



**INSTITUTE FOR AGRICULTURE AND TRADE POLICY**

# Building Minnesota's Farm to Institution Markets

**A Producer Survey**

**By Pete Huff**

Institute for Agriculture and Trade Policy In partnership with the  
Sustainable Farming Association and Renewing the Countryside

June 2015

*Building Minnesota's Farm to Institution Markets: A Producer Survey*

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I want to thank Jason Walker from the Sustainable Farming Association and Grace Brogan from Renewing Countryside for their partnership and collaboration in this project and report. Both were vital and equal contributors, bringing the unique expertise of their organizations to the process and the final product. I would also like to thank the many producers who completed the survey, as well as those producers and experts who contributed to the design and implementation of the survey.

Published June 2015

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renewing the countryside



## Overview

As part of our shared work on farm to institution in Minnesota and the Upper Midwest, the Institute for Agriculture and Trade Policy (IATP), the Sustainable Farming Association (SFA) and Renewing the Countryside (RTC) conducted an online survey of Minnesota growers interested in farm to institution markets in fall 2014. The goal of the survey was to determine the resources Minnesota growers—specifically specialty crop growers—need to engage with institutional markets in a consistent and economically viable manner.

## Background and Motivation

Farm to institution practices—particularly farm to school—are well established in Minnesota, with the 2012 Farm to School Census demonstrating that 72 percent (1,351 schools) of the state’s K-12 schools engaging in farm to school practices (with eight percent potential growth) and directing over \$12 million of their food purchasing dollars toward local purchases. Of these local purchases, a clear majority were specialty crops: vegetables (88 percent) and fruits (87 percent).<sup>1</sup> Survey research on farm to institution market potential (e.g., K-12 schools and health care facilities) in northwest and central/northeast Minnesota conservatively estimate a 20 percent market capture of \$480,000 and \$590,000 for each region (respectively) on an annual basis for local producers. While ground beef constitutes 50 percent of this figure due to its relatively high cost per pound and high demand with institutions, specialty crops (i.e. vegetables and fruits) constitute the majority of the remainder.<sup>2</sup> When considering that public institutions include not only K-12 schools and health care facilities but also child care providers (home and center), elderly care providers, government offices, preschools, prison/correctional facilities, universities/colleges, it is clear that institutional sales could be significant market for Minnesota producers, particularly specialty crops growers. This is particularly possible should other institutions follow the exponential growth pattern of the farm to school movement within the state and nationwide.

While it is growing, institutional markets can be a difficult for farmers to access, particularly for small and medium scale producers. This is due to a number of systemic challenges (e.g., limited budgets, logistical needs, food safety requirements, etc.) that are difficult, yet not impossible to overcome. Such challenges are natural within an emerging market, but also must be seriously and actively addressed as they can reduce producer confidence to include institutional markets into their farm business plan. Further such challenges are often compounded by negative perceptions that are not informed by direct experience with such institutional customers.

This survey was designed to uncover farmer interest in institutional markets and the challenges and opportunities they see for accessing those markets.

## Survey Design and Structure

The survey was co-designed by IATP, SFA and RTC, with advisory input from over 20 different non-profit organizations, state agencies, growers and experts with experience in both farm to institution practices and grower surveys. This included feedback collected from in-person meetings, as well as via e-mail. The survey was heavily influenced by previous grower surveys conducted by IATP, RTC, the University of Minnesota (UMN) and others. Combining existing best practice with feedback from a broad range of stakeholders throughout the process, a comprehensive online survey of 38 questions was designed using Survey Monkey. The survey was beta tested by a number of growers and other experts to refine language and functionality. The final survey was released on November 6, 2014. The final survey structure is included in the appendix.

## Survey Promotion and Response

A promotional webinar entitled “Building Farm to Institution Markets: Webinar and Survey” was hosted by IATP on November 6, 2014 to officially launch the online survey.<sup>3</sup> This webinar was aimed at Minnesota growers and was promoted to growers via a postcard mail-out, newsletter listings, social media postings (IATP, SFA, RTC, others) and e-mail list postings. The webinar was attended by 74 individuals. The survey was open for growers to complete between November 6 and December 22, 2014. During that time, 142 responses were received—including partial and complete responses. The majority of respondents live in Minnesota, with a few respondents from Wisconsin and South Dakota.

## Survey Limitations

The design of the survey was affected by the length of time required for completion. Reducing the length of the survey was considered a priority because participation was voluntary and uncompensated. Thus, certain clarifying questions were omitted—particularly regarding real versus perceived benefits and barriers—to reduce the overall length. To further reduce the impact of time for completion on respondents, the survey was timed to be released in the late fall/early winter, after the fall harvest was complete in Minnesota.

Further, due to the online platform through which the survey was delivered, there is the potential that one individual could have submitted multiple surveys, however, this is unlikely.

Efforts were made to make the survey linguistically accessible, but resources were not available for translation into other languages.

## Key Highlights and Challenges

### Respondents and Production:

- The most common demographic characteristics identified by respondents were: white, male and age 55 to 64 years old. However, while there were limited responses from non-white individuals women represented over one-third of respondents and the age category of 45 to 54 years old was the second most common response.
- While a majority of respondents had five years or less of farming experience and are thus considered “beginning” farmers, the second most common respondent had between 21 and 35 years of farming experience and would be considered highly experienced.
- The most common farming operation was the family farm. The most common respondent operated a small-scale farm (i.e., one to three acres), but nearly one fifth of respondents operated a farm between 10 and 69 acres.
- While the most common respondent reported earning less than \$24,000 in gross annual income from agricultural activities, one out of every three respondents reported earning between \$25,000 and \$100,000 in gross annual incomes from such activities.
- The most common product produced by respondents were specialty crops—specifically perishable vegetables—followed by animal products such as beef, bison and grains. Looking to future crop diversification, the most common crop that respondents were interested in adding to their operation were specialty crops—specifically fruits (non-apple) and apples.

### Current Business Practices:

- Most respondents were currently selling their products via wholesale or direct-to-consumer market channels. Looking to the future, most respondents were interested in exploring expanded direct-to-consumer, co-op and on-farm retail market channels in the coming five years.
- A majority of respondents were delivering their product within an average radius of 40 miles with a 10 mile radius being the most frequent response.

- Related to the challenge of delivery logistics, one in every four respondents were currently aggregating their product with other producers. Nearly half were interested in aggregation, though they weren’t currently doing so.

### Farm to Institution Connections:

- Of those currently selling to institutions, K-12 schools were the most common buyers (purchasing directly or through a distributor). Perhaps most importantly, three out of four respondents were interested in selling their product to institutional markets in the future, with universities and hospitals be most appealing markets. Those not interested in institutional markets cited liability, logistical and price concerns.
- The primary benefit of institutional markets for respondents were the relationships with the local community, prices that they considered fair and steady, having an additional local market, and the option for advanced/reliable contracts. However, a majority of respondents still saw low purchasing prices (real or perceived) and the large volume needs of institutions as major barriers for engaging institutional markets.

### Information Tools and Resources:

- Regarding informational tools and resources that respondents were interested in for engaging institutional markets, the top three responses were focused on orienting business practices to meet institutional volume and product demands: food hub, cooperative and/or other aggregation setup information/support; common product specification sheets/checklists for various institutions; and business planning advice for starting or expanding institutional sales.
- Respondents were interested in accessing information and resources on institutional markets through a mixture of in-person and online forums, including: regional farmer-buyer networking events, in-person workshops, an online producer-seller directory, informational webinars and farm visits/field days.
- Respondents were most interested in working with other producers and existing farmer networks in expanding farm to institution sales, followed by working directly with institution staff and staff from state departments of agriculture (i.e., Minnesota Department of Agriculture). Distributors and Extension educators were the fourth and fifth most common response.

## Survey Questions and Responses

Note to Readers: The percentage figures shown below are based on the number of respondents to each question. Comments were edited for relevance and readability.

