

Direct marketing from farms to institutions has become more popular in recent years due to the success of farm-to-school programs around the country and the growing awareness that institutions provide food to a variety of contained populations who may have reduced access to healthy foods. Institutional market requirements vary, but the range of institutions provides opportunities for many farmers.

Overall, farms need to have a certain level of reliable and constant production to sell to institutions. They also need to have the capacity to deliver or arrange deliveries. And, finally, they will need to dedicate time for building relationships and regular communication. The good news is that as public awareness has grown more institutions are interested in buying local food. Farmers interested in selling to institutions may find a good match in one or more of the four institutional markets.

This fact sheet covers:

- schools, universities, and child care facilities;
- hospitals and extended care facilities;
- state institutional facilities; and
- corporate campuses.

Schools, Universities and Child Care Facilities

Schools, universities and child care facilities are a growing market for farmers. With 295 school districts in Washington, there is a school near to almost every farm. Requirements for selling vary by district and most schools have very tight food purchasing budgets. However, with recent state and federal legislation establishing fresh fruit and vegetable snack grant programs in Washington's low income schools, a new market for raw product from farmers has been created. Some may purchase frozen or dried produce, as well. The grant programs offer from 30 to 70 cents a day per child for a single serving of fruit or vegetables. School districts purchasing directly from farms have shown children enjoy the food from farms and the educational programs in assemblies and in the classroom. Teachers and principals report that students are more focused, better behaved and ready to learn when they participate in the snack programs.

To contact a school food buyer, call or email the child nutrition services director in your school district. Be sure to build a good sales partnership by offering to start small, with harvest dinners or periodic local menus, and build to a more steady purchasing relationship.

Universities and child care facilities are at both ends of the spectrum in terms of the volumes they buy. Universities will have similar standards to the large business cafeterias outlined below. Child care facilities will range from very small to large volumes and may be an appropriate match for small to mid-sized farms.

WSDA's Farm to School Program is designed specifically to support farmers interested in selling to schools and institutions. If you need help finding school buyers, or would like assistance in planning for this market, visit www.agr.wa.gov/farmtoschool, email FarmentoSchool@agr.wa.gov, or call (206) 256-6150.

Benefits of Selling to Schools, Universities and Child Care Facilities:

- Steady year round markets (with summer feeding programs) and consistent order volumes.
- Allows for medium and high volume sales in your community and across the state.
- Opportunities to partner on educational programming for students about farming.
- Higher price point than wholesale.
- Demand for value-added products and minimally processed products.

Challenges of Selling to Schools, Universities and Child Care facilities:

- Finding a buyer who is interested in purchasing from farms.
- Farm may incur delivery costs or require time away from the farm to make deliveries.

- Farm may be required to carry additional liability insurance and/or third party food safety certifications like Good Agricultural Practices (GAP, available through WSDA Fruit and Vegetable Inspection Program).
- Larger schools may prefer that farms sell through regional distributors.
- School may be seeking washed, processed foods (cut, peeled, diced, etc.) that require minimal kitchen preparation.

Hospitals and Extended Care Facilities

Hospitals and Extended Care Facilities recognize the health benefits of eating good food and are increasing their purchasing from local farms. Many health care facilities feature local food in their cafeterias where they have some flexibility in pricing.

The first step is to call and identify the food buyer at the hospital or extended care facility. Ask about seasonal items such as winter squash or berries that they may want to purchase and whether they participate in events that support local farms. Some facilities may host farmers markets, like the Mt Vernon Farmers Market at Skagit Valley Hospital, or CSA drop sites for employees.

Be sure to provide the buyer with information about all of your products, seasonal availability, volumes, packing and processing, as well as delivery options.

Benefits of Selling to Hospitals and Extended Care Facilities:

- May offer a good price point and the opportunity to move volume quickly.
- Can advertise farm to customers with point of sale materials.
- Farm may also be able to set up a CSA pick-up site at the hospital or extended care facility.
- Steady year round markets and consistent order volumes.

Challenges of Selling to Hospitals and Extended Care Facilities:

- Farm may be required to carry additional liability insurance or third party food safety certifications like Good Agricultural Practices or GAP (available through WSDA Fruit and Vegetable Inspection Program).
- May prefer that farms sell through regional distributors.
- May be hard to get connected initially with the buyer.
- May have specific delivery requirements.

State Institutional Facilities

Washington State prisons, Department of Social and Health Services (DSHS) facilities, and Services for the Blind utilize state contracted vendors through the Washington State Department of General Administration which requires formalized lowest-cost bidding. State facilities are allowed to buy off contract through the best buy clause if the product is not available through the vendor or they find the item at a lower cost.

Youth detention centers can buy direct from farms because they do not have state contracting requirements. Farmers can contact individual prisons, DSHS facilities and Washington State Department of Services for the Blind for additional markets.

To initiate a sales conversation with the Department of Corrections, please call the State Food Program Manager at (360) 725-8457 or the Sustainability Coordinator at (360) 725-8396. DSHS facility locations can be found at www.dshs.wa.gov/locate.shtml or call (800) 737-0617 for more information. Contact Services for the Blind at (800) 552-7103 or email information@dsb.wa.gov.

Larger co-ops and very large farms are sizable enough to bid for contracts through the Department of General Administration.

The Washington Electronic Business Solution System (WEBS) offers one central location where vendors register; receive notification of government bidding opportunities; and access bid documents posted to WEBS by government organizations. Register for WEBS at www.ga.wa.gov/Business/register.htm.

For additional information call the Department of General Administration State Purchasing and Contracts Division at (360) 902-0900.

Benefits of Selling to State Institutional Facilities:

- Prisons do not require processed foods because they can process items on-site.
- Steady year round markets and consistent order volumes.
- Allows for medium and high volume sales in your community and across the state

Challenges of Selling to State Institutional Facilities:

- Farm may need to deliver very high volumes
- Farm may be required to carry additional liability insurance or third party food safety certifications like Good Agricultural Practices or GAP (available through WSDA Fruit and Vegetable Inspection Program)
- Prison or detention center may prefer that farms sell through regional distributors

Corporate Campuses

Corporate campuses are seeing farm fresh food as an employee benefit and are offering local food options more than ever before. Businesses with in-house food service that serve 100 or more people per day are an example of this market. Whether these businesses make machinery in eastern Washington or software in western Washington, the cafeteria may offer three meals each day and ample snacks. Sometimes the cafeterias of large businesses can pay more than other institutions because the employee may pay more for featured local items.

To get started, contact the buyer or food service management company that runs the cafeteria. Check for requirements and minimum volumes. Offer a list of your products, how you can offer them (fresh, frozen, dried, or canned) and possible delivery schedules.

Benefits of Selling to Corporate Campuses:

- Higher price point than other institutions and you can move volume quickly.
- Your farm may be featured with point of sale materials.
- May also be able to advertise to cafeteria customers or set up a CSA pick-up site at the business.

Challenges of Selling to Corporate Campuses:

- May be hard to get connected initially with the buyer.
- Farm may be required to carry additional liability insurance or third party food safety certifications like Good Agricultural Practices (GAP; available through WSDA Fruit and Vegetable Inspection Program).
- May prefer that farms sell through regional distributors.

Recommended Fact Sheets: Direct Marketing in Washington State, Food Processing, Insurance

For further assistance or to make suggestions on how to improve this fact sheet, please email smallfarms@agr.wa.gov or call (360) 902-2057 or (360) 676-2059.