



**The Farmers' Marketing and Sales Notebook:  
A Post-Harvest Resource for California Specialty Crop Growers**

## **The ToolChest**

Created by  
Community Alliance with Family Farmers  
PO Box 363 • Davis, CA 95617 • [www.caff.org](http://www.caff.org)

Funding provided by  
The True North Foundation





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This resource is available at [www.caff.org](http://www.caff.org) and updates will be available periodically.

## Acknowledgements

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Robert B. Corshen, CAFF Farm-to-Market Director • Project Manager

Megan Contreras, CAFF Outreach Coordinator • Assistant Project Manager

David Visher, Visher Consulting • Advisor & Technical Information Contributor

Ronit Ridberg, Ridberg Consulting • Research Manager & Coordinator

Christine Yeakley, UC Davis • Researcher

Carina Kuttering, UC Davis • Researcher

Jasmine Nazari, UC Davis • Researcher

Malie Frelinger, UC Davis • Researcher

Chuck Devers, UC Davis • Researcher

National Center for Appropriate Technology (NCAT) • Contributor

Farm Credit, Gary Matteson & Erin Pirro • Contributors

## Preface

The Community Alliance with Family Farmers (CAFF) is a non-profit organization that advocates for California family farmers and sustainable agriculture through practical, on-the-ground programs. CAFF builds partnerships between family farmers and their communities to create local economic vitality, improved human and environmental health, and long-term sustainability of family farms.

With support from the True North Foundation, CAFF has created this post-harvest reference guidebook that provides information, selling tips and internet links to the best informational sites for the eight major marketing channels.

This notebook is designed to help the family farmer in his/her continued quest to provide healthy food to consumers and provides a return on investment, both in time and dollars, that allows for a healthy life style and the ability to remain on the farm. Additionally the guidebook gives the most current information for the California Homemade Act (CFO), the FDA Food Safety Modernization Act (FSMA) and the Organic Foods Production Act (OFPA).

The True North Foundation has also assisted CAFF in responding to the public's growing demand for information and guidance on where to find locally grown foods by funding CAFF's "Buy Fresh Buy Local *Eater's Guide to Local Food.*" These guides were instrumental in building the Buy Fresh Buy Local movement and connecting consumers to regional agriculture and family farmers.

Both CAFF and the True North Foundation aim to help farmers make a viable living on the farm and consider land stewardship to be at the core of this goal.

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# **Section I.**

## **Introduction**



## Section I. Introduction

### About the Community Alliance with Family Farmers

CAFF's regional approach to our work connects the needs of family farmers with the needs of communities, influencing food systems throughout California. Our goal is to strengthen family farms, which are the cornerstone of healthy and economically viable communities through the following programs.

#### **Food for your family**

**Farm to School:** educates students about healthy eating through farm field trips, in-class lessons, Harvest of the Month boxes, and apprenticeship opportunities for older youth. Often the initiative focuses on low-income schools and communities, increasing fresh food access points for students by assisting school food service staff with local food procurement.

**Farm to Hospital:** CAFF introduces hospital communities the producers of their food and works directly with hospital food service staff to increase local procurement.

#### **Tools for the farmer**

The **Buy Fresh Buy Local** program brokers sales connections, provides marketing services, and eliminates typical barriers standing in the way of farmers bringing their goods to market.

**Technical Assistance:** CAFF helps farmers dry farm to save water and improve flavor, keep pests at bay while reducing pesticide use, and learn marketing and sales techniques to improve their income and business practices. CAFF also demystifies the complexities of food safety regulations, and teaches farmers how to develop on-farm food safety plans.

#### **Voice of the farmer**

**CAFF's policy program:** CAFF advocates for family farmer, focusing on the most pressing and complex food policy issues of our time, from climate change to water to federal farm bill advocacy.

CAFF bridges California's urban-rural divide through its support of family-scale sustainable agriculture. Working in six Northern California regions, we make it easy for

people and institutions to find and choose local food, and help farmers find stable markets for their goods. Each year, CAFF's BFBL program inspires hundreds of thousands of Californians to buy nutritious food from their local farmers. Our policy work in Sacramento ensures that family farmers' voices are heard loud and clear where it matters most. Students at hundreds of public schools are transformed into local, healthy food enthusiasts thanks to our Farm to School efforts. In every facet of its programs, CAFF is committed to sustaining the viability of family farming, and creating a lasting legacy of sustainable agriculture for the future.

### **The Goal of the ToolChest**

To bring exceptional marketing and sales information to small and mid-tier family farmers so they can increase their market exposure, access and sales revenue.

### **The Purpose**

The *Farmers Marketing and Sales Notebook*, which we refer to as the "ToolChest," is a guide to finding the best-published information about marketing and sales. This notebook will provide the tools needed to succeed in the marketing channel(s) of your choice. You cannot grow and harvest a crop without the proper farm tools, and you should not expand your business without the proper marketing and sales tools. The ToolChest helps provide the marketing and the sales tools that you will need to ensure the sustainability of your farming enterprise.

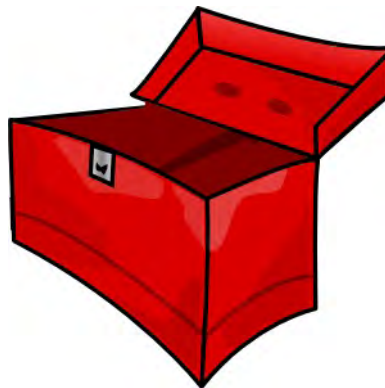
## Using the ToolChest

The ToolChest is used for post-harvest activities. It assumes that you have developed a production plan, calculated your production costs and that you are now ready to create a marketing and sales plan that will give you the best opportunity sell your products. The marketing channel(s) that you choose to participate in should be based on the goals you have outlined in your business plan. The market you choose must satisfy your business and lifestyle objectives.

In Section III, we identify ten marketing channels, ranging from a farm stand to terminal market sales. For each of the marketing channels, we have done extensive research and have identified the best publications or websites for learning about each market channel. Each resource we recommend in this ToolChest describes what the channel offers and what you need to do to successfully compete in it.

Each marketing channel section is made up of two elements: 1) **Tip Sheets** and 2) **Resources**. The Tip Sheets provide a quick overview of the marketing channel and what you should do to prepare for involvement in it. The **Resources** provide links to websites (or pdf files) that have in-depth information about specific market channels.

In the resource sections, you will find a short comment about the source and a ranking of 1 to 3 stars (☆☆☆). A three-star ranking indicates that the resource offers the best information available. The ranking is based on the opinion of our research team members.



### Getting Started: Business Plan Fundamentals

It is a fact that every business needs to have a plan in order for it to prosper. Farms that are operated by full time managers need to prepare a plan for their owners. Farmers seeking loans will need to present a comprehensive business plan to the bank or investors. Comprehensive business plans include the following components:

- Executive Summary
- Mission and Vision Statement
- Farm History/Description
- Resource Evaluation
- Production Plan
- Risk Analysis
- Marketing/Sales Plan
- Succession Plan

Accompanying all of the above is your financial information, to include:

- Budget
- Profit and Loss Statement
- Balance Sheets
- Cash Flow
- Tax Returns

All farmers are encouraged to prepare a business plan that is unique to their operation. On page **23** you will find short business plan templates published by the Bureau of Farm Credit that can be used as a place to start. It is strongly recommended that you do an analysis of your strengths, weaknesses, opportunities and threats (SWOT) focused only on the marketing/sales of your product. A template for the SWOT analysis can be found on page **21**.

### Next Steps: Determining Marketing Channels

With the completion of a comprehensive business plan (or the template offered by the Bureau of Farm Credit along with the SWOT analysis) you will now be able to determine which marketing channel(s) best fit your business and lifestyle needs. *Does your plan indicate that your objectives are met by planting a diverse group of popular products on limited acreage? Are you comfortable with engaging with many people?* This would suggest that you look into roadside farm stands and farmers markets. *Or maybe you*

*know how to grow a few crops really well. Your land will support this and you don't enjoy interacting with people all the time.* To choose a plan that satisfies these conditions, you would move to the section of the ToolChest that gives you the knowledge and skills to sell to a distributor or wholesale market. If your goal for the year is to create or sell more product, you may want to investigate what additional sales opportunities there are in new marketing channels. The ToolChest gives you the information you will need so that you can be prepared for a new market.

