Building Farm to Institution Markets

A 2014 Producer Survey Perspective

Thursday, June 25th 2015

Presented by:

INSTITUTE FOR AGRICULTURE AND TRADE POLICY

renewing the countryside

sfa FARMER-to-FARMER NETWORK®

www.iatp.org/FTI

Webinar Housekeeping

- Call in using telephone audio option on your control panel if you're having trouble with your computer audio.
- Participants are muted. We will take questions at the end.
- To ask as question, use the "Question Box" on your control panel to submit questions for the presenters and to seek technical support (i.e. problems with sound, etc.).
- Webinar is being recorded and will be available along with the report online at www.iatp.org/video and www.youtube.com/user/IATPvideo

Partners and Contributors

INSTITUTE FOR AGRICULTURE AND TRADE POLICY

www.iatp.org

www.renewingthecountryside.org

www.sfa-mn.org

Building Minnesota’s Farm to Institution Markets: A Producer Survey

Download the final survey report:

www.iatp.org/documents/building-Minnesota’s-farm-to-institution-markets

Farm to Institution Producer Survey

- Goal: listen to producers on “next steps” needed to grow farm to institution sales – making it easier & more profitable for producers in Minnesota.

- How: online producer survey on farm to institution in Minnesota created by IATP, SFA and RTC – with help from over 15 other organizations, government agencies and farms.

Farm to Institution – What is it?

Initiatives that connect producers with nearby public and private institutions to provide fresh, healthy and minimally processed foods for their clients.

- K-12 Schools
- Preschools
- Child Care Centers
- Home Child Care Providers
- Universities / Colleges
- Hospitals
- Adult / Elderly Care
- Government Offices
- Prisons / Correctional Facilities

Farm to Institution – Why is it important?

- Public institutions feed a large & diverse number of people every day – additional income potential for producers.
- Dollars spent in local economies have greater local impact on other businesses, including food infrastructure.
- Fresh, health and sustainably produced local food provides numerous benefits for institutions and their clients.

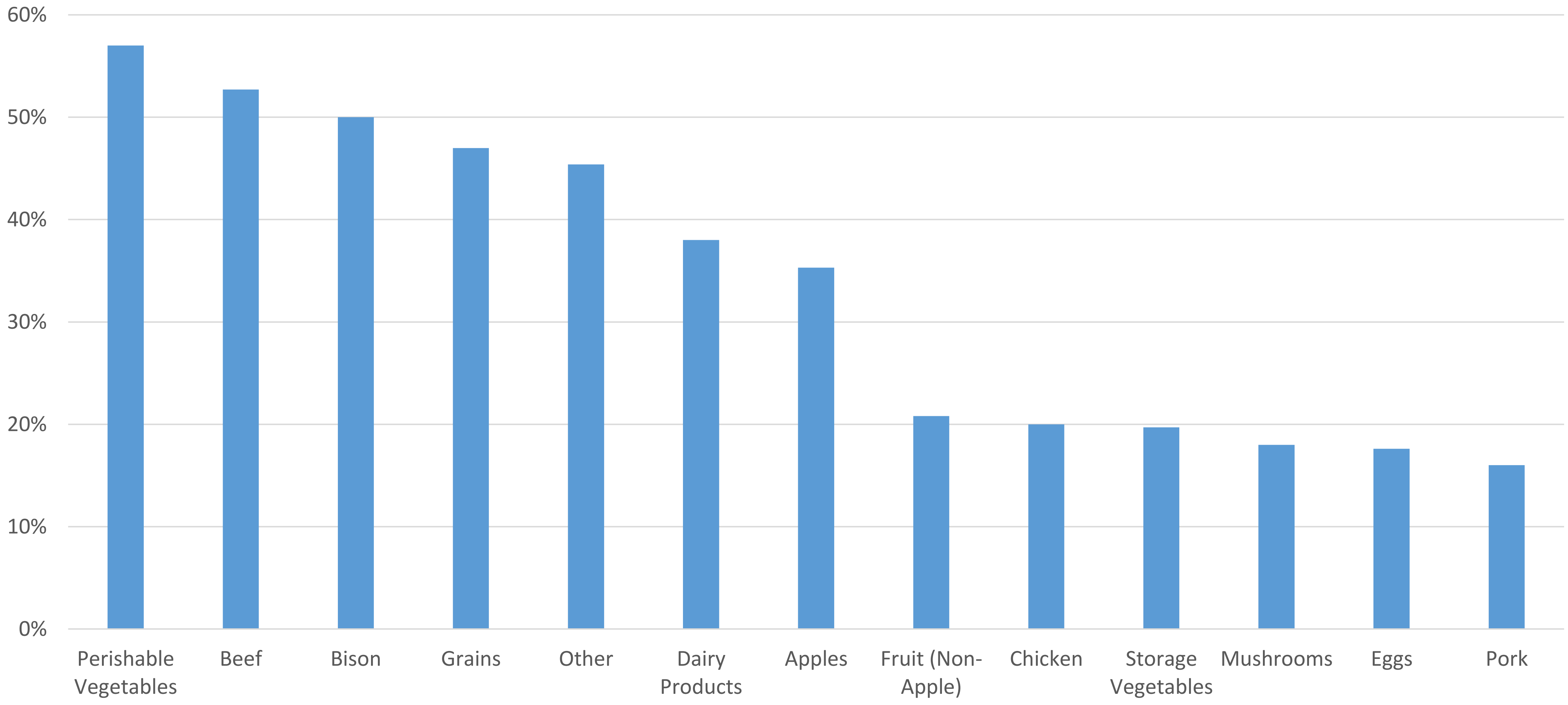
Sources: *USDA, Farm to School Census* (2012); IATP, *Farm to Hospital Report* (2013); IATP, *Grower Perspectives on Farm to School* (2012); Upstream Public Health, *Health Impact Assessment* (2011)

