

Local Food Connections *From Farms to Schools*



Through direct marketing of their products, Iowa farmers and growers are forming a stronger connection with their customers and obtaining premium prices for those products. One potential direct marketing customer is the local school.

Each year, elementary, junior, and senior high schools purchase large quantities of food for their breakfast and lunch programs. Connecting schools with local growers and producers can benefit both parties. In fact, schools have purchased directly from local farmers in several successful pilot programs around the country. Often these efforts are integrated into the school curriculum through farm visits by students or classroom visits by growers or producers.

Market Size and Opportunity

Nearly every school district has a foodservice program that provides breakfast and lunch to students during the school day. Approximately 20 percent of children attending a school participate in the breakfast program; often 70–90 percent participate in the lunch program. Applying these percentages to your school district's enrollment provides some idea of the potential market of the local school district.

Breakfast typically consists of a serving of milk, a serving of fruit or fruit juice, and either two servings of cereal or grain products (e.g., cereal and toast) or one serving of cereal or grain (e.g., pancake) and one serving of meat (e.g., sausage or egg). The price charged for breakfast averages around \$1.

Lunch typically consists of an entrée, two servings of vegetables and/or fruits, one or two servings of bread or grains, dessert, and one serving of milk. The price charged for lunch usually ranges from \$1.30 to \$1.80, with higher prices often charged for junior and senior high school students because of larger serving portions.

Most school districts participate in the National School Breakfast and Lunch Programs and are eligible to receive food products through the U.S. Department of Agriculture Food Distribution Program. This program provides a variety of shelf-stable or frozen commodities (e.g., meat and poultry items, canned fruits and vegetables, flour, shortening) at a greatly reduced cost. School districts typically will purchase available commodities through this program rather than from other sources because of this reduced cost. Fresh food items, such as produce, eggs, and milk, are not included.

The foodservice director most often is the person who purchases food for the school. Directors usually purchase from less than 10 suppliers. Payment for food is made through the district business office. The Board of Education often has to give approval for payment of any bills, however, school districts usually pay their bills within 30 days.

Most schools receive delivery of food items directly to the school where the foods will be served. Food deliveries usually are accepted only during the mid-morning, after breakfast service ends and before lunch service starts.

Concerns with Purchasing Locally

School foodservice directors will have several concerns when considering whether to purchase locally grown or produced foods. These include:

- cost effectiveness
- seasonality and availability of products
- reliability of volume to meet needs of the district
- product packaging and labeling to meet safety regulations
- efficiency of ordering and payment procedures

Finding ways to minimize these concerns will increase a producer's chance of selling to a local school district.

Cost effectiveness is a concern because school foodservices operate with a limited budget. Talk with your local school foodservice director to determine whether prices of your food products are competitive with the school's current purchasing. Schools may be willing to pay higher prices for local products in order to support local business and obtain fresher or higher quality items.

Seasonality and availability of products may impact your ability to sell to school foodservice operations. Schools typically do not serve meals during the summer months. This may limit both the kind and quantity of products, particularly fresh fruits and vegetables, that you are able to sell to schools. Work with the school foodservice program to encourage use of local products when available. Schools can switch back to their traditional vendors if or when you no longer have product due to seasonality.

Most schools plan their menus more than one month in advance of service. Foods then are purchased to meet the published menu. Producers may find it difficult to know 30 days or more in advance exactly what day food items will be available for sale. Coordinate with the school foodservice director to find ways to build flexibility into published menus to allow for harvest timing.

Reliability of volume can pose greater challenges for direct marketing to larger school districts. Having sufficient volume to meet the needs of the school and having the product ready for harvest when the school is serving that food item are particularly challenging. Meet with the school food service director to determine which products you have in sufficient volume to meet the school's needs. Providing items for the school's salad bar may be a good place to begin as these products often are needed in lower volume than other products served.

Product packaging and labeling are issues that pertain to compliance with government (state and national) regulations for food safety assurance. Children's immune systems are not fully developed so they are more vulnerable to food-borne illnesses.

High levels of pathogenic bacteria (such as *Salmonella*, *campylobacter jejuni*, and E. Coli O 157 H) and the presence of parasites are concerns for all foods. There are few regulations regarding selling fresh produce items, with a few exceptions such as raw seed sprouts and cut melons. However, it is important to package them in consistent amounts into sturdy containers approved as food contact surfaces. School foodservice buyers prefer to have a set number or weight in each package in order to facilitate purchasing, receiving, and inventory control of the product.

To protect the quality, particularly of fresh produce, sturdy containers with appropriate packing and proper transportation must be used. Plastic bags should be approved for food storage. (Many large plastic bags are treated to reduce garbage odor and as such are not safe for food storage.) A school foodservice director, for example, likely will not buy apples from a grower if it appears the apples are packed in boxes previously used for another product or delivered in the back of a pickup truck not thoroughly cleaned prior to loading.

Efficiency of ordering and payment procedures is another concern. School foodservice directors most often order supplies from a vendor once a week for delivery sometime within the upcoming week. These orders may be placed in person to a company's salesperson or placed through telephone, fax, or electronic transmission. Invoices for food typically are not paid by foodservice department personnel, rather they are processed and paid (usually within 30 days) through the school's business office. Direct marketing to local schools will be facilitated when minimal changes in this ordering and payment routine are needed.

Marketing Strategies

Producers can choose from two marketing strategies: going it alone or working together.