1. What is your gender? (One answer permitted)

Male	57.7%
Female	38.7%
N/A	3.6%

2. What is your age? (One answer permitted)

55–64 Years	28.2%
45–54 Years	27.5%
35–44 Years	15.5%
25–34 Years	14.1%
65–74 Years	10.6%
N/A	2.0%
Under 25 Years	1.4%
Over 75 Years	0.7%

3. What is your ethnicity? (Multiple answers permitted)

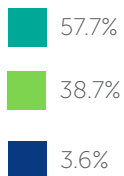
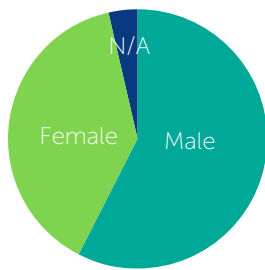
White	88.0%
N/A	5.0%
Other	3.5%
Asian	2.1%
Black or African American	0.7%
American Indian or Alaska Native	0.7%
Native Hawaiian or Other Pacific Islander	0.0%

4. How many years have you earned some or all of your income from farming? (One answer permitted)

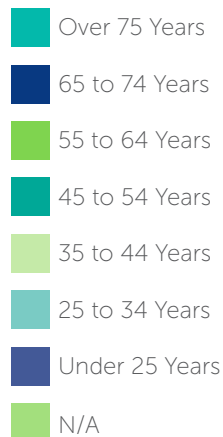
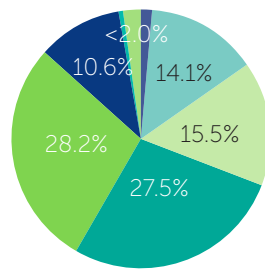
0–5 Years	40.7%
21–35 Years	15.0%
6–10 Years	12.9%
36–50 Years	12.1%
11–15 Years	10.5%
16–20 Years	8.6%

### Who Participated in the Survey

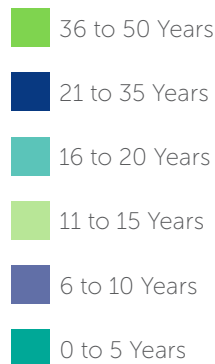
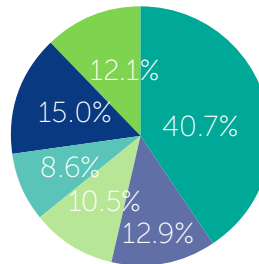
Producer's Gender



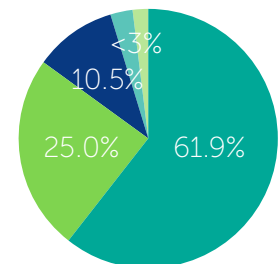
Producer's age



Farming experience in years



Producer's operation setup



5. What is the setup of your operation? (Multiple answers permitted)

Individual or Family	61.9%
Other (Cooperative, LLC, Estate, Trust, Institution, etc.)	25.0%
Partnership	10.5%
Corporation	2.9%
N/A	1.9%

6. What county is your operation located in? (Multiple answers permitted)

Responses were received from 56 counties. The vast majority of these were from Minnesota, with a small number from Wisconsin and South Dakota.

7. What was the total number of acres you had in production in 2013? (One answer permitted)

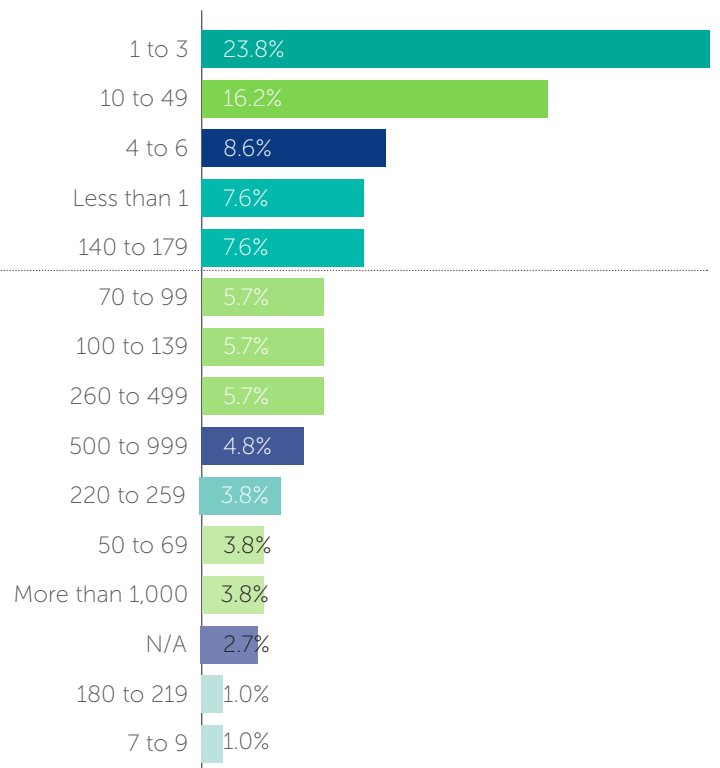
1-3 Acres	23.8%
10-49 Acres	16.2%
4-6 Acres	8.6%
Less than 1 Acre	7.6%
140-179 Acres	7.6%
70-99 Acres	5.7%
100-139 Acres	5.7%
260-499 Acres	5.7%
500-999 Acres	4.8%
220-259 Acres	3.8%
50-69 Acres	2.9%
More than 1000 Acres	2.9%
N/A	2.7%
7-9 Acres	1.0%
180-219 Acres	1.0%

8. By individual crop percentages of your gross farm income, what did you produce in 2013? (Multiple answers permitted)

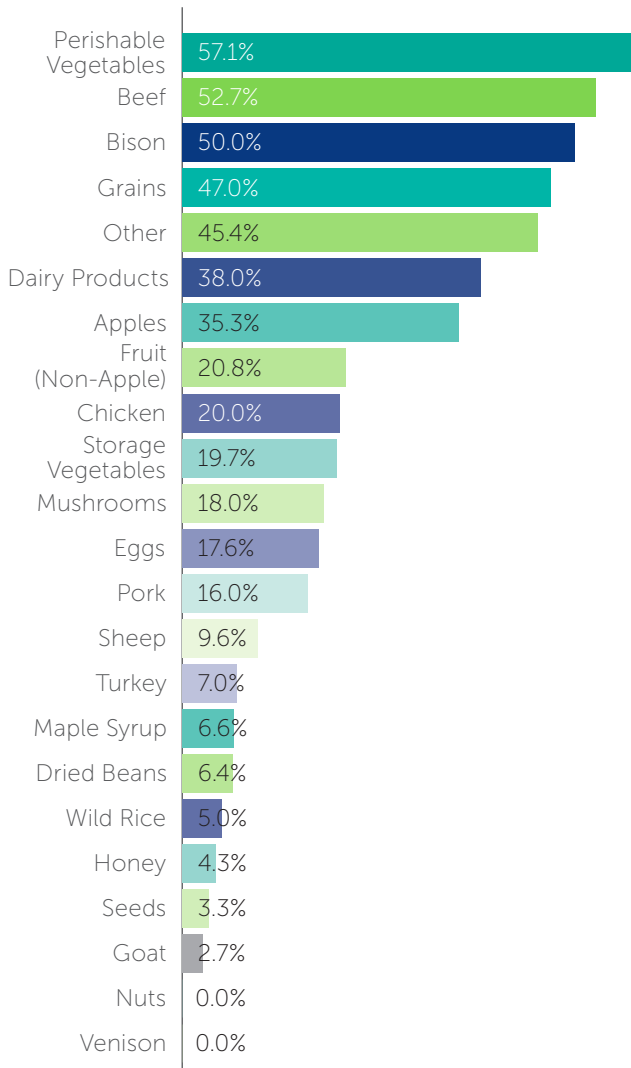
Perishable Vegetables	57.1%
Beef	52.7%
Bison	50.0%
Grains	47.0%
Other	45.4%
Dairy Products	38.0%
Apples	35.3%
Fruit (Non-Apple)	20.8%
Chicken	20.0%
Storage Vegetables	19.7%
Continued in next column	

Mushrooms	18.0%
Eggs	17.4%
Pork	16.0%
Sheep	9.6%
Turkey	7.0%
Maple Syrup	6.6%
Dried Beans	6.4%
Wild Rice	5.0%
Honey	4.3%
Seeds	3.3%
Goat	2.7%
Nuts	0.0%
Venison	0.0%

Total number of acres in production in 2013



Crops produced in 2013 based on percentage of gross farm income



Seeds	11.4%
Nuts	10.5%
Dairy Products	8.6%
Other (please specify)	7.6%
Maple Syrup	6.7%
Turkey	6.7%
Goat	5.7%
Perishable Vegetables	4.8%
Sheep	4.8%
Bison	1.9%
Wild Rice	1.9%
Other crops included: Hops, herbs (culinary/medicinal), rabbits, processed vegetables, bedding plants, plugs and transplant starts.	

