follow a food safety program on their farm. Not only do the SFAs and distributors require that a plan be in place, but most require an annual third party audit to determine if the efforts are sufficient for compliance. For more information about food safety on the farm, please visit: bit.ly/1sdCTEY.

There are no federal or state regulations for farmers to sell to school districts; instead, these requirements are decided at the district level by the SFA. Often, the SFA will allow their contracted distributor to make these determinations. Some

SFAs require very little in the way of food safety, while others require third party audits by specific auditing companies.

If you want to know the requirements, contact the SFA directly. Regardless, it is wise for any farmer interested in selling their products to schools to have an established food safety plan. You can find more information about Farm to School food safety requirements on the USDA's website: 1.usa.gov/1TF4NiR.



INSURANCE

Insurance is important for any farm or business. Many SFAs and distributors will require varying amounts of product liability insurance to cover parties who may be injured by the product as well as legal costs and other liabilities. SFAs or their distributors could require product liability policies of \$1,000,000 up to \$5,000,000 or more. Product liability does not cover the cost of recall expenses if the farm product is discovered to be unsafe or if losses are incurred because of other similar products being recalled. A separate insurance policy can be purchased to address losses associated with a recall. Communicate with the SFA or distributor to find the necessary minimum requirements. After the requirements are discovered, consult with an insurance professional on your operations insurance needs.

VOLUME AND TYPES OF PRODUCTS

SFAs usually have their school menus written months in advance. The child nutrition director is in charge of creating these menus and has an understanding of their district's needs and purchasing requirements. The child nutrition director's contact information can usually be found on the school district website. It is important to contact them immediately to get the process started. Volume requirements can vary greatly depending on the type of product and the needs of the SFA.

The farmer should also assess the school's freezer and storage capacity, processing capabilities, and limitations of the kitchen staff. All of these factors will determine the types of products that will best suit the needs of the schools that the farmer hopes to serve. For example, if a school has limited kitchen staff and limited equipment, products that require less processing would better suit the needs of that school. You can find more information on the USDAs Food and Nutrition Service website: 1.usa.gov/1NqCJDr.

PERMITS

SFAs can purchase produce directly from growers as long as all local and federal procurement policies are followed. Farmers should never store and/or process their produce at any time in a private home as this would make them an unapproved food source. Farmers selling produce that has been processed (frozen, heated, dried, mixed, coated, canned, or with ingredients added) must obtain a permit from FDACS. Permits are not required for farmers selling raw, unprocessed produce. The farmer is allowed minimal handling, such as washing and bagging. Those farmers that do not need a permit are still required to follow federal and local laws, including regulations for fertilizer and pesticide applications, water usage, and chemical applications. More information about these regulations can be found on the FDA's website: fda.gov/Food/default.htm.

PACKAGING AND DELIVERY

It is important to establish the packaging and delivery needs of the SFA early in the process. The farmer should establish what the SFA requires for a farmer to become an approved vendor; this approval may include background checks of anyone involved in the delivery of products directly to schools. It should be clearly defined as to how the product should look when it is delivered (i.e. type of packaging, amount of product in each package, whether the product should be washed, trimmed, shelled, etc.). Schools have very specific needs and packaging and delivery should be as efficient as possible. Because SFAs quantify by serving size and farmers quantify their products by weight, the two groups can experience difficulty in communicating these expectations clearly. The procurement calculator can help bridge these two languages and eliminate some of the misunderstanding. A link to the procurement calculator can be found in this publication: edis.ifas.ufl.edu/hs1250.

Schools usually require more frequent deliveries because they do not have the storage capacity for excess product. The mode of delivery is also important to establish early on. Will the farmer need to drop off their product with the distributor at a central location? Does the school district have a central warehouse where the product can be delivered? Will the farmer need to deliver to individual schools? Often, cooperation with other farmers can offset the burden of too many delivery points. Also, payment is not made upon delivery. It usually takes 15-30 days before a farmer will receive payment for their product. It is important that a written contract is established with the school district so that all terms and procedures can be clearly defined.

This is one in a series of marketing checklists intended to be used as a starting point for small fruit and vegetable farmers in Northwest Florida. It will help these individuals identify different steps that need to be taken in order for them to have the opportunity to pursue marketing in new, emerging, or traditional marketing channels.

Author: Blake R. Thaxton, Commercial Horticulture Agent – UF/IFAS Extension Santa Rosa County

References: Wholesale Success: A Farmer's Guide to Selling Postharvest Handling and Packing Produce