Who Participated in the Survey

Engaged 142 producers operating in 56 counties in Minnesota, Wisconsin and South Dakota between November – December 2014.

- **Gender**: predominantly male (58%) – female (39%)
- **Age**: majority between 44 -64 years old (56%)
- **Experience**: "beginning" farmers w/ 0-5 years experience (41%)
- **Setup**: majority individual or family farms (62%)
- **Size**: mostly 1-3 acres (24%), but also 10-49 acres (16%)

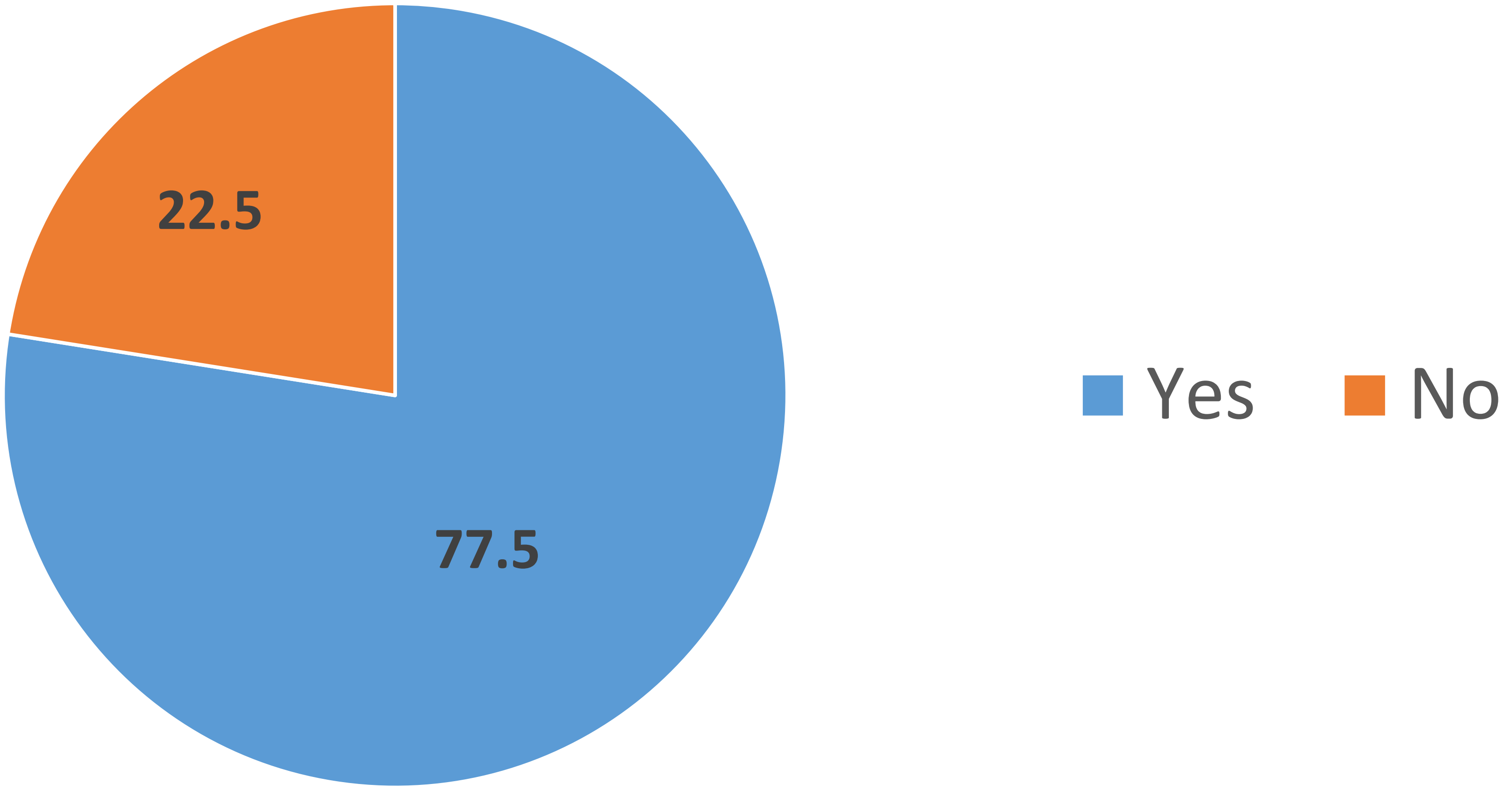
What Respondents Grew in 2013



Where Respondents Sold Products in 2013

Market Channel	% of Respondents
Community Supported Agriculture (CSA)	45%
Wholesale	42%
Growers Cooperative	42%
Farmers Market	36%
Distributor	34%
Processor	29%
Caterer	28%
Co-Operative Grocery	26%
Restaurant	24%

Future Interest in Farm to Institution



Why Producers Sell to Institutions

Benefit	% of Respondents
Relationship with the Local Community	66%
Provides Fair, Steady Prices	60%
Provides an Additional Local Market	53%
Provides Reliable / Advance Contracts	50%
Reduces Marketing Costs / Time	46%
Market for Surplus/Variable Quantities	46%
Reduces Distribution Costs	46%
Provides Public Education about Food	45%
Potential for Larger Volume Orders	42%

What Makes Farm to Institution Sales Challenging for Producers

Major Barriers:
Low purchasing price (45%)
Volume needs too large (30%)

