

5.4 Institutional Marketing Relationships and Farm-to-School Programs

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Lecture Outline: Institutional Marketing Relationships and Farm-to-School Programs

(Adapted from Bellows et al., 2003. Bringing Local Food to Local Institutions: A Resource Guide for Farm-to-School and Farm-to-Institution Programs.)

A. Institutional Marketing Opportunities and Farm-to-School Projects Defined

1. Institutional marketing opportunities are contract-based and long-term marketing opportunities created between local farmers and a local school district's food service programs, college dining halls, cafeterias, hospitals, correctional facilities, and other institutions with large-volume food service programs

B. The Need for Institutional Marketing Opportunities and Farm-to-School Projects

1. Review of trends of economic viability of small farms (see Unit 1.0: Small Farm Viability)
2. Small-scale farmers are often unable to sell their produce and processed foods directly to local markets such as grocery stores, schools, hospitals, correctional facilities, and other institutional dining facilities
3. Consumers are increasingly disconnected from the sources of their food, agriculture production practices, and the people who grow their food
4. Foods procured by institutions (schools, hospitals, etc.) are largely from national food service companies where production, processing, and transport have become increasingly industrialized and ownership increasingly consolidated
5. Associated with these trends of industrialization and consolidation are many social and environmental externalized costs of production (see: Units 3.2, 3.3 in Miles and Brown, 2003)
6. The volume of sales generated by the types of institutions listed above in a given community could represent a large contribution to the local agricultural economy

C. Potential Benefits of Farm-to-School or Institutional Marketing Programs

1. Small-scale farmers gain access to new and reliable markets, thereby ensuring income stability and greater economic viability
2. Consumers gain access to fresh foods
3. Consumers or buyers become more closely acquainted with producers
4. Potentially fewer externalized costs associated with food production. This is particularly true where institutions are contracting with growers who maintain certain environmental quality and social justice standards for their operation (e.g., certified organic or equivalent, and living wage and benefits packages for agricultural workers).
5. More food dollars are invested and possibly recirculate in the local economy

D. Program Implementation Steps

1. Steps used will differ from one situation to the next
2. The formation of a food advisory committee. This may include: farmers, food purchasers from the institution, kitchen personnel, and representatives from any coordinating organization. The food advisory committee works to define the following –
 - a. Type of food consumed by school children
 - b. Cooking and storage facilities available at schools
 - c. Food preparation skills of food service personnel
 - d. Access to processing facilities (and cost)
 - e. Amount of produce that schools can use and when

- f. Type and amount of produce that farmers can provide and when
 - g. Processes for food quality and food safety oversight
 - h. Selling prices for produce
 - i. Pick-up and distribution systems that are available and their cost
 - j. Billing and payment systems
 - k. Regulations affecting food handling and marketing practices
3. Define a program coordinator or program coordination responsibilities to facilitate grower/institution dialogue and business management
 4. Hold initial face-to-face meetings between program coordinator and institutions to assess interest and present the institution with the benefits of buying from local farmers
 5. Conduct feasibility study to assess the long-term economic viability of the program (see: The National Farm to School Program "Publications and Case Studies" for sample feasibility studies, www.farmtoschool.org)
 6. Smaller-scale farmers may need to form cooperative agreements with other farmers in the area or work through existing distribution networks (e.g., the U.S. Department of Defense procurement agency) to provide schools and institutions with the necessary volume of farm products on a continuing basis
 7. Identify and coordinate with available funding or coordination structures such as U.S. Department of Defense procurement programs and local processing and distribution facilities
 8. Assist schools or institutions to identify and obtain federal, state, or local exemptions to standard competitive bidding requirements when purchasing from local or minority-owned businesses
 9. Assist producers in increasing the diversity of their products and extending their growing season to provide for the needs of the institutions
 10. Institutional buyers visit the farm or cooperative site to inspect the fields, washing, and cooling facilities to make sure that state and federal standards are being met
 11. Development of contract between institutions and growers (see "Suggestions for Creating Contracts" in Bellows et al., 2003)
 12. Once the farm-institution link is established, some institutions hold an annual training for their food service staff at a participating farm where staff can see, taste, and prepare the produce freshly harvested from the field. This serves to foster support for the program on the part of the food service staff.
 13. Ongoing maintenance and development of the program
 - a. Ensure that the program maintains professionalism, accountability, and strict adherence to food safety and quality standards
 - b. Integrate food production into the curriculum by developing farm visits or other food-system-related activities for school children