Regardless of which marketing channel you choose, there are a few tools that are essential to all ten marketing channels. In the next few pages, we outline why these tools are needed, how they are used and what makes them unique.

## Essential Tools

### *Mission/Vision Statements*

The mission for your business guides everything that you do. Keep it simple. Unlike all of the other tools that are created for your business, the mission/vision statements are written more from the heart than from the head. They express the broad desire of what you want to accomplish through your business over a long period of time. A well-conceived mission/vision statement should give your customers an insight to your business and social goals. As you and your business mature it is a good idea to revisit your mission statement. New experiences and changes in the environment may call for adjustments.

### *Your Logo*

The logo is the most important marketing tool that you will need to develop. Regardless of the marketing channel you choose to participate in, your logo will need to be present. It tells the world (or at least your customers) who you are. It needs to make an unforgettable impression and it has to relate to your farm name. When developing your logo, think about how you would tell your farm story with one picture. Your logo should be attractive, pleasing to the eye, and not too complex or detailed. Your design should be limited to four colors. Printing more than four colors can increase your costs significantly.

### *Your Profile*

The USDA has recently developed a marketing promotional campaign, “Know Your Farmer Know Your Food.” The USDA developed this campaign in recognition of consumer demand for locally grown produce. “Know Your Farmer Know Your Food” compliments CAFF’s existing “Buy Fresh Buy Local” campaign in California. Farmers can benefit from these two powerful campaigns by having a farmer profile that tells the buyer who you are and what, where and when you grow their food.

A farmer profile is composed of some or all of the following elements:

- Farm information (farm name, owners name, contact information, media information)
- Picture(s) (farm, family, building, products)
- Farm story (farm history, personal history, about your location)
- Products (what and how you grow, growing conditions)
- What makes your product taste so good

Your design should be attractive; your information accurate and interesting. Your profile is your primary piece of advertising material. It should be used to introduce you into every market channel that you sell in. Hand it out at farmers markets and or give it to the produce manager at your retail account.



### *The Presentation Folder*

If your marketing plan moves beyond the farm stand or farmers market, you should have a presentation folder – a colorful folder containing information about your farm and products. With a well-prepared presentation folder, selling becomes a lot easier.

Your folder should contain all the information that the buyer will need to make a favorable buying decision:

- Profile
- Product list with individual product pictures
- Harvest calendar
- Shipping Information, including delivery schedule, type and size of package. For larger customers, give case dimensions for all sizes used, case cube, and pallet configuration.
- Sample invoice
- Terms of sale



# **Section II.**

## **First Steps**



## Section II. First Steps

### SWOT Analysis

The SWOT analysis is a method used to help evaluate your farm enterprise based on the **S**trengths, **W**eaknesses, **O**pportunities, and **T**hreats that you will encounter daily. A SWOT analysis can be carried out for a business venture, a project or a product. For this SWOT analysis, the specific objective is to help identify the internal and external factors that are favorable and unfavorable to improving your marketing techniques and increasing your sales revenue.

### SWOT Analysis Template

<p><u>Strengths</u></p> <p>Who are you? What do you know?</p> <p>What do you have, own or lease?</p> <p>What advantages does your farm offer?</p> <p>What do you do better than anyone else?</p> <p>What social skills do you have?</p> <p>What unique or lowest-cost resources can you draw upon that others cannot?</p> <p>What do people in your market see as your strengths?</p> <p>What makes it so that you "get the sale?"</p>	<p><u>Opportunities</u></p> <p>What's new?</p> <p>What haven't you tried?</p> <p>What good opportunities can you spot?</p> <p>What interesting trends are you aware of?</p> <p>Useful opportunities can come from such things as:</p> <ul style="list-style-type: none"><li>Changes in technology and markets on both a broad and narrow scale.</li><li>Changes in government policy related to your field.</li><li>Changes in social patterns, population profiles, lifestyle changes, etc.</li></ul> <p>What local events can you participate in?</p>
<p><u>Weaknesses/Limitations</u></p> <p>What could you improve?</p> <p>What should you avoid?</p> <p>What are people in your market likely to see as weaknesses?</p> <p>What factors cause a loss in sales?</p> <p>Do you have bad debt or cash-flow problems?</p> <p>Could any of your weaknesses seriously threaten your business?</p>	<p><u>Threats/Hazards</u></p> <p>What obstacles do you face?</p> <p>What are your competitors doing?</p> <p>Are quality standards or specifications for your farming enterprise, products or services changing?</p> <p>Is changing technology threatening your position?</p>

When performing a SWOT analysis, you need to ask and answer questions that are meaningful to the objective. The sample questions in the matrix are included to help start the thought process. In order to maximize the benefits of this evaluation, you need to repeatedly ask the questions: what are my strengths, weaknesses, opportunities, and threats that will affect the way I market and sell my product and/or that will give me a competitive advantage? Do not rush the process.

## Develop a budget to ensure you are valued.



- 1) Use last year's records as a starting point for your five-line income statement. If you're starting a new operation, plenty of information is available!  
For example:
  - <http://agalternatives.aers.psu.edu/>
  - <http://cdp.wisc.edu/Budgets,%20Spead%20&%20Programs.htm>
  - <http://www.ces.uga.edu/Agriculture/agecon/printedbudgets.htm>
 Make sure you take regional cost differences into account (land rent is a good example of this.)
  
- 2) Calculate your five-line income statement.
  - COGS = any expense that helps produce one more unit of output.  
Production labor and associated payroll expenses, including workman's compensation, unemployment taxes, FICA, Medicare, health insurance
  - Crop or livestock inputs – seed, fertilizer, soils, chemicals, feed
  
  - Overhead = any expense that you incur no matter how much production you actually have.  
The main ones are the "**DIRTI**" Five:  
Depreciation, Interest, Repairs, Taxes, Insurance  
Don't forget to include Managers' and Bookkeepers' wages/salaries, marketing, and utilities.
  
- 3) Calculate the percent of sales for each line.  
(Divide the dollars for each line by the total sales.)
  
- 4) Create your budget—from the bottom up. Start with your desired draw (the amount you and your family need to take from the operation to live on, plus income taxes). Add the principal portion of any loan payments you need to make in 2011 to get the total profit needed from the operation.
  
- 5) Add your overhead expenses to the required profit to figure the gross margin the operation will need to yield. Your overhead expenses shouldn't change much from the previous year, unless you've undergone a significant expansion or other major change.
  
- 6) Determine the breakeven sales needed in your operation to support the overhead obligations and profit required. Do this by dividing the gross margin (E) by the gross margin as a percent of sales (taken from your records, calculated in step 3).
  
- 7) Step back and see if this budget makes sense. Is this sales volume reasonable for this year, especially if it's your first year in business? Is it possible for the acreage you raise and the market prices of your products? If it is, great! Develop a marketing plan (action plan) to achieve that level of sales. If not, that's okay. Rework until you have a plan that is sound. If this is a building year, how will you achieve your goal (and finance the operation in the meantime)? Address these questions early in the year to ensure you have a complete plan.

Historical	Dollars	% of Sales
Sales:	\$	100%
- Cost of Goods Sold:	\$	%
= Gross Margin:	\$	%
- Overhead	\$	%
= Profit (Net Income)	\$	%

BUDGET		
Owner Draw Desired (include income taxes):	\$	(A)
Bank principal payments required:	\$	(B)
TOTAL PROFIT REQUIRED: (A+B)	\$	(C)
Overhead expenses	\$	(D)
GROSS MARGIN REQUIRED: (C+D)	\$	(E)
Divide by Gross Margin Percentage	\$	(F)
SALES VOLUME REQUIRED: (E/F as % of sales—from historical)	\$	(G)

# Plan to Succeed



Gary Matteson: [matteson@fccouncil.com](mailto:matteson@fccouncil.com)

Erin Pirro: [erin.pirro@farmcrediteast.com](mailto:erin.pirro@farmcrediteast.com)

**Mission:** The mission for your business guides everything that you do. Keep it simple by finding the lowest common denominator.