10. In a typical year, what is your gross annual income from agricultural activities? (One answer permitted)

Less than \$5,000	17.1%
\$10,000–\$24,000	14.3%
\$25,000–\$49,999	14.3%
\$5,000–\$9,999	13.3%
\$50,000–\$99,999	12.4%
\$100,000–\$149,999	6.7%
N/A	5.4%
More than \$500,000	4.8%
\$200,000–\$249,999	2.9%
\$250,000–\$299,999	2.9%
\$400,000–\$449,999	2.9%
\$150,000–\$199,999	1.0%
\$350,000–\$399,999	1.0%
\$450,000–\$499,999	1.0%
\$300,000–\$349,999	0.0%
Other (please specify)	0.0%

9. Which crops are you currently not producing, but are interested in producing in the coming five years? (Multiple answers permitted)

Fruit (Non-Apple)	24.8%
Apples	20.0%
Chicken	19.0%
N/A	18.1%
Eggs	17.1%
Storage Vegetables	14.3%
Beef	13.3%
Grains	13.3%
Mushrooms	13.3%
Pork	12.4%
Dried Beans	11.4%
Honey	11.4%
Continued in next column	

11. What techniques do you currently use to extend your growing season? (Multiple answers permitted)

None	44.3%
High Tunnel	32.1%
Greenhouse	24.5%
Low Tunnel	17.9%
Plastic Ground Cover	15.1%
Other	9.4%
Other Techniques Included: forage stock-piling; no-till practices; cover cropping; floating row covers; raised beds and containers; strip grazing standing corn; mulching; seeding annuals for pasture; permaculture practices; starting seed indoor	

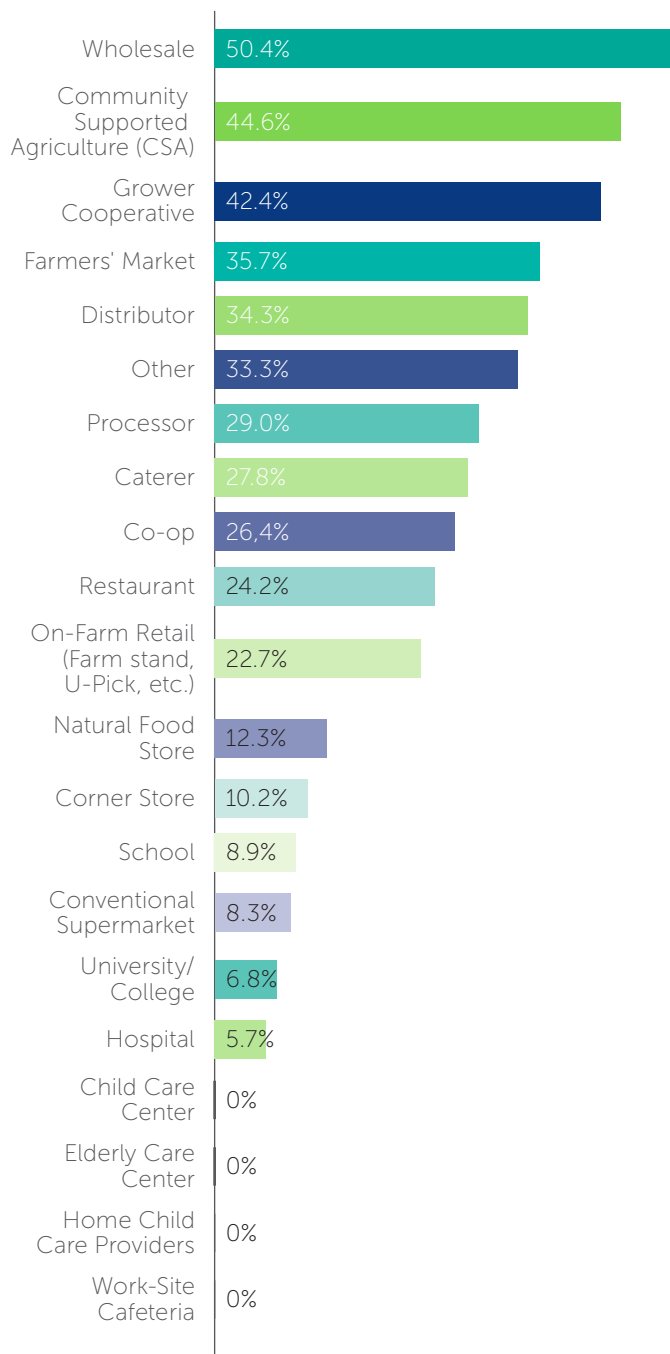
12. What techniques do you currently use to extend your sales season? (Multiple answers permitted)

None	44.8%
On-Farm Refrigeration	34.3%
On-Farm Freezer	19.0%
Root Cellar	18.1%
Other	6.7%
Licensed Kitchen	3.8%
Other Techniques Included: canning/freezing, processor cold storage and winter marketing	

13. By individual percentages of gross farm income, which markets did you sell your produce and/or products to in 2013? (Multiple answers permitted)

Wholesale	50.4%
Direct to Consumer	46.1%
Community Supported Agriculture (CSA)	44.6%
Grower Cooperative	42.4%
Farmers' Market	35.7%
Distributor	34.3%
Other	33.3%
Processor	29.0%
Caterer	27.8%
Co-Op	26.4%
Restaurant	24.2%
On-Farm Retail (Farm Stand, U-Pick, etc.)	22.7%
Natural Food Store	12.4%
Corner Store	10.2%
School	8.9%
Conventional Supermarket	8.3%
University/College	6.8%
Hospital	5.7%
Child Care Center	0.0%
Elderly Care Center	0.0%
Home Child Care Providers	0.0%
Work-Site Cafeteria	0.0%

Markets sold at in 2013 based on percentage of gross farm income





14. How interested are you in selling to the following markets in the coming five years? (One answer permitted for each option)

	Not Interested	Some-what Interested	Interested	Very Interested
Caterer	19.5%	44.2%	26.0%	10.4%
Child Care Center	39.5%	30.3%	22.4%	7.9%
Community Supported Agriculture (CSA)	30.6%	18.8%	23.5%	27.1%
Conventional Supermarket	35.4%	24.1%	25.3%	15.2%
Co-Op	10.5%	26.7%	31.4%	31.4%
Corner Store	31.6%	41.8%	21.5%	5.1%
Direct to Consumer	4.7%	16.5%	23.5%	55.3%
Distributor	32.9%	35.4%	20.3%	11.4%
Elderly Care Center	32.0%	34.7%	21.3%	12.0%
Farmers' Market	22.1%	23.3%	32.6%	22.1%
Grower Cooperative	17.1%	25.6%	36.6%	20.7%
Hospital	29.6%	25.9%	25.9%	18.5%
In-Home Day Care	44.7%	28.9%	17.1%	9.2%
Natural Food Store	14.6%	31.7%	29.3%	24.4%
On-Farm Retail (Farm Stand, U-Pick, etc.)	23.2%	25.6%	23.2%	28.0%
Processor	28.8%	33.8%	21.3%	16.3%
Restaurant	9.6%	21.7%	41.0%	27.7%
School	24.1%	23.0%	27.6%	25.3%
University/ College	27.2%	24.7%	23.5%	24.7%
Wholesale	27.8%	32.9%	22.8%	16.5%
Work-Site Cafeteria	32.9%	36.8%	21.1%	9.2%
Other	57.6%	24.2%	9.1%	9.1%

(Continued in next column)

Comments:

- "Markets must be able to pay higher sustainable price for quality pasture-based meats. As a small farm, my most attractive markets are [high margin]. Institutions present problems with inability to pay for higher quality meats. The time and effort required to market to them does not give a sustainable return on investment."
- "Would like to see our product going to all of these outlets but [we are] not interested in selling to every outlet directly—the logistics of time, delivery, food safety in delivery, environmental footprint & ability to respond to orders quickly ... make it difficult to sell direct to too many outlets."
- "I am a small farmer and would like access to more markets. I farm with mixed power, horses and tractor and it is all I can do with the limited hours available to take care of the farm. I do not have time to allocate to direct marketing and so resort to selling my feeder calves in the main stream commercial market."
- "If other is online I would be very interested. Selling frozen grass fed meat has been a good market and would like to expand."
- "Level of interest depends on price paid for product. Our experience has been very positive selling to a growers' cooperative that operates a CSA and sells to restaurants and selling to a tamale manufacturer that contracts for our production."
- "My business is fresh organic potatoes which typically sell at a premium price. Schools are often unable to pay a premium price. It also appears that peeling potatoes is a thing of the past. We need to identify which potato types institutions are willing to buy, and find a price which is affordable to those institution and yet profitable for me [as an] organic grower/packer/shipper."
- "I am hoping that [school, wholesale, hospital, cooperative, natural food store, distributor sales are] all through a food hub!"

15. Are you able to provide a purchaser with a regularly updated list of the products you have available, including prices and ordering instructions? (One answer permitted)

Yes	70.8%
No	19.1%
Other	5.6%
N/A	4.5%

Comments:

- "Working on this part during this winter—inventory is easy, market value/pricing is not and that's why I'm not getting the income revenue streams figured out."
- "No because I do not have the time or a system developed to get that information out to the customers I do not see face to face."
- "This service is provided through the growers' cooperative of which we are a member."