E. Constraints of Farm-to-School or Institution Programs

1. Institutional constraints
 - a. Current contract agreements institutions have with food service companies that do not allow the institution to buy from other producers
 - b. The absence of food service kitchen facilities at institutions. This has resulted from much of the foods provided at institutions being both processed and prepared by the national food service companies.
 - c. The resultant lack of knowledge on the part of food service staff regarding how to store and prepare fresh farm products and meet mandated portion requirements

- d. Food preferences of students and other consumers being influenced by fast foods
 - e. Lack of availability of many fresh farm products during certain times of the year
 - f. Lack of efficiency of ordering and payment procedures with farmers compared to contract food service companies
 - g. Institutions having limited funds to purchase food, while local foods often cost more than products available through contract food service companies due to economies of scale
 - h. Institutional access to free or low-cost foods through USDA surplus commodities programs reduces incentive to purchase from local growers, producers
2. Grower constraints
- a. Difficulty in supplying food diversity, quantities, and for periods of time that meet the needs of large institutions. This often results from seasonal production constraints.
 - b. Assuring food quality and food safety standards
 - c. The cost of obtaining adequate liability insurance
 - d. The difficulty of gaining access to affordable processing, packaging, and storage facilities needed to prepare foods for delivery
 - e. The challenge of developing efficient/cost effective distribution systems to supply institutional buyers with products

F. Program Coordination

1. Farm-to-school programs must have efficient buying, selling, and distribution systems
 - a. Food service buyers: Need to be able to order, receive, and pay for produce in an efficient and cost-effective manner
 - b. Farmers: Need a dependable buyer who pays a reasonable price, while not requiring the farmer to absorb excess processing or distribution expenses
2. Institutional marketing distribution approaches – see Table 6. Farm-to-School and Farm-to-Institution Programs, in Bellows et al., 2003 for case studies
 - a. A farmers' cooperative acts as a distributor and broker: Individual farmers belong to a cooperative that collects their produce, then processes and distributes it to schools and/or institutions. *Examples: New North Florida Cooperative of Small Farmers, and University of Wisconsin campus diner service program*
 - b. A nonprofit organization acts as distributor and broker: A community-based nonprofit organization serves as a liaison between growers and institutional buyers. The organization receives food orders from institutions and coordinates with the cooperating farmers to fill and deliver the order. *Example: All-Iowa Meals project with Iowa State University*
 - c. A local wholesaler acts as distributor and broker: A local food wholesaler picks up, processes, and delivers produce to schools and/or institutions. *Example: America Fresh Distribution System*
 - d. Farmers' markets serve as the central location where schools pick up farm products: Schools or institutions purchase produce at a local farmers' market. To ensure that institutional buyers get the type and quantity of produce they desire, orders are placed in advance with specific vendors. A coordinator is required to order, pick up, and deliver produce from the market to the schools. *Example: Santa Monica-Malibu School District and the Occidental College Center for Food and Justice*
 - e. State government acts as the distributor of state commodities and produce: The State Department of Agriculture works with the U.S. Department of Defense produce procurement program to identify and contract with farmers. These agencies coordinate the purchase and distribution of produce for the program. *Example: North Carolina Department of Agriculture and Consumer Services*

- f. The U.S. Department of Defense (DOD) acts as a procurement agency for produce used in school lunch programs: Through its Fresh Produce Program, the DOD purchases food from farmers and then serves as vendor to the schools. The DOD does not deliver produce to schools. *Examples: North Carolina, Florida, Tennessee, Kentucky, and Washington State are working with the U.S. Department of Defense in coordination with the USDA's Small Farms/School Meals Initiative. California and Illinois also have pilot programs underway.*
- g. Food service companies act as intermediaries in farm-to-campus programs: Private food service companies that contract with colleges and universities to procure, process, and deliver food to cafeterias procure some of their meat and produce from local farmers rather than through institutional brokers. *Examples: Aramark at Slippery Rock University in Pennsylvania, Burlington Food Services at Middlebury College in Vermont, Bon Appetit at Evergreen State College in Washington*

G. Funding and Assistance Programs for the Development of Institutional Marketing Programs

(See Table 1. Funding and Assistance Programs, in Bellows et al., 2003)