**Objectives:**  
Objectives are general directions for your business. They outline what you want the business to look like in the future. Stay focused on your Mission Statement.

**Objective 1:**

**Objective 2:**

**Objective 3:**

**Objective 4:**

**SMART Goals:** Remember, a goal without a deadline is just a dream!  
S — Specific M — Measurable A — Attainable R — Rewarding T — Timed

**SMART Goal a):**

**SMART Goal a):**

**SMART Goal a):**

**SMART Goal a):**

**Action Plan:**

- i. \_\_\_\_\_
- ii. \_\_\_\_\_
- iii. \_\_\_\_\_

**Action Plan:**

- i. \_\_\_\_\_
- ii. \_\_\_\_\_
- iii. \_\_\_\_\_

**Action Plan:**

- i. \_\_\_\_\_
- ii. \_\_\_\_\_
- iii. \_\_\_\_\_

**Action Plan:**

- i. \_\_\_\_\_
- ii. \_\_\_\_\_
- iii. \_\_\_\_\_

**SMART Goal b):**

**SMART Goal b):**

**SMART Goal b):**

**SMART Goal b):**

**Action Plan:**

- i. \_\_\_\_\_
- ii. \_\_\_\_\_
- iii. \_\_\_\_\_

**Action Plan:**

- i. \_\_\_\_\_
- ii. \_\_\_\_\_
- iii. \_\_\_\_\_

**Action Plan:**

- i. \_\_\_\_\_
- ii. \_\_\_\_\_
- iii. \_\_\_\_\_

**Action Plan:**

- i. \_\_\_\_\_
- ii. \_\_\_\_\_
- iii. \_\_\_\_\_

**Action Plans:** Every goal must have action plans that explain how that goal will be accomplished. Explain who will do what, where, when, how, and how often.



**Section III.**  
**Marketing Presentation and Sales**  
**Techniques by Channel**

### **Section III. Marketing Presentation and Sales Techniques by Channel**

The following pages will help you determine which of the marketing channels listed below best fit your business and lifestyle needs.

- Farm Stands/Pick N' Pay
- Farmers Markets
- Community Supported Agriculture (CSA)
- Direct to Retail
- Direct to Schools
- Direct to Food Service
- Direct to Produce and Other Wholesale Markets
- Agritourism
- Social Media and Online Communications
- Value Added / Cottage Food Operations

## Farm Stands/Pick N' Pay





## Farm Stands/Pick N' Pay

**Objective:** Many agricultural products can be sold directly to the public through a roadside market. Retailing directly to consumers can be a viable alternative marketing strategy and is a way to increase profits for many small-scale agricultural ventures. However, marketing your crops through a roadside market requires a great deal of planning and thorough examination of a wide range of issues. This section will discuss many of these issues, and raise many pertinent questions that a would-be roadside marketer should consider. Following these steps will start you on your way to a new, and possibly profitable, alternative market. As a producer you must not get discouraged, it may take several years for a roadside stand to show a profit.

**Research Your Location:** Location is one of the most important considerations when developing a roadside market. Spend time observing traffic flow in the vicinity of your potential market location. What type and volume of traffic moves past the site? Is your location on or near a major travel route? Will the market be visible from the road? Will drivers have enough time to slow down to enter the site? Is there clear visibility for cars entering and leaving traffic? Markets located along high-traffic routes are easier for customers to find, will likely require less signage, and often benefit from significant “drive by” business. **Note:** Larger volume stands require producers to possess more management and a more precise property to accommodate customers.

**Size:** Will your market be a small, seasonal affair or a larger year-round provider of produce and specialty food items? The size of your operation will define your costs and your revenues. Do you have the managerial ability to operate both the sales and production aspects of your farm business? If you are selling, who will handle or supervise the production and harvest of your crops? Conversely, would it be a better use of resources for you to concentrate on production and hire someone to oversee sales? Markets of many sizes exist and prosper—the initial and eventual size of your market should be a part of your overall business plan.

### Considerations

- **Location:** Location is critical. Ideal locations have high traffic and high visibility, with proximity to other businesses, convenient parking or turn-off lanes for customers, etc.

- **Safety:** Signs should be easy to see, giving drivers plenty of time to slow down and pull over to park. Make sure there are highly visible entrance and exit signs, and that the location can accommodate elderly and handicapped customers.
- **Parking:** Ensure you provide enough parking to accommodate customers during peak hours.
- **Zoning:** Make sure that local zoning ordinances allow roadside markets.
- **Food Safety / Health Codes:** You need to understand health regulations about selling processed or “value added” products. Contact your state or local health departments for details.
- **Cleanliness:** Establish an attractive clean market. Shoppers are more likely to form a positive impression of your market if products are high quality, clean, and nicely displayed.
- **Price Signs:** Prices should be clearly marked on or near displays.
- **Seasonality:** A unique challenge of seasonal businesses is that you often have to remind your customers when it is time to resume shopping.
- **Keep Records of the Scale:** Make sure the scale is in compliance with local rules and regulations. Make sure weight is accurate.
- **Record Keeping:** Keep accurate records of what you produce, sell, and discard. Your record keeping practices will be one of the keys to the success of your market.
- **Understand the Market:** It is crucial to understand that the produce market is constantly fluctuating. Make it a habit to constantly check to see what your competitors are selling the same item in order to stay competitive. Make sure you have fair prices in order to maximize profits.

### **Producer Advantages**

- Higher profits because you are selling directly to the consumer
- Lower advertising cost
- Lower transport cost
- No standard pack or grade required
- Low volume = higher prices

### **Tips to having a Successful Roadside Market**

- Present yourself in a professional manner
- Get to know your customers by their name
- Educate them about different fruits, vegetables, nuts, poultry etc.
- Handle complaints professionally and keep in mind “**the customer is always right.**”

# Tips for Selling at: Roadside Stands

NCAT Marketing Tip Sheet Series

Roadside stands are physical structures located on a farm or along a nearby road where farmers sell produce, meat, eggs, dairy, or other products from the farm. The stands can be as simple as a small open-sided display with payment on the honor system, or as elaborate as a small grocery store.

★ key point

## Advantages

- You have potential for high profit margins because you sell directly to customers.
- You have low advertising costs, since you just need a few signs.
- You may have low overhead costs, depending on how elaborate the structure is. Some farm stands are very simple, even unstaffed, running on the honor system, where customers leave money in a secure container.
- You have no transport costs.
- No standard pack or grade is required.

For this market you can expect:

- Lower volume of product
- Higher price per unit



## Considerations

- ★ **Location is critical.** Good locations have high traffic and high visibility, with proximity to other businesses, easy parking or turn-off lanes for customers, etc.
  - Signs should be easy to see, giving drivers plenty of time to slow down and pull over to park.
- ★ **Make sure that local zoning ordinances allow roadside markets.** Check with other roadside vendors about where to obtain permits.
  - You could have high overhead expenses to develop, operate and staff the facility.
  - If your roadside stand is large and includes products not grown on your farm, you may need commercial business insurance in addition to a comprehensive farm liability policy.
  - The farm must be kept tidy, clean and hazard-free.
  - You need to understand health regulations about selling processed or “value-added” products. Contact your state or local health departments for details.



Photo: Rex Dufour, NCAT



## Key Questions to Ask Yourself



key point

- ★ **Does my location get enough traffic to generate customers? Do I have space for parking? Can I put up sufficient signs to alert drivers and give them time and room to pull off the road?**
  - What hours and staffing would I need in order to run the stand effectively?
  - What licenses, permits or zoning ordinances do I need to be aware of? Contact the state department of agriculture to find out.

