



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.

WHOLESALE MARKETS AND DISTRIBUTORS

Wholesale markets are a very traditional and long standing market for growers to take advantage of when selling their produce. Wholesalers tend to be located in produce terminal markets located in large metropolitan cities in the US such as the Atlanta Terminal Market or the Miami Terminal Market. At the produce terminal markets, wholesalers buy in large quantities from farmers and sell to buyers in quantities down to a single case. These markets are trading hubs for large quantity buyers looking to fill shelves at grocery stores, restaurants, brokers, and distributors.

Distributors can be viewed as the next step down the chain of markets in terms of quantity and ease of access for small vegetable growers. These companies typically deliver produce to restaurants, hospitals, schools, etc. Distributors have felt the impact of the local foods movement and have begun to focus on providing their customers with locally grown products. They will purchase produce in large and small quantities depending on the product. There is some opportunity to sell specialty items to these buyers.

CHECKLIST

Requirements and recommendations for entering the Wholesale and/or Distributors Market:

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OBTAIN LOCAL BUSINESS LICENSES AND PERMITS

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OBTAIN APPROPRIATE INSURANCE

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OBTAIN A FOOD SAFETY AUDIT

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COOL PRODUCT IN STORAGE/DELIVERY

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FOLLOW PROPER USDA GRADING GUIDELINES

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OFFER LARGE VOLUME OF PRODUCT

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OFFER CONSISTENT SUPPLY

INSURANCE

Insurance is important for any farm or business. It can protect against accident related losses on the farm or cover the farm products once they leave the farm. Many distributors and wholesalers 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. Distributors and wholesalers 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 distributor or wholesaler to find the minimum requirements necessary to supply to those companies. After the requirements are discovered, consult with an insurance professional on your operations insurance needs.

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 found on fresh produce. With this in mind, many distributors and wholesalers require growers to implement and follow a food safety program on their farm. This includes Good Agricultural Practices (GAPs) for production of the produce and Good Handling Practices (GHPs) for harvest crew sanitation. Not only do the wholesalers and distributors require that a plan be in place, but most require an annual third party audit for GAPs and GHPs to determine if the efforts are sufficient for compliance. For more information about GAPs and GHPs visit this website with various resources: <http://bit.ly/1sdCTEY>.

STORAGE/DELIVERY COOLING

Produce must be cooled, stored, and delivered appropriately to maximize the shelf life. This can be a difficult task for small growers attempting to enter the wholesale distributors market because of the lack of essential equipment such as a refrigerated truck. It is important for these growers to choose lower maintenance crops that have lower respiration rates. Utilizing shade trees and canopy covered trailers, removing field heat without delay, and packing with crushed ice are some simple techniques that can be used to prevent the product from getting to warm. Good records must be kept to monitor the temperature of the product from harvest to delivery.



Distributors deliver produce to various end users, including restaurants.

USDA GRADING

Wholesale and Distributor buyers will require that USDA grading practices be followed. USDA Grade Standards categorize the product as U.S. No. 1, U.S. No. 2, or other grades depending on the commodity standards. To view standards for specific fruits and vegetables, visit the USDA website on Grades and Standards:

ams.usda.gov/grades-standards

Products must be graded, sorted, and packed in accordance to these standards.

VOLUME

The amount of product can be a limiting factor for small growers. Wholesale buyers prefer to purchase in large quantities, such as by the pallet or by the truck load. Distributors will work with less volume, specifically for local growers so they can cater to the local foods movement. If a small grower desires to enter the Wholesale or Distributors markets, communication with the buyer is key to knowing the expectation of the amount they would like to purchase.

Typically, small growers sell low volumes of product for premium prices at specialty markets where value is put on other factors by the customer, such as purchasing directly from the grower. Because of this, specialty market growers generally can be successful on a smaller area of cultivated land. When selling to wholesale buyers and distributors, the farmer can expect to receive less for their goods but will make up for it in the quantity in which they sell. It sometimes requires a different mindset than many small growers have, and this must be heavily considered before entering these types of markets.



SUPPLY

Supply must be consistent throughout the harvesting season when using the wholesale and distribution markets. Small growers who sell directly to consumers have experience with this as they strive to bring the variety of different products to their customers each and every week. In the same manner, a grower selling to larger markets must not only have consistent supply but have it in the larger quantities in order to satisfy the buyer and make a profit on the lower prices. Multiple plantings, continuously bearing crops, and communication on availability are all key in providing the buyer with realistic expectations of the products the farmer will have or currently has in hand.

**FOR MORE INFORMATION REGARDING MARKETING
FRESH VEGETABLES AND FRUIT, CONTACT YOUR LOCAL
UF/IFAS EXTENSION AGENT.**

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.

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References:

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

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UNIVERSITY of FLORIDA

www.ifas.ufl.edu



www.panhandleproducepointers.com