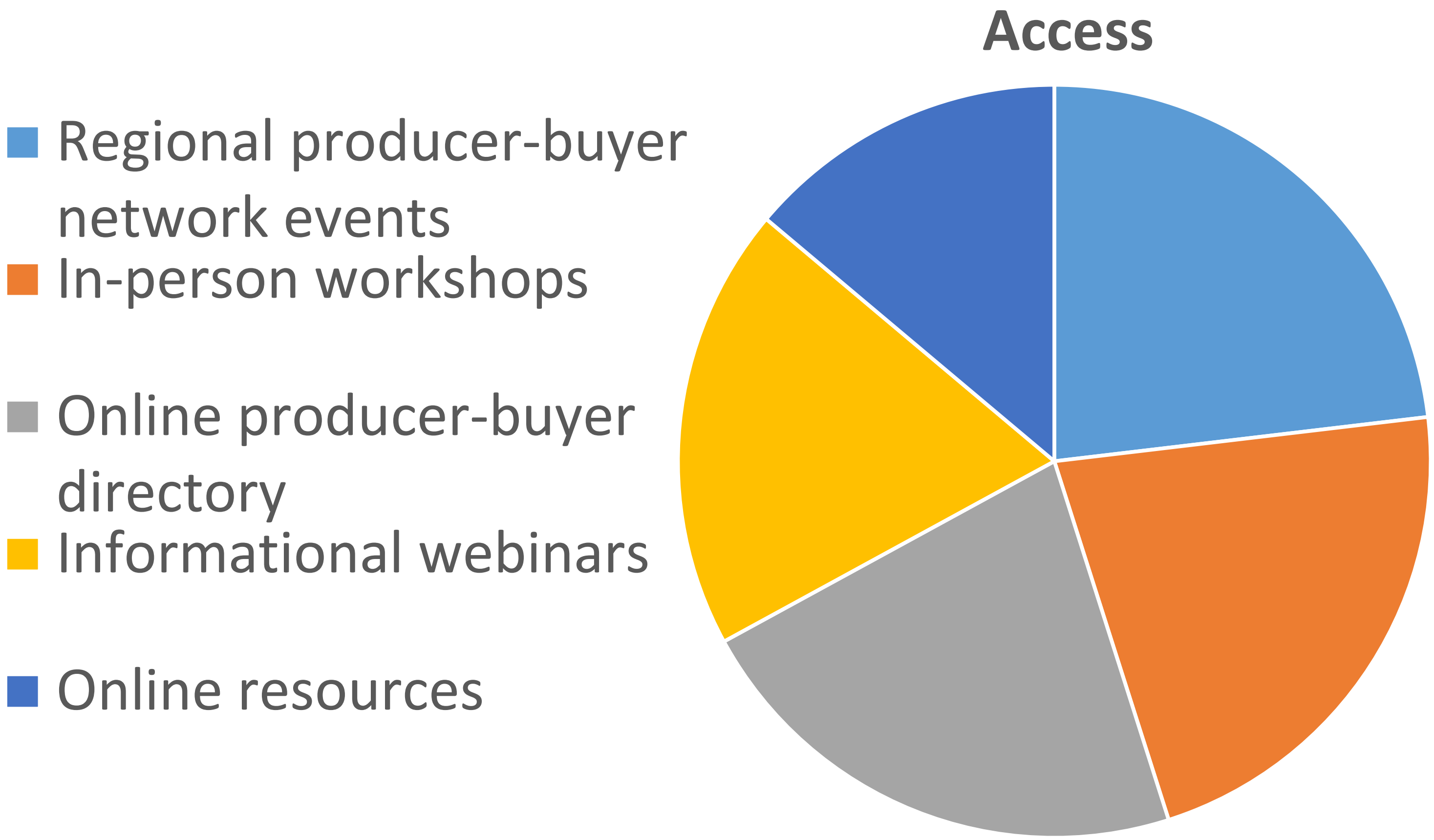
Moderate Barriers:
Seasonality mismatch (37%)
Delivery logistics (33%),

Mild Barriers:
Sizing/packaging requirements (48%)
Food safety requirements (44%)
Liability costs (44%)

What Tools Producers Want to Improve Farm to Institution Sales

1. Aggregation setup information and support (e.g. food hub, cooperative, etc.)
2. Institution-specific product specification sheets / checklists
3. Business planning advice specific to starting or expanding institutional sales
4. Regional institution contacts / directories
5. Food safety training and support
6. Advance purchasing needs for regional institutions (i.e. what's needed and when)

How Producers Want to Access Tools & Who They Want to Work With



Sources

1. Other producers & producer networks
2. Institution staff (i.e. schools, hospitals)
3. MN Dept. of Agriculture Staff
4. Non-profit organizations
5. Distributors

Producer Recommendations on Key Barriers

1. **Overcoming Low Purchasing Price**
   - Improved education of institutions on cost/benefits of locally produced foods
   - Increased funding/resourcing to purchase & use locally produced foods
2. **Meeting Large Volume Requirements**
   - Improved aggregation capacities and resourcing
   - Improved system for advanced procurement needs and contracting
3. **Addressing Seasonality Concerns**
   - Improved access / support for season extension & product storage/value-add
   - Improved communication channels between producers and purchasers

“Next Steps” – What, How and Who

1. **Creating information and tools to align farm business plans and institution procurement**
   - Expanding aggregation capacities and resourcing
   - Developing simple and accessible cross-institution procurement specifications
   - Providing specialized farm business planning advice on institutional sales
2. **Providing resources via a mix of complementary in-person and on-line forums/resources**
   - Expanding regional networking events and workshops for farms and institutions
   - Developing on-line contact directories and on-line training webinars
3. **Delivered and maintained by peer-to-peer networks with expert support**
   - Supporting expansion and creation farmer-to-farmer networks
   - Building a platform for integration of public and private sector expertise

Thank you!

Questions?

Download the final survey report:

http://www.iatp.org/documents/building-Minnesota's-farm-to-institution-markets

Pete Huff phuff@iatp.org

Jason Walker jason@sfa-mn.org

Grace Brogan grace@rtcinfo.org