## Resources

- **ATTRA Website.** Many relevant publications and resources are offered here, such as “Entertainment Farming and Agri-Tourism.” Prices vary for individual publications. Many are free. An inexpensive subscription to ATTRA will give you access to all 350+ publications and databases. [www.attra.ncat.org](http://www.attra.ncat.org)
- **Developing a Roadside Farm Market** (2006). Agricultural Alternatives, Pennsylvania State University. 6 pp. This is a good overview of what farmers should consider when setting up a roadside stand. [http://agalternatives.aers.psu.edu/Publications/roadside\\_farm.pdf](http://agalternatives.aers.psu.edu/Publications/roadside_farm.pdf)
- **Farmstand Regulations Expand Options.** University of California Small Farms program. This website provides updated, California-specific information about farmstand regulations. <http://sfp.ucdavis.edu/agritourism/farmstands.html>
- **Roadside Stand Marketing of Fruits and Vegetables.** This 40-page publication offers a wealth of information about marketing considerations, the shopping habits of roadside-stand customers, pricing, store layout, marketing tactics, impulse buying, popular fresh products, etc. [www.caed.uga.edu/publications/2002/pdf/CR-02-09.pdf](http://www.caed.uga.edu/publications/2002/pdf/CR-02-09.pdf)
- **Roadside Markets, Stands, and Equipment.** Penn State offers these detailed design plans for four different sizes of roadside stands as well as a walk-in cooler. <http://agmarketing.extension.psu.edu/Retail/PDFs/IP790-33.pdf>
- **The Legal Guide for Direct Farm Marketing** by Neil Hamilton. 1999. 235 pp spiralbound. \$20.00 to \$24.00. Before selling their products directly to consumers, all farmers should consider these important issues. Learn about legal considerations behind farmers’ markets, business organization, contracts, food stamps, advertising and marketing, land use and property law, labor and employment, insurance and liability, food processing, and marketing meat, poultry, eggs, and dairy products.
- **Facilities for Roadside Markets.** Natural Resource, Agriculture and Education Service. 1992. 32 pp. \$8.00. Valuable for persons considering a roadside market or looking to improve or expand a current one. Chapters cover site considerations (visibility and accessibility, utilities, drainage, zoning, and building ordinances); market layout (areas for sales, preparation, shipping and receiving); market structure and facilities (parking, lighting, fire protection, security). Includes illustrations and plans. [www.nraes.org/nra\\_order.taf?\\_function=detail&pr\\_booknum=nraes-52](http://www.nraes.org/nra_order.taf?_function=detail&pr_booknum=nraes-52)



Photo: Rex Dufour, NCAT

The development of this material was supported through USDA/NIFA/OASDFR  
[www.outreach.usda.gov/oasdr](http://www.outreach.usda.gov/oasdr)



### Tips for Selling at: Roadside Stands

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By Marisa Alcorta, Rex Dufour and Tammy Hinman, NCAT  
Production: Karen Van Epen

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IP 426, Slot 423, Version 122612



### Farm Stand / Pick N' Pay: Resources

<b>Source Link</b>	<b><a href="http://agmarketing.extension.psu.edu/Retail/PDFs/IP790-33.pdf">agmarketing.extension.psu.edu/Retail/PDFs/IP790-33.pdf</a></b>
Document Name	Penn State Roadside Markets, Stands, and Equipment.pdf
Notes	8 pages. Penn State offers these detailed design plans for four different sizes of roadside stands as well as a walk-in cooler.
Ranking ☆☆☆	Extremely technical structural recommendations
Date Published	Not available
Author	Penn State Cooperative Extension

<b>Source Link</b>	<b><a href="http://pubs.cas.psu.edu/freepubs/pdfs/ua434.pdf">http://pubs.cas.psu.edu/freepubs/pdfs/ua434.pdf</a></b>
Document Name	Penn State Developing Roadside Farm Markets.pdf
Notes	6 pages. Great overview of strategic considerations, including research, regulations (location, size, signs, parking), advice for establishing an attractive market and building excellent customer relationships.
Ranking ☆☆☆	
Date Published	2006
Author	Agricultural Alternatives, Pennsylvania State University. (James W. Dunn, John W. Berry, Lynn Kime, R. Matthew Harsh, and Jayson K. Harper)

<b>Source Link</b>	<b><a href="http://agmarketing.extension.psu.edu/Retail/PDFs/ChkLstRdSdMkt.pdf">agmarketing.extension.psu.edu/Retail/PDFs/ChkLstRdSdMkt.pdf</a></b>
Document Name	Penn State Critique Checklist Roadside Market.pdf
Notes	3 pages. Checklist to help you plan a successful roadside stand. No narrative, but the list of questions may help generate ideas for farmers in their planning
Ranking ☆☆	
Date Published	Updated
Author	Penn State, adapted from work done by David Seavey and Otho Wells, University of New Hampshire Cooperative Extension

<b>Source Link</b>	<b><a href="http://ag.arizona.edu/arec/pubs/dmkt/Should-RoadsideStands.pdf">ag.arizona.edu/arec/pubs/dmkt/Should-RoadsideStands.pdf</a></b>
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Document Name	Univ. Arizona Roadside Stands.pdf
Notes	6 pages. Overview of considerations including producers' and consumers' use of the market, location needs, display characteristics, and legal considerations.
Ranking ☆☆	This publication is an overview of strategies that have worked for some producers in Oklahoma and other states.
Date Published	1995
Author	Renee M Lloyd, James R Nelson, Daniel S Tilley/ University of Arizona Extension

<b>Source Link</b>	<b><a href="http://ag.arizona.edu/arec/pubs/dmkt/Runningaroadside.pdf">ag.arizona.edu/arec/pubs/dmkt/Runningaroadside.pdf</a></b>
Document Name	UArizona Running a Roadside Stand.pdf
Notes	4 pages. Case study of a strawberry farm in Watsonville offers ideas for farmers to set up a roadside stand. Some topics covered include customer satisfaction, price setting and farm festivals.
Ranking ☆	
Date Published	1995
Author	Renee M Lloyd, James R Nelson, Daniel S Tilley/ University of Arizona Extension

Source Link	<a href="http://www.uky.edu/Aq/NewCrops/marketing/roadsidestands.pdf">www.uky.edu/Aq/NewCrops/marketing/roadsidestands.pdf</a>
Document Name	Univ. Kentucky Marketing at Roadside Stands.pdf
Notes	4 pages. Tip sheet addresses background, location selection, stand structure and appearance, setting hours of operation, customer product preferences and additional resources.
Ranking ☆☆☆	Direct, concise, great tip sheet
Date Published	April 2010
Author	University of Kentucky Extension (Matt Ernst and Tim Woods)

<b>Source Link</b>	<b><a href="http://learningstore.uwex.edu/Assets/pdfs/A3811-14.pdf">learningstore.uwex.edu/Assets/pdfs/A3811-14.pdf</a></b>
Document Name	UW Cooperative Farm Stands.pdf
Notes Ranking ☆☆☆	3 pages. Practical, clear tips on logistics and other considerations for Pick-Your-Own operations and roadside stands.
Date Published	2006
Author	University of Wisconsin Extension; Adapted from a newsletter by John Cottingham, revised by Rose Skora

<b>Source Link</b>	<b><a href="https://attra.ncat.org/attra-pub/summaries/summary.php?pub=386">https://attra.ncat.org/attra-pub/summaries/summary.php?pub=386</a></b>
Document Name	Tips for Selling at Roadside Stands
Notes Ranking ☆☆☆	2 pages. Roadside stands can be an effective way to sell produce, meat, eggs, dairy, or other products from your farm. This two-page tip sheet highlights the advantages, considerations, and key questions you should ask yourself when considering a roadside stand.
Date Published	2012
Author	NCAT/ATTRA

☆☆☆ = very highly recommended, ☆☆ = highly recommended, ☆ = recommended



## Farmers Markets





## Farmers Markets

### Why get involved with farmers markets?

Farmers markets:

- are especially suited to small farmers
- markets often function as business incubators.
- offer better pricing opportunities, often substantially higher than wholesale.
- allow the grower to set the price, while creating cash flow.
- benefit farms that are family businesses.
- offer an inexpensive and efficient way for small farmers to reach consumers.
- offer farmers' personal satisfaction and social interaction between seller and customer, and among market sellers.
- create a bond between producer and consumer that does not occur in traditional grocery stores.
- give farmers an opportunity to try new crops and get valuable feedback from customers.
- require farmers to spend little or no money on packaging, advertising or promotion.
- offer some exemptions from standard size and pack regulations.
- require minimal start-up costs, usually requiring only a truck and a farmers market stand.
- create an atmosphere where consumers can learn about farming, farm products, nutrition, and food security.