16. How do you prefer customers place orders?  
(Multiple answers permitted)

E-mail	59.6%
Phone	43.8%
Online Ordering	32.6%
In-Person	27.0%
No Preference	15.7%
Other	14.6%
N/A	5.6%
Comments:	
<ul style="list-style-type: none"> <li>■ "I prefer to deliver straight to [the] food hub (i.e. wholesaler)."</li> <li>■ "Text."</li> <li>■ "Would like to build website but have no idea how [to do this] or ability to maintain it."</li> <li>■ "Brochure tear-off ordering brochure."</li> <li>■ "Weekly orders are placed through the growers' cooperative."</li> <li>■ "Consistency is the key for me. As long as there is consistency, it wouldn't matter which way. I do prefer e-mail orders."</li> <li>■ "Pre-order and grow to order."</li> </ul>	

17. Which activities do you, family members, or employees spend the most time on during the growing season? (Multiple answers permitted)

Business Administration (e.g., Record-keeping, Etc.)	88.8%
Harvesting Products	87.6%
Driving to Deliver Products or to Reach Markets	83.1%
Post-Harvest Handling (e.g., Washing, Packaging, Etc.)	80.9%
Marketing Products and Managing Accounts	75.3%
Food Safety Procedures and Monitoring	73.0%
Selling Products at Markets (e.g., Farmers Markets, Etc.)	69.7%
Other	18.0%
N/A	10.1%

18. Rank the following issues in terms of how difficult they are for your farming operation. (Most Difficult to Least Difficult)

<b>Most difficult to least difficult</b>
General financial security
Labor costs
Fuel/transportation costs
Access to processors
Access to distribution networks
Marketing products
Liability costs (i.e. insurance, product losses, etc.)
Food safety monitoring/costs
Land affordability/access
Cost of organic or other production certification
GAP certification requirements/costs
Travel distances to sell product
Meeting purchaser specifications/requirements

19. Do you deliver your products to customers?  
(One answer permitted)

Yes	80.9%
No	14.6%
N/A	4.5%
The average distance that products were delivered was 40 miles, with the minimum distance reported at two miles and the maximum distance reported at 210 miles. The most common distance for products to be delivered was 10 miles.	

20. If you don't currently deliver, are you considering delivery of your products to customers in the future? (One answer permitted)

N/A	66.3%
Yes	23.6%
No	10.1%
If yes, what factors are influencing your decision?	
<ul style="list-style-type: none"> <li>■ "Projected increased production."</li> <li>■ "Volume."</li> <li>■ "Time and mileage."</li> <li>■ "May want to diversify from solely co-op sales."</li> <li>■ "If a reliable, nearby market opened up we would be happy to deliver but prefer to keep our produce local."</li> <li>■ "Whether the income for deliveries covers the cost of doing the delivery."</li> </ul>	

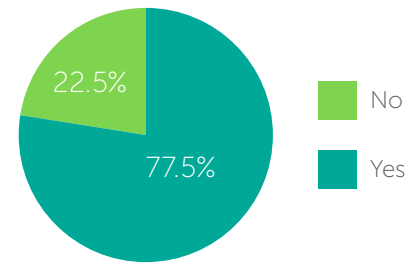
21. Do you aggregate your product(s) with other producers to meet customer demand? (One answer permitted)

No, but I'm interested	49.4%
Yes	23.6%
No, I'm not interested	18.0%
Other	4.5%
N/A	4.5%
Comments:	
<ul style="list-style-type: none"> <li>■ "Working on CSA add-ons."</li> <li>■ "Standards of production is an issue."</li> <li>■ "Nope—the licenses and liability will prevent that."</li> </ul>	

22. Are you interested in selling your products to institutions (e.g., schools, child care centers, etc.) in the future? (One answer permitted)

Yes	77.5%
No	22.5%
If no, please share the reasons you are not interested in selling your product to institutions (e.g., schools, child care centers, hospitals, etc.), including any previous experience doing so.	
<ul style="list-style-type: none"> <li>■ "Liability concerns. Not producing enough quantity to meet their level of demand."</li> <li>■ "Difficulty with food safety and more strict regulations to jump through."</li> <li>■ "They don't have receiving facilities."</li> <li>■ "I estimate that other direct markets may be more applicable to my situation. With a limited number of beef cattle per year institutions may simply not be the best fit."</li> <li>■ "I'm not a people person."</li> <li>■ "Random, constantly changing requirements [with] very low return on risk. Poor price to headache ratio."</li> <li>■ "I would only sell through a distributor."</li> <li>■ "Premium product not likely to appeal to this range of customer profiles."</li> <li>■ "Risks of anything going wrong is too much liability."</li> <li>■ "They cannot afford grass fed meat."</li> <li>■ "They are too difficult to work with, want more product than we can produce and over more than the growing season, won't pay the price we need, liability risk. My insurance would go through the roof."</li> <li>■ "Both low volume and low pricing have been issues."</li> <li>■ "Bureaucrats and red tape."</li> <li>■ "62 years old and current business plan (direct market, farmers' markets) is just fine. Succession [planned and my] kids don't want headaches."</li> <li>■ "Complexities require more of my time than I have available."</li> </ul>	

Producers interested in selling to institutions (e.g., schools, child care centers, etc.)



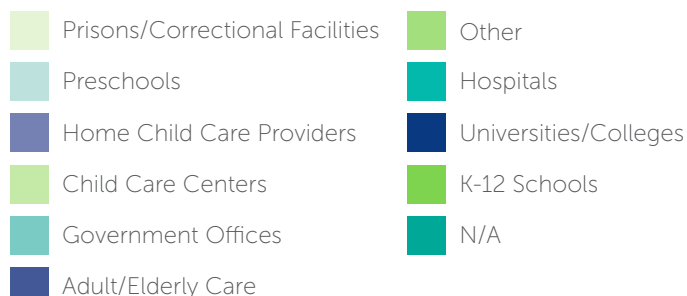
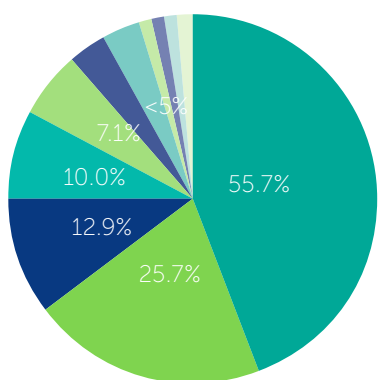
23. Which institutions, if any, do you current sell to directly? (Multiple answers permitted)

N/A	55.7%
K-12 Schools	25.7%
Universities/Colleges	12.9%
Hospitals	10.0%
Other	7.1%
Adult/elderly care	4.3%
Government offices	4.3%
Child care centers	1.4%
Home child care providers	1.4%
Preschools	1.4%
Prisons/correctional facilities	1.4%
Other:	
<ul style="list-style-type: none"> <li>■ "I sell directly to the Fresh Connect Food Hub which sells to institutions all on your list except preschools, prisons and government offices."</li> <li>■ "Restaurant, Health Food Market."</li> <li>■ "Child care is through CSA."</li> <li>■ "Restaurants and stores."</li> <li>■ "Through the Brainerd and Fergus food hubs, not directly."</li> </ul>	

24. Which institutions, if any, do you currently sell to through a third party (e.g., distributor, growers cooperative, etc.)? (Multiple answers permitted)

N/A	68.6%
K-12 Schools	15.7%
Universities	10.0%
Hospitals	7.1%
I don't know	7.1%
Child care centers	5.7%
Home child care providers	2.9%
Preschools	2.9%
Other	2.9%
Adult/elderly care	1.4%
Government offices	1.4%
Prisons/correctional facilities	0.0%

Institutions producers currently sell directly to



27. Which institutions, if any, are you interested in selling to in the future? (One answer permitted for each option)

Very Interested	Universities: (39.7%)
Interested to Very Interested	Hospitals: (33.8%)
Interested	K-12 Schools: (43.8%) Child Care Centers: (34.4%)
Somewhat Interested to Interested	Adult/Elderly Care: (36.5%) Preschools: (31.7%)
Somewhat Interested	Government Offices: (34.6%) Home Child Care Providers: (37.3%) Prisons/Correctional Facilities: (38.2%)
Comments:	
<ul style="list-style-type: none"> <li>“Would be very interested in selling to all these through a distributor or grower’s co-op or at least do the trucking in partnership with other farms.”</li> </ul>	

25. How much liability insurance do you carry for your farming operation? (One answer permitted)

\$1 Million	38.6%
\$2 Million	25.7%
We do not have liability insurance	25.7%
N/A	7.2%
\$3 Million	1.4%
\$5 Million	1.4%

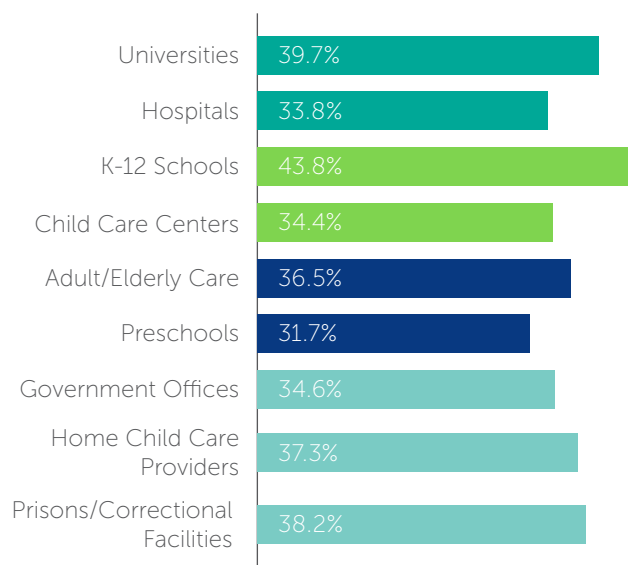
26. How interested would you be in developing a written food safety plan for your farm? (One answer permitted)

Very interested	34.3%
Somewhat interested	30.0%
We already have a plan in place	28.6%
Not interested	4.3%
N/A	2.8%

Comments:

- “Already went to two classes on this but have not created a written plan.”
- “The time spent to write this would be driven by a customer(s) demand for it.”
- “We have started our FSP and will be finalizing it before the next growing season.”
- “We are part way through developing a plan and should have it finished by the beginning of next season.”

