

Institutional markets good for farms, communities

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New markets are emerging for vegetable farmers who seek buyers close to home. Institutions such as schools, hospitals and colleges are demanding more local produce, as it is considered fresher and keeps the dollars within the community.

A survey conducted in 2013 by the Michigan State University (MSU) Center for Regional Food Systems (CRFS) showed that 68 percent of Michigan's K-12 school foodservice directors buy local foods through one or more channels, with 24 percent purchasing directly from a farmer or producer. Interest is high, too: 82 percent of school foodservice directors reported interest in purchasing Michigan foods for school meal programs in the future. Additionally, about 100 hospitals in Michigan have committed to purchase 20 percent of their food from Michigan by the year 2020 through the Healthy Food in Healthcare pledge.

What an opportunity for you as a vegetable farmer! Farmers' desire to sell their produce close to home can be matched with institutions' interest in fresh food and a familiar face. Institutional markets include K-12 schools, hospitals, colleges, early childcare and education centers or senior or long-term care centers. To initiate such markets, farmers develop a relationship and sale agreement directly with the institutional foodservice director or buyer, and typically deliver directly to the place of business.

Institutions all have unique conditions for their foodservice



An elementary student selects vegetables provided by a local farmer for her lunch salad.

programs, but this variability allows for farmers of all sizes and types to find an institutional market that's the right fit for them. Farmers interested in selling to institutional markets can select which institutions to sell to based on interest, proximity and volume of produce on both sides of the equation. The volume of product any single institution demands varies by its size, among other factors; some may ask for cases or even pallets, while others may want a single box of produce. For instance, a farmer may sell vegetables once or twice a week to an individual school building that feeds 200 children, or sell to a whole school district that serves more than 3,000 students. This can be an excellent way for an established farmer to expand market sales or for a smaller farmer to engage in wholesale markets, aligning

their production capacity with the institution's needs and interest.

Once a farmer develops an agreement with an institution, produce type(s), volume, price, delivery frequency and payment expectations can be established for sales. Just as with any market, a back-up plan must be in place if a farmer does not have the produce expected at the right time. A good relationship and good communication between the farmer and the institution's food purchaser are essential for success.

The Michigan Farm to Institution Network, co-coordinated by CRFS and the Ecology Center, offers technical assistance and guidance to support farmers as they engage in institutional sales; they do the same for institutions seeking to buy local produce. An instructional guide for farmers to sell to

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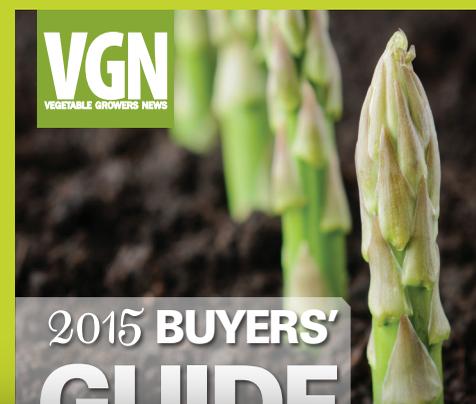
local institutions (specifically schools) is available at foodsystems.msu.edu/resources/marketing-mi-products. "The Marketing Michigan Products: A Step-By-Step Guide" is free to download and offers how-tos, as well as templates of forms that are useful when establishing new markets with institutions.

If you are interested in trying out this type of market, you may have some questions for other farmers who currently sell direct to an institution. You can engage in an e-conversation with such a farmer by joining the Michigan Farm to School listserv, hosted by CRFS. Visit www.mifarmtoschool.msu.edu/index.php?id=50 and submit your name and email under "Link to Local Food." You can initiate a conversation with farmers and institutional buyers who also subscribe to this listserv and ask questions about their experiences and how they establish and manage such markets and relationships.

Farm to Institution is a win-win situation: It is a great opportunity for you as a farmer to provide fresh produce to your neighbors and create new markets while helping to make your community healthier and stronger. **VGN**

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