### Selecting a Market

- Which markets would you like to be a part of?
- Visit the markets where you would like to sell your produce and identify your competitors.
- Does the market already have sellers with the same products that you grow?
- Will you still be able to make a profit given the distance you must travel and amount of labor?
- How much time can you afford to be away from the farm?
- Who will sell your products if you cannot be at the market?
- Will the time you spend selling at farmers markets produce the revenue you need?
- Can you afford the fees of the farmers markets where you want to sell?
- Do you feel like you can provide a product that differs from other growers?
- Are you committed to being a regular seller at farmers markets?

### **How can I be successful at the farmers market?**

- Enjoy selling to and interacting with the public.
- Participate as a team-player.
- Understand the importance of knowing and following farmers markets' rules and regulations.
- Have the ability to take direction from the farmers market manager.
- Have the ability to accept the authority of the market manager as the representative of the market's governing board.
- Understand that while a farm operation is an individual business, in a farmers market, each farmer is part of a cooperative store and you have to abide by decisions made for the whole market, not just for the individual farmer.
- Have competency in post-harvest handling—this includes knowing when to harvest and still get product to market while its looking its best.

### **Tools to increase productivity at your local market**

- Create an attractive atmosphere: Decorate entrance or market with flowers, balloons, vegetable displays, scarecrows, etc.
- Make the market a community center: Invite community groups to set up informational booths at the market. Encourage the participating organization to invite all members to the market and create their own event at the market.
- Organize themed events and festivals: Make it fun to come to the market. Using the theme of fresh, locally grown foods, there are numerous events that can be created to stimulate interest in the market. Events that are part of a market's promotion create reasons for people to come and explore possibilities.
- Gain exposure by supporting local fundraisers: Donate produce. Or if that is not an option, create market dollars that can be exchanged at the market. This will expose the market to another organization's audience and bring more people to market.



# Tips for Selling at: Farmers Markets

Farmers markets are temporary retail establishments typically held outdoors, where farmers come to sell their produce at a specified place and time. Farmers markets are growing in popularity across the country and can be a good entry-level selling place for beginning farmers.

## Advantages

- You may receive more money per unit, since you sell directly to customers.
- You generally have flexibility in the variety and volume of products you take to market.
- No standard pack or grade is required, but your produce should be good quality.
- Direct contact allows you to find out what your customers want.
- You have the opportunity to build a loyal customer base, including local chefs.

For this market you can expect:

- Lower volume of product
- Higher prices per unit



## Considerations

- The volume of sales will vary with the popularity of the market. Think about how to incorporate deliveries to other outlets in the area to increase your sales and efficiency.
- Labor costs can be relatively high (time and travel to and from market, time away from the farm).
- If you sell at several farmers markets, schedules can be demanding.
- To sell at popular farmers markets, it helps to have unique products.
- Being successful requires positive interactions with the public.
- Most farmers markets have an application process and rules to participate. For example, in California you must register as a "certified grower" with the county agriculture commissioner before selling at a certified farmers market.



Photo: Rex Dufour, NCAT

# Tips for Selling at Farmers Markets

★ key point

- ★ **Have an attractive product mix and clear signs for your market stand.**
  - Ensure that you have a consistent supply of popular products.
  - Consider providing samples of your product if local regulations permit.
  - Set up a service system where customers do not have to wait too long in line.
  - Invest in a scale that not only calculates weight but also gives you the sales price. A calculator that prints on a paper tape is another useful tool.
  - Visit markets seasonally to figure out what's missing from your market that you could supply.
  - Extend your season for popular products before or after the main season. This can increase your sales and attract new customers to your market stand.

## Key Questions to Ask Yourself

- ★ **Do I enjoy working with the public? If not, can I hire someone friendly and competent for my booth?**
  - Where are the nearest farmers markets? Are they accepting new vendors?
- ★ **Do these farmers markets have enough customers to make it profitable for new vendors?**
  - What are the other vendors selling? What's my niche?
- ★ **How much time will I spend at the market? How early will my day start and end? Am I willing to do this each week?**
  - What is the application process for the farmers market? What are the rules? For example, can I sell products I have not grown?

## Resources

- **ATTRA Publications**  
Prices vary for individual publications. Many are free. An inexpensive subscription will give you access to all 350+ publications and databases. [www.attra.ncat.org](http://www.attra.ncat.org)
  - **Scheduling Vegetable Plantings for Continuous Harvest** (2008)
  - **Season Extension Techniques for Market Gardeners** (2005)
  - **Postharvest Handling of Fruits and Vegetables** (2000)
- **Find a Farmers Market** by searching the USDA's online directory:  
<http://apps.ams.usda.gov/FarmersMarkets>
- **Growing For Market** magazine offers the free issue, "Selling at Farmers Markets:"  
[www.growingformarket.com/categories/SellingAtFarmersMarkets](http://www.growingformarket.com/categories/SellingAtFarmersMarkets)
- **Local Harvest website** is a nationwide directory of small farms, farmers markets, and other local food sources. The site helps consumers buy what they want directly from the farmers and ranchers who produce it.  
[www.localharvest.org](http://www.localharvest.org)



Photo: Rex Dufour, NCAT

***This tip sheet was developed with assistance from Dina Izzo, Bludog Organic Produce Services.***

The development of this material was supported through USDA/NIFA/OASDFR  
[www.outreach.usda.gov/oasdf](http://www.outreach.usda.gov/oasdf)



### Tips for Selling at: Farmers Markets

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Production: Karen Van Epen

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IP 423, Slot 417, Version 122612

**Farmers Markets: Resources**

<b>Source Link</b>	<b><a href="http://ag.arizona.edu/arec/pubs/dmkt/AGuideto..FarmersM.pdf">ag.arizona.edu/arec/pubs/dmkt/AGuideto..FarmersM.pdf</a></b>
Document Name	A guide to starting, operating, and selling in farmers markets.pdf
Notes Rank ☆☆	10 pages. The first half of this document is about setting up a farmers market but page 5 on is full of helpful tips on selling, pricing, and merchandising in a farmers market
Date Published	Dec-91
Author	Charles Marr and Karen Gast

<b>Source Link</b>	<b><a href="http://agmarketing.extension.psu.edu/ComFarmMkt/PDFs/OvrViewFarmmarket.pdf">http://agmarketing.extension.psu.edu/ComFarmMkt/PDFs/OvrViewFarmmarket.pdf</a></b>
Document Name	ATTRA farmers' markets Marketing and Business guide
Notes Ranking ☆☆☆	4 pages. Streamlined version of the document described above
Date Published	Oct-02, 2012
Author	NCAT/ATTRA/Janet Bachmann

<b>Source Link</b>	<b><a href="http://www.ccof.org/sites/default/files/media/documen/Farmers_Market_Best_Practices_Guidelines_2013.pdf">http://www.ccof.org/sites/default/files/media/documen/Farmers_Market_Best_Practices_Guidelines_2013.pdf</a></b>
Document Name	CCOF Farmers' Market Best Practices Guidelies
Notes Ranking ☆☆☆	3 pages. Guide to help organic producers and farmers' market managers better understand how the word "organic" may be used at farmers markets. CCOF has developed these Best Practices to help prevent confusion about the proper way to display organic produce, and to help organic consumers make educated decisions in their purchases at farmers markets. These guidelines speak specifically to California farmers market practices.