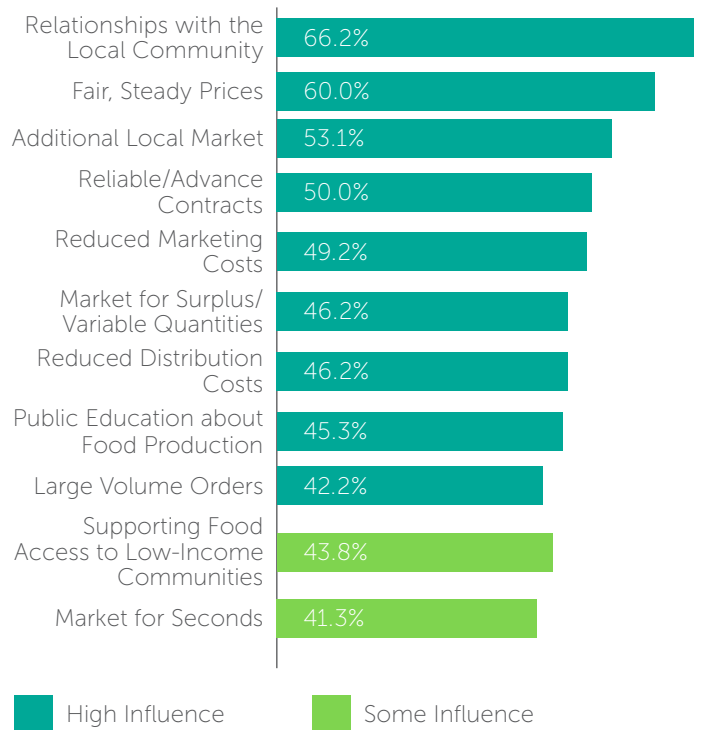
Institutions producers are interested in selling to in the future



28. When considering sales to an institutional purchaser, how much do the following benefits or potential benefits influence your final decision? (One answer permitted for each option)

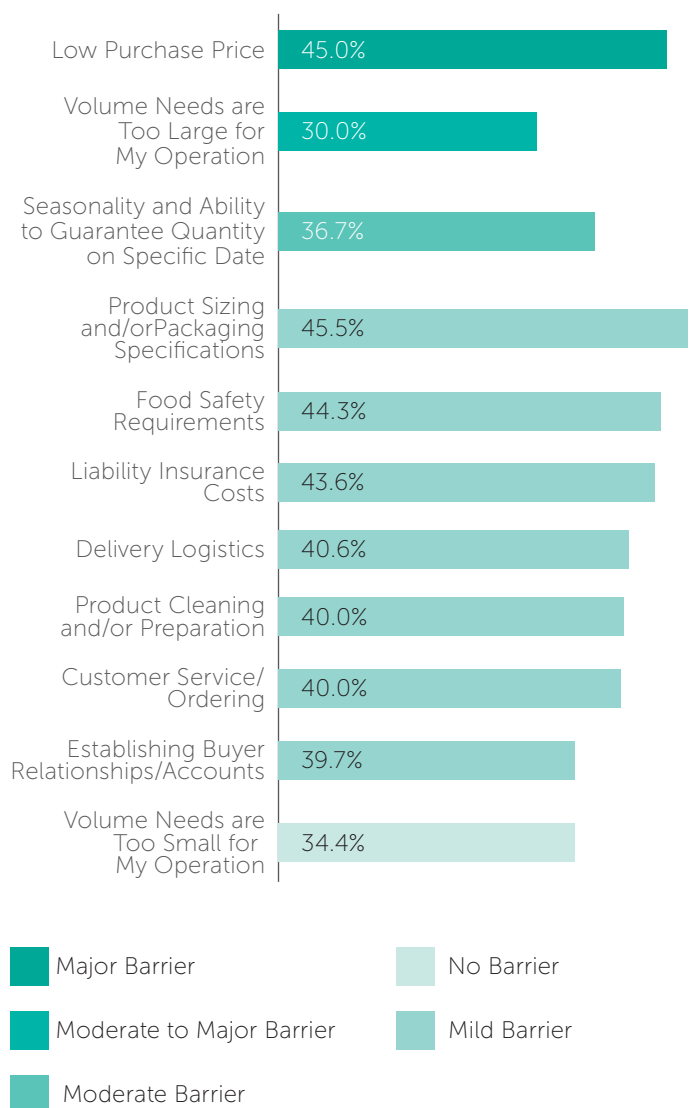
High Influence	<ul style="list-style-type: none"> <li>■ Relationships with the Local Community: (66.1%)</li> <li>■ Fair, Steady Prices: (60.0%)</li> <li>■ Additional Local Market: (53.1%)</li> <li>■ Reliable/Advance Contracts: (50.0%)</li> <li>■ Reduced Marketing Costs: (49.2%)</li> <li>■ Market for Surplus/Variable Quantities: (46.2%)</li> <li>■ Reduced Distribution Costs: (46.2%)</li> <li>■ Public Education about Food Production: (45.3%)</li> <li>■ Large Volume Orders: (42.2%)</li> </ul>
Some Influence	<ul style="list-style-type: none"> <li>■ Supporting Food Access to Low-Income Communities: (43.8%)</li> <li>■ Market for Seconds: (41.3%)</li> </ul>
<p>Comments:</p> <ul style="list-style-type: none"> <li>■ "I will leave the grand social benefit to other farmers. People need good local food. I do not have time to get involved in any social influence."</li> <li>■ "Supporting healthy food for those who need it most. I have checked what would influence our decision but currently our experience is that selling to the K-12 school system does NOT provide really any of the checked influences."</li> <li>■ "Has someone run the numbers on seconds? Is it really worth pulling them out of the field? Are they possibly better left on the field as retained nutrients for the next season?"</li> </ul>	

Benefits or potential benefits that influenced producers when considering sales to an institutional purchaser



29. How big are the following barriers for your business to enter or expand institutional sales? (One answer permitted for each option)

How major different barriers are for a business to enter or expand institutional sales



### Major barrier

#### Low Purchase Price: (45.0%)

Comments & Suggestions for Overcoming This Barrier:

- "The local area is pretty price conscious and not very local food conscious. It would take some serious education and meanwhile I am a small startup farm so I prefer [to sell at] a market like Minneapolis, where the foodies are."
- "Education about real costs of socially responsible food production."
- "Education: small producers have small margins on prices and cannot offer the extreme discounts of a large, mass producer. Purchasers would need to adjust expectations about food value versus price."
- "Our pricing is fairly fixed ... we have other markets and customers that want all we can grow."
- "Would be okay for surplus. Tough for premium products."
- "Outside funding to support institutions ordering from small organic farms."
- "Valuing local crop at a higher monetary value than the produce purchased from gigantic distributors; it is difficult for small local growers to compete with that pricing. After all, even shelf life [of local food] is probably longer."
- "Despite enhanced State reimbursement rates, schools view all products on a cost per unit basis. Prices paid by school districts have occasionally been actually below quoted prices, with the explanation that 'we can get them cheaper off the SYSCO truck'."
- "Margins are very thin for institutions and growers have to adjust prices, lowering our margin, to maintain the contact/contract."
- "Not sure! This is definitely the major barrier for us ... some institutions where we would really like to sell are just unable or unwilling to pay what we consider a fair price."
- "Looking at farmer's asking price vs. the price buyer can get the produce at through [a distributor] and meeting on an agreement? Contracts for produce? Higher quantities, therefore less deliveries."
- "Consistent ordering and contracted vegetables would be so helpful."
- "Food buying club and consolidate offerings through growers coop."
- "Raise price offered or lower quality standards. While the school paid the bottom barrel price they really only would accept a very small variance from retail produce aisle grading."
- "I could provide a value added product that would get the price higher if that is possible. I could increase the volume of the product. Communicate with the buyer of all the benefits we are providing to the purchaser to be able to get a fair price for what we have to offer. Have a contract that spells out exactly what the details are before the deal is done."
- "We need to come up with a way to be able to produce and get a fair price for the effort we put in to this process."