1. Procurement programs
 - a. Department of Defense (DOD) Fresh Produce Program
 - b. USDA-AMS Commodity Procurement Program
 - c. AMS, Federal-State Marketing Improvement Program
2. United States Department of Agriculture programs
 - a. Cooperative State Research, Education, and Extension Service
 - b. Rural Development
 - c. Rural Cooperative Development Grant (RCDG) Program
 - d. Value-Added Agricultural Product Market Development Grants (VADG)
 - e. Food and Nutrition Service
 - f. Sustainable Agriculture Research and Education (SARE) Program
 - g. American School Food Service Association
 - h. Community Food Projects Competitive Grant Program
3. National non-governmental programs
 - a. Food and Society Initiative of the Kellogg Foundation

F. Farm-to-School and Farm-to-Institution Programs: Case Studies

(See Table 6. Farm-to-School and Farm-to-Institution Programs, in Bellows et al., 2003; The National Farm to School Program "Publications and Case Studies": www.farmtoschool.org/index.htm)

Resources

LITERATURE CITED

Bellows, Barbara, Rex Dufour, and Janet Bachmann. 2003. *Bringing Local Food to Local Institutions: A Resource Guide for Farm-to-School and Farm-to-Institution Programs*. ATTRA Resource Series. *"This publication provides farmers, school administrators, and institutional food-service planners with contact information and descriptions of existing programs that have made connections between local farmers and local school lunchrooms, college dining halls, or cafeterias in other institutions. To help communities initiate similar programs, this publication includes: resource lists of publications on how to initiate and manage local food programs, funding and technical assistance sources, and provisions of the 2002 Farm Bill that support farm-to-school and other community food programs."* –ATTRA. Available free online in html and pdf format: www.attra.org/index.html.

Miles, Albie, and Martha Brown (eds.), 2003. *Teaching Organic Gardening and Farming: Resources for Instructors*. UC Santa Cruz: Center for Agroecology and Sustainable Food Systems. Available online at www.ucsc.edu/casfs.

OTHER PRINT RESOURCES

Farm to School: Institutional Marketing, by Gail Feenstra and Marion Kalb. UC Sustainable Agriculture Research and Education Program and the Community Food Security Coalition, 2004. *Discusses the potential role of institutional buying relationships to support mid-scale agricultural producers across the U.S. Available online at Agriculture in the Middle: www.agofthemiddle.org.*

Farmer Resource Guide: Managing Risk Through Sales to Educational Institutions, which includes Linking Farm with Schools. Community Food Security Coalition and the Center for Food and Justice, 2004. *An extensive compilation of resources that address the many different issues involved in farm-to-institution purchasing projects, including how to approach food service directors, how to organize supply and distribution of the products, characteristics of different institutions, pricing issues, and several case studies of different types of farm-to-institution projects. Available through the Community Food Security Coalition: www.foodsecurity.org/index.html.*

Healthy Farms, Healthy Kids: Evaluating the Barriers and Opportunities for Farm-to-School Programs. Community Food Security Coalition, 2001.

"Explores in-depth the opportunities and barriers related to school food services purchasing food from local farmers. These issues have significance both for small farmers and the local farm economies as well as for school children and the broader school community." – CFSC. Available through the Community Food Security Coalition: www.foodsecurity.org/index.html.

Innovative Marketing Opportunities for Small Farmers: Local Schools as Customers, by Daniel Schofer, Glyen Holmes, Vonda Richardson, and Charles Connerly. US Department of Agriculture, 2000. *Provides a thorough summary of a pilot project of the USDA Agricultural Marketing Service (AMS), the Natural Resources Conservation Service (NRCS), the West Florida Resource Conservation and Development Council, and Florida A & M University. These groups collaborated to create marketing opportunities with local school districts for a cooperative of limited-resource growers (New North Florida Cooperative). 60 pgs. Presents the project within the context of the recommendations of the USDA's report, A Time to Act, and discusses how the recommendations might be achieved. Discusses the development of the producers cooperative; the development of the business; the cost effectiveness; and student and administrative acceptance of the project. Includes appendices of menus and delivery schedules that may be used by others as templates. Available online at www.ams.usda.gov/tmd/msb/pdfpublist/innovativemarketing.pdf.*

Linking Farms with Schools: A Guide to Understanding Farm-to-School Programs for Schools, Farmers and Organizers, by Marion Kalb, Kristen Markley, and Sara Tedeschi. Community Food Security Coalition, 2004.

"Details the benefits, challenges, and strategies for success for building successful farm to school projects and includes case studies of innovative projects and an extensive resource list." –CFSC. Available through the Community Food Security Coalition: www.foodsecurity.org/index.html.