Date Publish	Updated 2012
Author	CCOF

Source Link	<a href="http://www.davisfarmersmarket.org/new-farmers-guide/New%20Farmers%20Guide-v9.pdf">http://www.davisfarmersmarket.org/new-farmers-guide/New%20Farmers%20Guide-v9.pdf</a>
Document Name	Davis New Farmers Market Guide
Notes Ranking	34 pages. Detailed how-to guide shares expertise of a 30-year veteran farmers market manager, and a 30-year marketing professional, who work together to promote and grow farmers markets and small farms. Topics covered include everything from pricing strategies to goal setting, working with market managers, market staff as well as customers.
Date Published	<u>2012</u>
Author	Shelly G. Keller and Randii MacNear, Davis Farmers Market

Source Link	<a href="http://www.wallacecenter.org/our-work/Resource-Library/wallace-publications/handbooks/Farmer11-1_Sc.pdf">http://www.wallacecenter.org/our-work/Resource-Library/wallace-publications/handbooks/Farmer11-1_Sc.pdf</a>
Document Name	Getting Started with Farmers Markets
Notes	28 pages. This one is really easy to read and is well put together aesthetically. It talks about everything to consider before selling at a farmers market.
Date Published	Not Indicated
Author	Wallace Center

<b>Source Link</b>	<b><a href="http://www.unce.unr.edu/publications/files/ag/2009/sp0910.pdf">www.unce.unr.edu/publications/files/ag/2009/sp0910.pdf</a></b>
Document Name	U-Nevada marketing farmers markets: Ideas for Market Vendors and Managers in Nevada
Notes Ranking *	14 pages. Analysis of 12 Nevada markets and how to market to customers preferring organic or simply locally grown food. Other sections are devoted to general programming, marketing and advertising ideas and evaluation.
Date Published	2009
Author	University of Nevada Extension: Margaret W Cowee, Kynda R Curtis, Holly Gatzke

<b>Source Link</b>	<b><a href="http://www.mass.gov/eea/docs/agr/markets/farmersmarkets/promotional-ideas-for-farmers-markets.pdf">http://www.mass.gov/eea/docs/agr/markets/farmersmarkets/promotional-ideas-for-farmers-markets.pdf</a></b>
Document Name	MA Promotional Ideas for Farmers Markets.pdf
Notes Ranking *	3 pages. Considerations for managers of farmers markets or those considering starting one including marketing, festivals, attracting customers and evaluation
Date Published	Updated 2012
Author	Commonwealth of Massachusetts

☆☆☆ = very highly recommended, ☆☆ = highly recommended, ☆ = recommended



## Community Supported Agriculture (CSA)







## Community Supported Agriculture (CSA)

### What is CSA?

CSA is a system of direct marketing where consumers pay the farmer at the beginning of the growing season for a weekly box of fresh fruits and vegetables. A CSA “share” is harvested and delivered to customers over a period of several months. CSAs may include meat, grain, flowers, or value added products such as bread or cheese, in addition to fresh produce. A core philosophy of the CSA model is that customers (or “members”) truly support their local CSA farm by sharing the risk each season. This means that even if there is an unsuccessful harvest, the members still pay the same amount for the season. Members are willing to do this to ensure that “their” farm survives over time as a healthy food source and connection to the land for the local community. A CSA farm has the opportunity to cultivate a very loyal customer base.

### What are some of the advantages?

- Customers pay up front, which generates operating capital.
- The major marketing push is completed before the season starts, leaving more time to farm during the growing season.
- CSAs can build loyal customers who may be willing to share the risks of farming. Farmers must earn that loyalty by growing high quality products.
- No standard pack or grading is currently required.

### Tips for Success

- Build community through efforts such as harvest parties, workdays, and newsletters.
- Conduct annual surveys to get customer feedback on quality, variety and service.
- Consider collaborating with other CSA farms if you want to offer a wider selection.
- Include fun events such as a field day where you can open up your farm to a diverse group of people.
- Educate the community: Examples of educational opportunities include training people to farm and teaching community members about issues like seasonality, what goes into growing produce, and the importance of locally grown food.
- This will help you gain exposure to the community.

**What does an operating CSA Farm look like?** As an example, the CSA farms on the central coast offer primarily vegetables and fruits to both rural and urban community members. The majority of the CSA farms are relatively small in size; 75% have 17 acres

or less in agricultural production. These farms offer anywhere from 24 to 235 shares for the season, with a median number of 80 shares. Only one farm is solely supported by its CSA. At least half of the farms receive between 50–85% of their revenue from the CSA. Central Coast CSA farms have been operating from one to about ten years (approximately five and a half years on average).

### **What are some disadvantages of a CSA?**

- Ratio of work per customer: you could have a \$100 customer or a \$500,000 customer; you still have to field everybody's questions. (e.g. "What do I do with this vegetable?")
- Spending time away from farming with accounting tasks.
- Recruiting new accounts: Average member turnover rate is 35%.
- Growing a wide range of produce. (The diversity of crops required on a CSA farm to accommodate all the different accounts.)
- Approximating market value: This method involves estimating how much a household (of four) in your community spends on vegetables for the season.

**Shared Risk, Shared Bounty Agreements:** A unique characteristic of CSA is the concept of shared risk between the farmers and the CSA members. In conventional agriculture, farmers buy inputs at retail prices, assume all the production risk and sell their crops at wholesale prices. CSA attempts the opposite of this: purchased inputs are reduced, the risks of production are shared between the members and the farmers, and the crops are sold at retail prices. CSA members pay at the beginning of the season, or at least agree to a share price that will be paid in installments. By doing this, the members share in any loss, or bounty, for the season. For example, due to a weather or pest problem, there may be a year without sweet corn. That translates into a small economic loss to the members, but it would have been a significant loss if the farmer had assumed all the risk.

**The Upside to CSAs:** Data shows that CSAs are becoming a growing trend. For 12 farms in a study (conducted in 2004 by the Center for Agroecology and Sustainable Food Systems), the median and most frequently reported gross income (including receipts from CSAs and all other marketing ventures) was between \$50,000 and \$99,000. It appears that these CSA farms are grossing more money than other similar types of farmers statewide. For example, 92% of central coast CSA farms grossed over \$25,000, compared to 70% of farms in California.

# Tips for Selling through: CSAs — Community Supported Agriculture

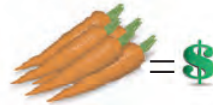
NCAT Marketing Tip Sheet Series

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A core philosophy of the CSA model is that customers (or “members”) truly support their local CSA farm by sharing the risk each season. This means that even if there’s a bad harvest, the members still pay the same amount for the season. Members are willing to do this to ensure that “their” farm survives over time as a healthy food source and connection to the land for the local community. A CSA farm has the opportunity to cultivate a very loyal customer base.

*For this market you can expect:*

- Lower volume of product
- Higher prices per unit



## Advantages

★ key point

- Customers pay up front, which generates operating capital.
- The major marketing push is completed before the season starts, leaving more time to farm during the growing season.
- CSAs can build loyal customers who may be willing to share the risks of farming. Farmers must earn that loyalty by growing high quality products.
- No standard pack or grading is required.



Serendipity Farm. Photo: [www.serendipity-organic-farm.com](http://www.serendipity-organic-farm.com)

## Considerations

- ★ CSAs require thoughtful planning to maintain a continuous supply of crops.
- Packing is labor-intensive because of the wide variety in the weekly box.
- CSAs require an extensive post-harvest handling set-up for washing, sorting, packing, etc.

## Tips

- Build community through efforts such as harvest parties, work days, and newsletters.
- Conduct annual surveys to get customer feedback on quality, variety and service.
- Consider collaborating with other CSA farms if you want to offer a wider selection.



## Key Questions to Ask Yourself about CSAs



- ★ Timing and planning are critical in a CSA. How will I ensure consistent weekly harvests of a variety of vegetables and fruits for my CSA customers? See ATTRA's "Scheduling Vegetable Plantings for a Continuous Harvest."
- How many other CSA farms are in my area? Do they have waiting lists—unmet demand that I could tap into?
- Will I enjoy the social aspects of running a CSA, such as hosting festive gatherings or work days for members, writing newsletters to include in weekly boxes, and generally creating opportunities for people to get to know the farm?