(Continued on page 15)

#### Major barrier

#### Low Purchase Price: (45.0%)

- "A couple assumptions: Vegetable farmers grow diversified farms because we don't have subsidized crop insurance to help us out if a crop goes bad. Since we have diversified farms, they are more labor intensive, so we have to charge more for the product. Assuming those two statements are essentially correct, then working toward getting subsidized crop insurance in MN would help us specialize in crops, use our labor more efficiently and afford to sell at a lower price. But, I haven't had too much difficulty getting the price I ask and I have increased prices each year and still keep moving product."
- "Schools need a chunk of money for purchase of product itself. More funding into ancillary things related to farm to institution is ok, but the rubber meets the road where money and product changes hands ... directly fund this exchange."

#### Moderate to Major Barrier

#### Volume Needs are Too Large for My Operation: (30.0%)

Comments & Suggestions for Overcoming This Barrier:

- "Farmer collaborative."
- "Cooperative sales and/or aggregation."
- "System that matches requested amount with producers who offer this amount."
- "Contracts that specify how much of something a buyer wants could control how much I plant."
- "Food Hub!"
- "I would have to plan the size and labor needs to be able to adjust to the larger order. I would need time to get the crop planted and the labor required to get the order to the customer's needs taken care of."
- "Expanding my operation, partnering with other farmers, developing grower co-ops, entering into an LLC to truly partner with another farmer."

#### Moderate Barrier

#### Seasonality and Ability to Guarantee Quantity on Specific Date: (36.7%)

Comments & Suggestions for Overcoming This Barrier:

- "Find opportunities to help growers develop season extension facilities like hoop houses."
- "Grass-fed meats harvest is 6 weeks into pasture season, and at end of pasture season. Cold storage needed."
- "Maybe it's more about managing expectations of the buyers and teaching/creating flexibility within the system?"
- "Educate purchasers about variability."
- "Food hub, working with cooks at institution."
- "Good communication the year before and good planning may help, but some things can't be controlled, like weather conditions."
- "Enhanced vegetable crop planning guides specialized for Minnesota. Season extension research and information distribution."
- "Season extension technology including high tunnels and heated greenhouses."

(Continued in next column)

#### Moderate Barrier

#### Seasonality and Ability to Guarantee Quantity on Specific Date: (36.7%)

- "This is scary as it depends on the animals in the fields and the weather God provides us with. One evening and a deer can eat your whole Chard crop ... or all the beans or whatever. It is hard for us to guarantee, so how can we become more reliable."
- "It is hard to guarantee product with pests and weather. That is the scary thing of doing this. Institutions need guarantees and producers would like to have contracts, but this is all an act of God and how can we eliminate this barrier is the BIG question."
- "Schools have narrow window for needing fresh produce so storage crops are more in demand."
- "Being able to offer substitutes of some kind for that product, if possible."
- "We just need to grow into this market ... right now many of us who direct market are set for a particular season and are totally burnt out by the end."
- "Clear and certain contracts."

#### Mild Barrier

#### Product Sizing and/or Packaging Specifications: (47.54%)

Comments & Suggestions for Overcoming This Barrier:

- "Equipment for sizing."
- "Educate purchasers about sizing/packaging."
- "Sizing our produce would be a capital investment to get equipment to do this on any scale."
- "There just needs to be clear communication about what the specifications are, realizing that some packaging requirements may increase the price."
- "Accessible industry information."
- "Some institutional buyers request product within a two ounce range. Five to seven ounce Russets, these orders are basically impossible for small producers to satisfy without excessive labor costs and huge volumes of cull produce."
- "Better education for us as producers."
- "You have to get to a certain, unspecific supply to begin having enough product to size and sell."
- "A cheat sheet as to how each customer would like things would be helpful. A tomato from the farm will look very different from a tomato from the grocery store. Those are uniformly sized and perfectly round and red. But, the flavor is what matters for the farm tomato... so a cheat sheet from each buyer would be helpful."



Mild Barrier

**Food Safety Requirements: (44.7%)**

Comments & Suggestions for Overcoming This Barrier:

- “Keep offering consistent training opportunities around the state to access expertise. Link new growers to established growers through a mentorship arrangement.”
- “Perceptions of institutional food service directors vary [regarding] on-farm food safety, some misunderstand the MN Meat and Poultry Inspection Program and insist on USDA meat inspection. This is ongoing misinformation between Minnesota Department of Agriculture and Minnesota Department of Health.”
- “Cold chain is an issues for some products—cold delivery vans/trucks available, grants to purchase proper delivery vehicles. Certainty that products will be handled safely once delivered. Preparation & education on both ends of sale.”
- “[Good Agricultural Practice] (GAP) certification? Farm tours for buyer.”
- “Financial and technical assistance.”
- “Greater training including farm tours.”
- “We are happy to comply with reasonable food safety steps—we developed a written food safety plan for Bon Appetit and its just good practice to implement anyway. GAP certification would make us rethink our accounts especially if each crop needs to be certified.”
- “Classes for farmers on food safety would be awesome!”
- “Refresher class.”
- “I would have to have a GAP plan in place with a certification. That would prove we know what the safety requirements are. We are compliant and fully support the importance of food safety. It is a number one requirement in how I do business. If I had to provide a facility I would need financing in order to pay for it. The cost is the biggest barrier to me. A GAP certification would clarify the issue.”

Mild Barrier

**Liability Insurance Costs: (43.6%)**

Comments & Suggestions for Overcoming This Barrier:

- “I wish someone would offer lower liability costs for packages value-added products when a person is just starting out.”
- “Food Hub could have an umbrella policy that all growers could buy into versus needing to have their own separate policy that can be expensive and cost prohibited from some growers even participating.”
- “The word ‘liability’ is scary and anything that costs money is scary, but I realize how important it could be—an insurance pool of some sort? Something like a co-op?”
- “Liability insurance price breaks for groups, tax breaks for small producers.”
- “Cooperative purchasing of insurance?”
- “Liability insurance that assess the true risk of vegetable farming, not based on entire farming system.”

(Continued in next column)

Mild Barrier

**Liability Insurance Costs: (43.6%)**

- “Perhaps grower association or group coverage?”
- “It all depends on just how much it is going to cost. I can shop around and compare prices and get the best deal I can find. I would have to include insurance costs in my product prices to be able to recoup some of the costs.”
- “I rent land without a living space attached to it and I rent my living space as well. I was only able to find one insurance agency that had a plan for this type of situation. I didn’t get to shop around much since only one agency was even able to give me quote. The cost feels too high and I am going to make some more calls this winter.”
- “We really need a third party here to do a lower-cost insurance for a group of producers like the farmers market insurance now in effect with Stearns. My home’s insurer just doesn’t touch the stuff and it would be prohibitively high.”
- “Consistent income from production.”

Mild Barrier

**Delivery Logistics: (40.6%)**

Comments & Suggestions for Overcoming This Barrier:

- “Managing expectation (one size fits all institution- alism meets small biz/ family operation), but also I would need to buy bigger/different truck & also hire someone(s) or I’d spend much more time on deliveries than on working—Farm growing is already a 2nd job around my “day job”. Deliveries would be a 3rd job.”
- “Minimal delivery dates & locations—a consolidation point that then delivers to various institutions. Preorders, no last minute orders.”
- “Would hope to match deliveries with existing trips to town, or work with food hub.”
- “Central pickup or cooperative delivery.”
- “Need refrigerated delivery vehicle.”
- “Centralized cooperative network.”
- “Shared trucking.”
- “The one place we sell that isn’t in our town is to the Emergency Foodshelf Network (now Food Group) in the Cities; for that we take turns driving up product with another local farm that sells to them. If that could happen on a larger scale so we were doing even less driving we would be more interested, although still prefer to sell locally.”
- “There needs to be a cooperative effort financed in order to bring the best of the Driftless region, where we reside to major urban centers.”
- “Food HUB!”
- “Consolidate through growers coop.”

(Continued on page 16)



Mild Barrier

**Delivery Logistics: (40.6%)**

- "Larger orders would help cover the cost of transportation."
- "Depending on exactly what the issues would be I would have a different answer. I would establish exactly what my business plans are for delivery of products that are purchased. It would include the costs for all the services required. Where we do not ship to. What delivery services that we use that would give the customer options that would best fit their needs."
- "Trucking provided by customer."
- "Having a pickup rather than us delivering."
- "Teaming up with other farms in the area for distribution to areas >20miles away and working to build a personal relationship with institutions within 15 miles of the farm."

Mild Barrier

**Product Cleaning and/or Preparation: (40.0%)**

Comments & Suggestions for Overcoming This Barrier:

- "Large volumes going to one customer."
- "I would need to significantly increase my post-harvest washing and handling capabilities."
- "Institutional purchasers unconsciously expect chemically treated products. Potatoes that will sprout are not desirable. Products that might discolor [are] not desirable. Bugs present in lettuce shipments are grounds for refusal."
- "Grants for food processing stations and classes on food safety would be great."
- "Classes on proper handling and grants for product cleaning stations."
- "Build on-farm facilities."
- "Directly for me to invest in more/better washing equipment. Indirectly could be achieved by washing being done by the institution or at an aggregator."