Going It Alone

One way to sell to local school districts is to approach the school district as an individual producer. As with other direct marketing efforts, you can do several things to increase your chances of being successful with such an effort.

1) Do your homework. It is important before meeting with potential buyers to know:

- products you will have for sale.
- how your product will be sold (by the pound, the bunch, individual pieces).
- volume you could provide.
- months of the year the foodservice operation prepares meals.
- months you could provide the products.
- how frequently you could deliver.
- if there is a product guarantee and return policy.
- selling price. (Research wholesale prices and remember that the school district is used to paying the lowest possible price. If you can show buyers benefits of buying from you, they may pay a higher price.)
- school's needs. (Determine before approaching the school how many children are served or how often a salad bar is available. Most school menus are published a month in advance of service. The more you understand and can accommodate the needs of the school, the more likely your chances to be a supplier.)
- benefits of buying from you. These benefits may include supporting a local farmer and/or business (remember that some schools have policies encouraging purchases from local businesses); getting a

fresher, higher quality, and/or better tasting product; ability to grow or raise products to meet specific needs of the buyer (for example, carrots of a certain size because the elementary children like them that way); and perhaps having your farm available for class field trips.

2) Have clear and appealing information available for the buyer.

This should include a product and price list and, if possible, an appealing brochure or handout describing the farm in a way that emphasizes the benefits of buying directly from you.

3) Call the buyer first and set an appointment. Professionalism and courtesy are key to establishing a good direct marketing relationship. Do not expect to get a response from sending out information through the mail to school districts. Direct marketing is based on developing a relationship of trust that will require in-person meetings. Dropping in on foodservice directors without an appointment is not a good way to establish a new business relationship. The idea of buying from a local farmer may be a new concept to them. Remind them that you live in or near the community. Perhaps your children attend or did attend the school, or perhaps you share some friends, neighbors, or history. These are important factors in building direct marketing relationships. Be prepared to sell or explain the idea on the phone to even get an appointment, and be prepared that a willingness to at least "explore the idea further at another meeting" may be initially the best commitment you can get.

4) Make wise commitments and be responsive to the buyer's needs.

Don't commit to provide a product until you are sure you can meet that commitment. If you do not deliver on a commitment without good reason,

the buyer or school district may become disinterested and an opportunity will be missed. Also don't commit to a price below your needed profit margin. If the school cannot pay the price needed, look for a different market. After an account is established, stay in touch with the buyer regularly to see how it is working out and if there is anything that needs changing. Being responsive to the buyer's needs is the key to maintaining and growing a direct marketing relationship.

Working Together

Around the country, programs are springing up that link multiple local farms to local schools through some type of organized effort. These programs often come about through the initiative and support of public or non-profit organizations that want to help local farmers develop new markets, improve the nutrition and quality of school lunch programs, and/or incorporate local farms into school curriculum. These programs generally fall into two types:

1) Farmers sell as individual vendors to the school but the link between the farm and the school is developed through a non-profit organization.

For example, the Community Food Security Project of Occidental College developed a Farmers' Market Fruit and Salad Bar Program for schools. Through the planning and organizing efforts of this non-profit organization, several school districts in the state have implemented salad bars stocked almost entirely with food purchased directly from farmers at local farmers' markets. Student participation in the school lunch program increased as a result.

2) Technical assistance is provided to a group of growers who want to cooperate in selling their products to local schools. This type of effort has

been successful in Florida where the USDA helped a group of growers form a cooperative that grows, processes, and distributes food to a number of school districts in the area.

There are advantages to a coordinated effort. For example, the public or non-profit organization often meets with school parents, officials, and personnel for a period of time to discuss benefits of supporting local farmers. Secondly, they can provide assistance in sorting out issues such as price, packaging, and delivery. By working together, farmers can develop new markets that would not be possible to serve as a single grower.

Resources

Edible Schoolyard Project. Information on the project can be found on the Chez Panisse Foundation Web site. April 2000. www.chezpanisse.com/cpfoundation.html

Farm Fresh Start: A guide to increasing the consumption of local produce in the school lunch program. 1997. Hartford Food System, Hartford, CT. Contact Elizabeth Wheeler, (800) 296-9325.

Getting food on the table: An action guide to local food policy. 1999. Community Food Security Coalition and California Sustainable Working Group. www.foodsecurity.org. Contact Andy Fisher, (310) 822-5410.

Hamilton, Neil. 1999. *The legal guide for direct farm marketing.* Drake University Agricultural Law Center. Call (515) 271-2065 for ordering information.

Harmon, A., R. Harmon, and A. Maretzki. 1999. *The food system: Building youth awareness through involvement.* Pennsylvania State University. Contact A. Maretzki, (814) 863-4751.

Schofer, D., G. Holmes, V. Richardson, and C. Connerly. 2000. *Innovative marketing opportunities for small farmers: Local schools as customers.* Contact Daniel Schofer, (202) 690-1170.

School Food Project – Farmers market fruit and salad bar: Community Food Security Project of Occidental College Web site. April 2000. www.oxy.edu/departments/pperc/projects/communityfoodsecurity.htm Contact Andrea Azuma, (323) 259-2566, or Michelle Mascarenhas, (323) 259-2633.

Summary of farm-to-school projects around the nation. Community Food Security Coalition School Food Campaign. Available summer 2000. www.foodsecurity.org. Contact Andrea Azuma, (323) 259-2566.

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