## ATTRA Publications

- Prices vary for individual publications, many are free. An inexpensive subscription to ATTRA will give you access to all 350+ publications and databases. [www.attra.ncat.org](http://www.attra.ncat.org)
  - **Market Gardening: A Start-Up Guide** (2009)
  - **Scheduling Vegetable Plantings for Continuous Harvest** (2008)
  - **Season Extension Techniques for Market Gardeners** (2005)
  - **Community Supported Agriculture** (2006)

## Books and Guides

- **Sharing the Harvest: A Citizen's Guide to Community Supported Agriculture** by Elizabeth Henderson with Robin Van En. Chelsea Green Publishing, 2nd edition, 2007. \$35. This 300-page book provides valuable insight into making CSA a viable economic model as well as an excellent arrangement for farmers and food lovers alike. It provides information on starting a CSA and how to strengthen existing CSA operations.
- **Community Supported Agriculture**. University of Nebraska–Lincoln, Institute of Agriculture and Natural Resources, 2000. 4pp. [www.ianrpubs.unl.edu/epublic/pages/index.jsp?what=publicationD&publicationId=11](http://www.ianrpubs.unl.edu/epublic/pages/index.jsp?what=publicationD&publicationId=11)
- **Community Supported Agriculture** by Matt Ernst and Tim Woods. University of Kentucky College of Agriculture, New Crops Opportunity Center. 3pp. [www.uky.edu/Ag/NewCrops/marketing/csa.pdf](http://www.uky.edu/Ag/NewCrops/marketing/csa.pdf)



Packing CSA boxes, Full Belly Farm, Guinda, Calif. Photo: Rex Dufour, NCAT

## CSA Software

- **Farmigo** is a computer software subscription service that provides recordkeeping and membership management. It costs 2% of gross sales from the CSA or farm. [www.farmigo.com](http://www.farmigo.com)
- **CSA Toolbox** is an online "toolbox" that offers programs to communicate with your customers, do your paperwork, handle your billing, and take payments. [www.csatoolbox.com](http://www.csatoolbox.com)
- **CSAware** is a customizable, user-friendly Community Supported Agriculture software from LocalHarvest.com designed for CSAs with lots of moving parts. The cost is 2% of sales. [www.csaware.com](http://www.csaware.com)

## Recursos en Español

- **La Agricultura Apoyado por la Comunidad (CSA):** Una guía de entrenamiento para el rancharo de CSA nuevo o prospectivo. Producido por CSA-MI. [www.csafarms.org/downloads/csa\\_manual\\_spanishpdf.pdf](http://www.csafarms.org/downloads/csa_manual_spanishpdf.pdf)

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### Tips for Selling Through: CSAs — Community Supported Agriculture

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## CSA: Resources

<b>Source Link</b>	<a href="https://utextension.tennessee.edu/publications/Documents/PB1797.pdf">https://utextension.tennessee.edu/publications/Documents/PB1797.pdf</a>
<b>Document Name</b>	U Tennessee A Farmer's Guide to Marketing Through CSAs
<b>Notes</b> Ranking ☆☆☆	16 pages. Extensive overview of planning a CSA program, including factors to consider in decision making process, planning and operating, market potential, marketing skills, product substitutions/additions, packaging shares, pickup/delivery, pricing, labor needs, building customer relationships and more.
<b>Date Published</b>	DEC. 2010
<b>Author</b>	Megan L. Bruch and Matthew D. Ernst, The University of Tennessee - Institute of Agriculture

<b>Source Link</b>	<a href="http://www.ianrpubs.unl.edu/epublic/archive/g1419/build/g1419.pdf">http://www.ianrpubs.unl.edu/epublic/archive/g1419/build/g1419.pdf</a>
<b>Document Name</b>	Univ. Nebraska-Lincoln CSA Guide.pdf
<b>Notes</b> Ranking ☆	4 pages. Guide to explain community supported agriculture, how it works and what producers will need to do to participate.
<b>Date Published</b>	2000
<b>Author</b>	University of Nebraska–Lincoln, Institute of Agriculture and Natural Resources. (Paul Swanson)

<b>Source Link</b>	<a href="http://www.uky.edu/Ag/NewCrops/marketing/csa.pdf">http://www.uky.edu/Ag/NewCrops/marketing/csa.pdf</a>
<b>Document Name</b>	Univ. Kentucky CSA.pdf
<b>Notes</b> Ranking ☆	8 pages. Research brief on the CSA Grower Experience in the Central Coast.
<b>Date Published</b>	2004
<b>Author</b>	Jan Perez, Patricia Allen and James Murrell. Center for Agroecology and Sustainable Food Systems (CASFS), University of California

☆☆☆ = very highly recommended, ☆☆ = highly recommended, ☆ = recommended

<b>Source Link</b>	<a href="http://63.249.122.224/wp-content/uploads/2010/05/brief4_CSAgrower.pdf">http://63.249.122.224/wp-content/uploads/2010/05/brief4_CSAgrower.pdf</a>
Document Name	CSA Grower Experience in Central Coast CA
Notes Ranking ☆	4 pages. Research brief.
Date Published	2004
Author	Jan Perez, Patricia Allen and James Murrell. Center for Agroecology and Sustainable Food Systems (CASFS), University of California

<b>Source Link</b>	<a href="https://attra.ncat.org/attrapub/summaries/summary.php?pub=262">https://attra.ncat.org/attrapub/summaries/summary.php?pub=262</a>
Document Name	attra_csa.pdf
Notes Ranking ☆☆	16 pages. History of the various CSA models and trends, including demographic information about the distribution of CSA farms in the U.S. Several CSA cases are profiled and a survey of recent research.
Date Published	2006
Author	NCAT/ATTRA/Katherine Adam

<b>Source Link</b>	<a href="https://attra.ncat.org/attrapub/summaries/summary.php?pub=391">https://attra.ncat.org/attrapub/summaries/summary.php?pub=391</a>
Document Name	ATTRA_CSA_Tipsheet.pdf
Notes Ranking ☆☆	2 pages. Tip-sheet covers advantages, considerations, tips, key questions. Includes list of books, guides, CSA software, Spanish resources.
Date Published	2012
Author	NCAT/ATTRA

<b>Source Link</b>	<a href="http://caff.org/programs/csas/">http://caff.org/programs/csas/</a>
Document Name	CSA section of CAFF's website
Notes Ranking ☆☆	Includes links to resources, research, articles and audio files from the 2013 International CSA Conference
Date Published	2013
Author	CAFF

**Direct to Retail**







## Direct to Retail

Grocery stores typically buy large volumes of fresh and processed food as well as other household items, reselling their products to individual consumers. Grocery stores are appealing because they sell everything customers need at one convenient place. Depending on the size of the town, these stores may have more than one location. Very large grocery chains (e.g. Safeway, Kroger, Loblaws, SaveMart, Farm Fresh) operate stores across broad regions of the country. Many grocery stores are interested in selling products grown by local farmers.

### **Stores that best accommodate the size of your operation:**

**Specialty stores:** Small, locally owned specialty stores that focus on selling specialized food such as health/natural foods, organic foods, food to accommodate special dietary needs, and whole food stores.

**Local grocery stores:** These stores are locally owned or independent grocery stores or cooperatives that are typically smaller in size than larger chain stores but offer a complete lineup of all standard grocery items and brands.

**Regionally owned chain:** These stores have multiple locations over a number of towns and cities. The corporate or regional office has much of the buying power and makes most of the buying decisions. The coverage of these stores is limited to a specific area of the country and some stores may be former local groceries acquired by the chain.

**Nationally owned chain:** These stores stretch across most of the country or cover many regions. Stores are under the direction of regional offices, which are under the direction of the national office. These stores may be connected to a department store offering more than just food in the store.