Mild Barrier

**Customer Service/Ordering: (39.7%)**

Comments & Suggestions for Overcoming This Barrier:

- "Online capabilities and a system to make communication easy."
- "A simple consolidated ordering system with institutions & producers linked by a managed ordering platform. Institutions educated about expected ordering process and roles/expectations of service clearly defined."
- "Better process for limited English proficiency individuals."
- "Expansion of growers cooperative."
- "Consistent order day established, in a consistent manner, so that we know what to pick and deliver. I.E., every Tuesday by noon orders are placed via email (that way we know what devices to check too—during farm season—we do not carry computers or check voice-mails as often. But if we knew to check the computer by noon on Tuesday .... it would help!"
- "Food buying club."
- "Getting an online system set up. Twin Cities Local Food does a great job of this. I hope to set up an online selling system for my CSA and direct sales from farm to community members."

Mild Barrier

**Establishing Buyer Relationships/Accounts: (34.4%)**

Comments & Suggestions for Overcoming This Barrier:

- "Institutions typically expect below market pricing. I cannot afford to subsidize their purchases."
- "Getting a foot in the door is one of my biggest challenges. Once "in", I'm confident I can develop & maintain a relationship. I don't really even know where to begin so some sort of one to one introductions or small group setting would help immensely—and some "sales" coaching for cold call type introductions."
- "Learning how to and whom to contact."
- "There is generally no incentive for institutional buyers to diversify suppliers or increase local purchases. Develop an incentive for institutional buyers, possibly just a recognition program. Where there are current incentives (Farm to School Grants) they are generally NOT linked to actual local produce purchases but simply assumed to result in greater local produce purchases. Our farm has experienced school districts with Farm to School funding that order just over one ounce of local produce per student annually (5,000 student district) to districts that order close to one pound of local produce per student annually (600 student district). Our experience has been that Farm to School grants do initiate local purchases by school districts, but have almost zero correlation with the actual volume of local purchases. We experienced one scenario where Farm to School grants were used to fund the construction of flower beds on school grounds. These State funded flower beds are not in use due to a lack of local funding to buy flowers."
- "Expansion of growers' cooperative market."

(Continued on page 18)

Mild Barrier

**Establishing Buyer Relationships/Accounts: (34.4%)**

- "Phone calls are nice, but reliable ordering throughout the year would lessen anxiety as well as provide reliable cash flow."
- "Food HUB!"
- "Food buying club and consolidate offerings through growers coop."
- "Knowing the most appropriate person to talk with. The person that makes the buying decisions. Have the right 'elevator speech' that tells my potential customer what my business can do for them. Start by emailing them without a hard sales pitch yet still showing all the benefits fresh farm food has to offer them, the people they serve and try to help the buyer solve a problem. Listen to them and figure out what they need and the best way to deliver in spades. Bring samples and photos of my products. Have sales materials ready to leave with the customer. If possible, provide taste samples so the buyer can get the full experience of the quality of our food."
- "I've been blessed with working with other farmers and distributors who already have the contacts, but I'll probably start establishing my own this year in order to grow. Again, continuing to partner with other farmers."

No Barrier

**Volume Needs are Too Small for My Operation: (34.4%)**

Comments & Suggestions for Overcoming This Barrier:

- "Participation in a growers' cooperative that distributes product."
- "Food Hub!"
- "Buy in greater quantity or buy more different items so the total order supports the cost of delivery."

30. What informational tools would be helpful for your business to access or increases institutional sales? (One answer permitted for each option)

1. Food hub, cooperative and/or other aggregation setup information/support
2. Institution product specification sheets/checklists
3. Business planning advice (start-up/expansion)
4. Institution contacts/directory
5. Food safety training/support
6. Institution purchasing needs inventory
7. Institution/processor tours
8. Marketing improvement training/support
9. Logistical/administrative training/support
10. Producer contacts/directory

31. How would you like to access business tools, information and relationships aimed at accessing or increasing institutional sales? (Multiple answers permitted)

Regional farmer-buyer networking events	62.5%
In-person workshops	59.4%
Online producer-seller directory	59.4%
Informational webinars	56.3%
Farm visits/field days	51.6%
Online resource libraries	37.5%
Online producer/institution forums	34.4%
Printed producer-seller directory	34.4%
Other	7.8%
N/A	0.0%

32. Who would you like to work with on learning more about accessing or increasing institutional sales? (Multiple answers permitted)

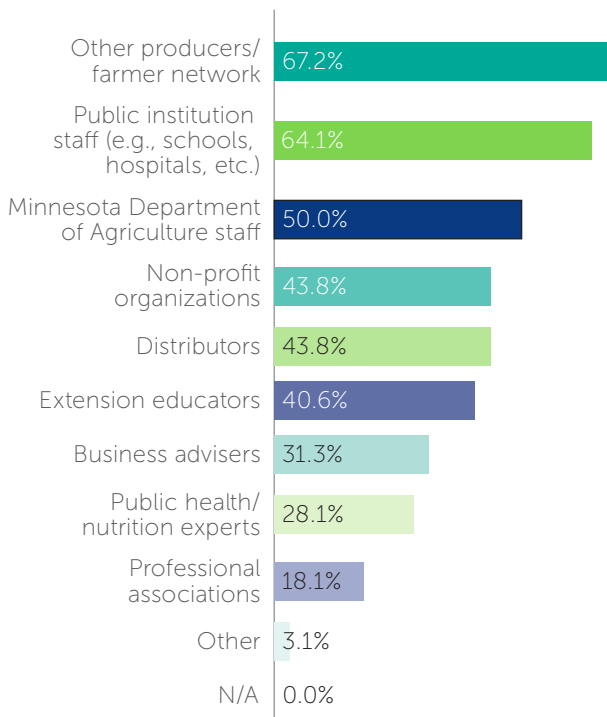
Other producers/farmer network	67.2%
Public institution staff (e.g., schools, hospitals, etc.)	64.1%
Minnesota Department of Agriculture staff	50.0%
Non-profit organizations	43.8%
Distributors	43.8%
Extension educators	40.6%
Business advisers	31.3%
Public health/nutrition experts	28.1%
Professional associations	18.1%
Other	3.1%
N/A	0.0%

**Note:** Questions 33-36 addressed survey follow-up and the answers were omitted for this report. The questions are listed below:

33. Are you interested in being contacted by the sponsoring organizations (i.e. Institute for Agriculture and Trade Policy, Sustainable Farming Association, Renewing the Countryside) regarding clarification on your survey responses and/or information on future institutional sales workshops, field days, business tools, etc.?

34. Are you interested in having your business contact information made available to institutions and other purchasers via public directories such as Minnesota Grown Wholesale Directory?

Who producers would like to work with on learning more about accessing or increasing institutional sales



35. Are you interested in a free membership to the Sustainable Farming Association of Minnesota (includes \$60 worth of registration discounts to the 2015 SFA Annual Conference and Midwest Soil Health Summit) through April 1, 2015?

36. If you answered YES to any of the previous questions, please provide the following [contact] information: name, company, address, city/town, state, ZIP, country, email address, phone number.

**Note:** Questions 37 (see below) addressed reasons why respondents who answered “no” to Question #22 [Are you interested in selling your products to institutions (e.g., schools, child care centers, etc.)]. Responses to this question are included under Question #22 above.

37. Please share the reasons you are not interested in selling your product to institutions (e.g., schools, child care centers, hospitals, etc.), including any previous experience doing so:

38. Please feel free to share any other thoughts on topics or issues that were or were not addressed in this survey (optional).

- “I’d be interested in exploring the possibility of a farm equipment library. I am a new grower that cannot afford the equipment necessary. It would be very useful to be able to check out equipment or rent it at low costs; which could be shared by others.”
- “The market in outstate Minnesota institutions is rather small, but needs to be filled.”
- “Media and exposure [to] ‘normalize’ the small farm to institutional system. It’s either unknown or unfamiliar enough to trigger uncertainty/lack of confidence for most of my potential clients. Seeing it in the media and at points of purchase seems to be the way most people become familiar and becoming familiar [results in] becoming comfortable. Farmers Markets are a great example of this. Food Coop newsletters & displays showing off ‘our farmers’ is another example—if we could get institutions to ‘brag’ about us small providers in their lobbies, on their websites, internal and public newsletters etc. that would go a long ways toward showing the general public and the corporate decision makers how ‘normal’ and non-threatening we are.”
- “We would be interested in receiving help with creating a business and market with a holistic management focus. Sometimes taking knowledge and putting it into practice is a challenge so having another producer take on a mentorship type role would be helpful.”
- “I’m currently working with one school this year as our first school year featuring a ‘harvest of the month’. I hope to take what we all have learned from this experience and present another local school with the idea for implementing it next year. I believe the currently involved school wants to continue and grow the program next year.”
- “There has been lots of talk for quite a few years about sales to institutions and there is definitely a disconnect or it would have happened. We are currently marketing to retailers and distributors, have a professionally run organization and still find working with institutions illusive. Low price and low volume are barriers followed by transportation costs (fuel and time per payload).”
- “I have been somewhat frustrated in connecting to institutional markets because: many institutions are low price buyers, whereas I sell a high end product—I do have certain grades that might work (e.g.; small

russets); delivery of small quantities on a regular basis can be a problem; and most institutions no longer peel potatoes.”