Local Food Connections: 'From Farms to Schools' and 'Food Service Considerations', by Mary Gregoire, Catherine Strohbehm, Jim Huss, Gary Huber, Robert Karp, Susan Klein, and Richard Pirog. Iowa State University Extension, Ames, IA, 2000.

Addresses several aspects of institutional marketing: 'From Farms to Schools' presents the concerns of food service directors when considering the purchase of locally grown food. Directs producers in their effort to sell to local school districts as individual producers or through an organized group effort. 4 pp. 'Food Service Considerations' discusses the benefits and obstacles of purchasing from local sources from the point of view of food service providers in health care, schools, and restaurants. 4 pp. Available in pdf format online at www.extension.iastate.edu/pubs/fm4.htm.

Together at the Table: Sustainability and Sustainance in the American Agrifood System, by Patricia Allen. Pennsylvania State University Press, University Park, PA, 2004.

Examines the growth and development of alternative food system initiatives in the U.S. including: The growth of organic farming and the development of the USDA National Organic Program; the growth in popularity of direct marketing relationships such as farmers' markets, community supported agriculture (CSA), and farm-to-school projects; the growth of urban agriculture and community garden programs; and the increase in natural and social science research programs focused on sustainable food and farming systems. Available from www.psupress.org.

WEB RESOURCES

Alternative Farming Systems Information Center's Organic Agriculture Products—Marketing and Trade Resources:

www.nal.usda.gov/afsic/index.html

A comprehensive listing of electronic resources addressing the following subject areas: Regulation, Laws, and Legislation governing organic production and trade; How-to guides on marketing, business planning, and sample enterprise budgets; Guides to Data, Suppliers, Outlets, and Events; Industry and Data Sources; Market and Consumer Studies; Support Organizations. See: www.nal.usda.gov/afsic/afspub.htm 'Alternative Marketing and Economic Issues'

Community Food Security Coalition:

www.foodsecurity.org

A domestic anti-hunger and sustainable agriculture organization dedicated to the mission of "...building strong, sustainable, local, and regional food systems that ensure access to affordable, nutritious, and culturally appropriate food for all people at all times." The CFSC web site contains a wealth of free and for-purchase publications that address both theoretical and applied aspects of Community Food Security, including institutional buying/marketing relationships (see select publications, above).

Direct Marketing Resource Guide Online Database:

www.sare.org/publications/dmrg.htm;

wsare.usu.edu/marketing/search.cfm

This extensive annotated listing includes practical, high-quality resources such as print publications, videos, and web resources that will help growers meet their direct marketing goals. The resources are organized into 9 categories including: Farmers' Markets; Community Supported Agriculture; Agricultural Cooperatives; Farm-to-School/Selling to Institutions; Direct Marketing Livestock; Roadside Stands/Markets; Selling to Restaurants; and Value-Added Production/Marketing.

National Farm to School Program:

www.farmtoschool.org

The National Farm to School Program is a project of the Center for Food and Justice, a division of the Urban and Environmental Policy Institute at Occidental College. The project brings together nine partners from four states to work on promoting farm-to-school programs nationwide. The four-year project, funded by the USDA Initiative for Future Agriculture and Food Systems, is now in its final year (2004). The site maintains extensive resources for farm-to-school programs, including: Q and A; resource packages for initiating program; case studies in farm-to-school; and policy and funding opportunities for farm-to-school programs.

USDA Agricultural Marketing Service:

www.ams.usda.gov

The Marketing program serves to increase the overall effectiveness of the food marketing system, provide better quality products to the consumer at reasonable cost, improve market access for growers with small- to medium-sized farms, and promote regional economic development. The web site includes the following publications related to institutional marketing relationships (see www.ams.usda.gov/directmarketing/publications):

- How Local Farmers and School Food Service Buyers Are Building Alliances (December 2000)
- Innovative Marketing Opportunities for Small Farmers: Local Schools as Customers (February 2000)
- Small Farm Bulletin No. 1 – “Marketing Fresh Produce to Local Schools: The North Florida Cooperative Experience” (July 1999)
- Small Farm Bulletin No. 2 – “Cultivating Schools as Customers in a Local Market: The New North Florida Cooperative” (July 1999)
- Small Farm Bulletin No. 3 – “Acquiring Capital and Establishing a Credit History: The North Florida Cooperative Experience” (July 1999)
- Small Farm Bulletin No. 4 – “Success of the New North Florida Cooperative: A Progress Report on Producer Direct Sales to School Districts”