- “I think having more information and questions [about financing issues] would be helpful to farmers. It would get us thinking about it and perhaps finding ways to solve those types of problems.”
- “There really isn’t an institutional market for meat, eggs [and] dairy.”
- “Specialized farms would probably have an easier time providing the consistent quality and quantity institutions are looking for, but I’m not sure there’s enough support for the farmers to take on the risk of growing just one vegetable crop. Also, in anything that involves farming, discussion about the actual business numbers would be great. What percentage of sales to institutions go towards distribution costs? Do ‘seconds’ actually make farmers money? How much does a farmer need to charge for a pound of tomatoes to make a living wage if they’re farming one acre of tomatoes? 100 acres of tomatoes?”
- “Boy, farm to institution has been pretty tough in our experience. There is a lot of conversation and many good motivations to do farm to institution, but price and quantity have been big issues. It seems that we are so set up to direct market, that it is a round-peg, square-hole situation. It is also very difficult to harvest and sell at half the price when we can sell all we want directly to households at a retail price. We do it to diversify and experiment to see how it goes, but after a few years we’ll either have to get better at it or simply give it up.”

## Feedback on Preliminary Survey Results

Once the survey was closed, preliminary results were developed and presented at three different farm-focused conferences in Minnesota: the Upper Midwest Regional Fruit and Vegetable Growers Conference (January 15–16, 2015) the Sustainable Farming Association Annual Meeting (February 14, 2015) and the MOSES Organic Farming Conference (February 25–27, 2015). The overall intent of presenting preliminary information was to test the outcomes with a larger audience. The information was formatted into a PowerPoint presentation, a simple informational handout, and a short feedback form to capture farmer reactions to the

presented information. Depending on the event, presentations were varied and included: formal keynote presentations, informal meetings, and exposition booth conversations.

Of those who provided feedback, 45 percent were currently selling to or interested in selling to institutional markets and 47 percent were not interested in such markets; the remaining eight percent were uncertain. This is a more even split than the percentage of interested individual shown by the survey. For those currently selling to institutional markets, the following institutions were most common: K-12 schools, elderly care centers, daycare centers, and prisons. Unlike the survey, respondents did not list universities or hospitals in their current or future institutional markets. Similar to the survey, those currently engaged with or interested in institutional markets cited the following motivations: additional local market, market for seconds, public education about food production and large volume orders. For those not interested in selling to institutional markets, the following barriers were reported: volume needs are too large for my operation and low purchase price. This is consistent with the most common barriers identified by the survey.

When asked about the information resources and tools would be helpful to start or expand the sale of products to institutions, respondents suggested:

- Providing current market needs to assist with planning and planting.
- Developing resources on how to approach institutions to establish contracts.
- Supporting cooperative networking, aggregation and marketing.
- Providing accessible information on product specification, storage and delivery requirements.
- Providing a lists of institutions and contacts .
- Supporting efforts to meet food safety and GAP certification requirements.
- Conducting in-person workshops and providing online information and resources.
- Providing business planning support and help determining price points for profits.
- Developing resources on determining the right level of liability insurance and current coverage.

- Supporting more facilitated conversations between farmers and institutions.
- Cooperative networking: understanding needs or demands that I might be able to fill.
- Supporting education for institutions about benefits of locally grown food—specifically to know where and how their food is grown.

On average, 90 percent of those who provided feedback reported an increase in their knowledge of farm to institution markets after engaging with the presented materials. A majority of respondents identified themselves as specialty crops growers.

## Conclusions and Recommendations for Next Steps

On a whole, it is clear that a majority of respondents were aware of institutional markets, including their multiple benefits, and were interested in including them in their farm business plans. However it was clear that familiar barriers commonly associated with institutional markets remain as real or perceived impediments to this happening, namely: low purchase price; large volume requirements; and seasonality and the ability to guarantee a specific quantity of product on a specific date.

The recommendations for overcoming these major and moderate barriers that were provided by the respondents are potential pathways forward.

- For low purchasing price, respondents pointed to the need for improved education of institution procurement staff on the real costs and benefits of locally and regionally produced food. This was coupled with recommendations for increased funding and resourcing for public institutions—specifically K-12 schools—to have the option to choose locally and regionally produced food over often cheaper and logistically easier products through mainline distributor. Such funding and resourcing—such as increased reimbursement rates, infrastructure support, and staff training—could help align local producers and their regional institutions.
- For meeting the large volume requirements of institutions, respondents overwhelmingly recommended farmer cooperatives, food hubs and other forms of aggregation as essential connectors between a farm and an institution. Clearly this approach, coupled with support for matching growers with buyers based on scale and establishing advanced contracts, would help

make local producers competitive with large mainline distributors.

- For matching the growing season with the ability to guarantee a specific quantity to an institution on a specific date, which is perhaps one of the most difficult barriers due to the natural growing season of Minnesota and the Upper Midwest, respondents pointed a number of possible options. Expanding resources (e.g., funding, information, etc.) for producers to access and integrate season extension tools—such as hoop houses or high tunnels—and storage/preservation facilities—such as cold storage or root cellars—was one possibility. Establishing aggregation operations with the possibility to offer substitutes for seasonally unavailable products was another. Overall, expanding communication and educational opportunities between producers and institutional staff was highly recommended.

While the identified benefits and barriers for Farm to Institution markets in Minnesota and the Upper Midwest are familiar, the most important aspect of the survey results are the tools and resources that producers would like to have access to in order to enter and/or expand institutional sales with confidence. By considering *what* tools and resources are desired in the context of *how* they would be best accessed and *who* producers would work with in this process, a clear roadmap reducing farm to institutions barriers and increasing benefits of the practice is revealed.

- Producers want tools and information that will help them orient their businesses to effectively and efficiently capture institutional markets. This could be achieved by:
  - expanding research on aggregation operations (e.g., food hubs, farmer cooperatives, etc.) for linking farms with institutions, including research on sharing equipment and the economic viability of markets for seconds/surplus;
  - developing cross-institution product specifications that are farmer friendly and highly accessible (e.g., best practice resources, checklists, etc.);
  - providing specialized business planning advice for farms to start or expand sales within the particularities of institutional requirements (i.e. food safety, order logistics, etc.)
- Producers want to work access tools and information in-person while also being able to do their own on-line research. This balance could be achieved by:



## Endnotes

1. United States Department of Agriculture, "The Farm to School Census – Minnesota," USDA, <http://www.fns.usda.gov/farmtoschool/census#/state/mn> (accessed December 1, 2014).

2. Ryan Pesch and Rani Bhattacharyya, "Assessing the Potential Northwest Minnesota Farm-to-Institution Market," University of Minnesota Extension, January 2014, <http://www.extension.umn.edu/community/research/reports/docs/2014-Assessing-potential-farm-to-institution-market.pdf> (accessed December 1, 2014); Ryan Pesch, "Assessing the Potential Farm-to-Institution Market in Central and Northeast Minnesota," University of Minnesota Extension, July 2014, <http://www.extension.umn.edu/community/research/docs/2014-Assessing-the-Potential-Farm-to-Institution-Market.pdf> (accessed December 1, 2014).

3. Institute for Agriculture and Trade Policy, "Building Farm to Institution Markets," IATP, <http://www.iatp.org/event/building-farm-to-institution-markets> (accessed 1 December 2014).

- establishing regional farmer-buyer networking events that help to build relationships, foster communication, increase mutual education and encourage business connections;
  - hosting comprehensive in-person producers workshops on entering and/or expanding institutional sales, featuring producer and institution purchasing experts;
  - developing an online producer-seller directory that provides contact information for procurement staff at regional institutions;
  - hosting informational webinars that complement in-person producer workshops, extending the availability and range of such information and expertise;
  - hosting farm visits/field days with producer who have successfully oriented their businesses to institutional markets, including visits along the supply chain to observe and learn from aggregation, distribution, and institution preparation practices.
- Producers want to work with each other learn and build farm to institution participation—relying on established best practices for success. This could be achieved by:
- supporting existing farm-to-farmer networks and providing resources for their expansion, as well as the creation of new networking opportunities;
  - expanding the integration of institution staff, Minnesota Department of Agriculture staff, and non-profit organizations into the development and delivery of farm to institution tools, resources, and events; and
  - exploring opportunities to expand and more fully support the role played by distributors and Extension educators in farm to institution activities.