**Packaging and labeling:** Packaging products is an important part of selling to grocery stores. If you have flexibility, then it is best to ask the store how they would like you to deliver the product. Do they want the produce in bulk boxes? Do they want the items in small containers? Does the product need to be weighed to an exact amount? For some growers, this can be one of the most difficult parts of selling to grocery stores. Stores can be very particular about how the product will be packaged. Packaging should be part of the negotiation process when the store is considering the purchase of your

product. It may cost you more to put product in small containers but if the store is willing to pay a little more, then this effort and material may be offset. It may be helpful to give the store options to choose from for packaging with prices. As you add more stores, you may want to stay with one uniform packaging method for every store to make your job easier and more efficient. When packaging your product, you need to determine if your product will be labeled with your name. This could be accomplished with labeling the package directly. But consider how the stores will use your product. If you are paying extra to label boxes that will not even be displayed in the store, do you really need your business name on it? Instead you may be able to negotiate for special signage for your product. Product labeling is something that should be carefully considered by the producer.

**Delivery:** Most stores will expect you to deliver to the store. It is important to establish a schedule for delivery that will create consistency for both yourself and the store. Work with the store to decide how many times it will need a delivery each week. If this is your first store, you may be able to be flexible about delivery days. However, once you start having multiple deliveries, you need to coordinate so that you can complete multiple deliveries in the same trip. *Important: Establishing a positive relationship with a local truck broker is key to being a successful producer. With the prices of freight at record highs, it is crucial to have a dependable trucking company to work with. All it takes is one order to not show up on time or to have a refrigerated truck with the wrong temperature set and your order will be rejected! Large-scale companies do not have time to waste, so one of these events could cost you the whole account.*

- To prevent liability we strongly recommend giving the truck driver a temperature recorder. (This records the temperature of the truck for seven days or longer.)
- Inform the driver of the optimal temperature for the truck.
- Include the recorder on the Bill of Lading and make sure the driver signs it stating that is now in his or her possession.

### **Other considerations**

- Many stores will require that you carry product liability insurance. Be sure to add this into your costs.
- Some products such as meat and organic produce require certification or approval to be sold in stores. These certifications should also be taken into consideration as an expense.

- Some very large stores may require a Dun and Bradstreet number (DUNS Number) to approve you as a business. This number is a way of tracking and monitoring companies. This can be expensive, so find out if this is required before applying to receive one.

### **Considerations before selling to retail/grocery stores**

- Are you willing to dedicate time to go on sales calls?
- Can you maintain a regular delivery schedule?
- Do you have the equipment to make deliveries no matter what weather?
- Can you harvest, clean and sort large quantities of produce and delivery quickly?
- Will you need to add cold storage?
- Can you manage crop care and harvest at the same time?
- Do you have the space to produce for a wholesale market?
- Can you maintain your current markets in addition to selling to grocery stores?
- Can you be prompt about filling orders through fax and phone?
- Do you have sufficient financial to not receive payments for up to 30 days after delivery?
- Is this the best way to market your products?
- Will you need special insurance to sell to stores?

## **The Salesperson's Preparation Guide**

If you have decided that selling to grocery stores is the right fit for you, then you are ready for the next step, and you need to implement a plan. Take half an hour and answer these questions before you start approaching stores. A good plan will help you get started in the right direction.

### Finding the stores

I want to approach the following stores:

---

---

I will take samples of the following products with me:

---

---

My brochure or flier will cover the following products:

---

---

Besides my products, my brochure or flier will cover other important information such as:

---

---

After I visit the store I will follow up with the buyer by:

---

---

### Preparing to pitch my product

A store should sell my product because:

---

---

My product is better than other similar products already sold because:

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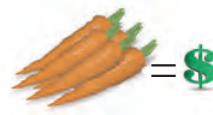
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# Tips for Selling to: Grocery Stores

Grocery stores typically buy large volumes of fresh and processed foods as well as other household items, reselling their products to individual consumers. Grocery stores are appealing because they sell everything customers need at one convenient place. Depending on the size of the town, these stores may have more than one location. Very large grocery chains operate stores across broad regions of the country. Many grocery stores are now interested in selling products grown by local farmers.

For this market you can expect:

- **Medium-to-high volume of product**
- **Lower prices per unit**



## Advantages

- You may be able to sell larger volumes.
- The store may buy a range of products once you have introduced your first product.
- There is potential for a long-term relationship with the store, especially if you build a brand identity for your farm.

## Considerations

- Liability insurance that covers claims of up to at least \$1 million is required.
- The first sale may be difficult because grocery stores have a limited amount of shelf space, already have regular suppliers, and may prefer to buy from fewer suppliers.
- Payment generally occurs on a 15-to-30 day cycle.
- Standard packing and post-harvest practices are required. Produce should be delivered clean and cold.
- Grocery stores may require a PLU (Price Look-Up number) or UPC code (Universal Product Code, represented by a barcode).
- Some grocery stores may require a food safety plan.



Photo: Rex Dufour, NCAT

## Tips for Selling to Grocery Stores

- ★ **Be professional, reliable, and on time when communicating and delivering products.**
  - Visit or call the store and ask for an appointment with the produce buyer before the season begins. Bring your crop plan or product list for the full season, and a price list. Show visuals for the upcoming crops — photos of trees in bloom, what the fruit looks like, testimonials, brix readings. If you have something to sample, bring it to show your quality and pack.
  - Always bring two copies of an invoice, one for your customer and one for you. Both copies should be signed at the time of delivery, providing proof that quality and quantity are accurate.
  - Build relationships with everyone who handles your product.
- ★ **Ask about and follow the store's expectations for pack, size, grade, or post-harvest practices.**
  - Communicate with buyers often throughout the course of the week to keep them updated on your product quality and quantity.
- ★ **Plan your plantings for continuous harvest and adequate volume to supply expected demand from store.**
  - Get the store's produce team enamored with your farm by educating them about your products. Give them samples to take home and maybe provide recipes.
  - Offer to provide farm tours, pictures of your farm for display, and in-store demos of your products with recipes and descriptions.

## Key Questions to Ask Yourself

- What products do local grocery stores want that I could supply, including specialty ethnic foods?
- Does a particular chain have an interest in purchasing locally?
- What is my plan to ensure a consistent supply of a few key products over a period of several weeks?
- Do I have a Good Agricultural Practices (GAPs) plan? Does this buyer require it?

## Resources

- **ATTRA Publications.** Prices vary for individual publications. Many are free. An inexpensive subscription to ATTRA will give you access to all 400+ publications and databases. [www.attra.ncat.org](http://www.attra.ncat.org)  
— Sustainable Season Extension: Considerations for Design (2011) — Postharvest Handling of Fruits and Vegetables (2000)  
*Available in Spanish or English:* — Season Extension Techniques for Market Gardeners (2005)  
— Illustrated Guide to Growing Safe Produce on Your Farm: GAPs (2011)  
— Scheduling Vegetable Plantings for Continuous Harvest (2008)
- **Selling Directly to Restaurants and Grocery Stores**, Washington State Department of Agriculture, 2010.  
<http://agr.wa.gov/Marketing/SmallFarm/DOCS/3-sellingDirectlyToRestaurantsAndGroceryStores.pdf>
- “A Guide for Farms Considering Selling in Grocery Stores” and “Is Selling to Grocery Stores Profitable for Farms or Processors?” from the Local Fare website of the University of Wisconsin, Platteville.  
[www.uwplatt.edu/cont\\_ed/LocalFare/links-resources.html](http://www.uwplatt.edu/cont_ed/LocalFare/links-resources.html)
- See advertised prices of last week's produce nationwide and by region at [www.marketnews.usda.gov/portal/fv](http://www.marketnews.usda.gov/portal/fv)
- Price Look-up numbers (PLUs): a complete list is available at [www.plucodes.com](http://www.plucodes.com)
- **Rodale Institute Organic Price Report** shows prices of fruit, vegetables and grains for six different wholesale terminals across the U.S. [www.rodaleinstitute.org/Organic-Price-Report](http://www.rodaleinstitute.org/Organic-Price-Report)
- **Wall Street Journal** article explains why and how to obtain UPC codes, including costs and alternatives.  
<http://guides.wsj.com/small-business/starting-a-business/how-to-get-upc-codes-for-your-products-2>

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[www.outreach.usda.gov/oasdf](http://www.outreach.usda.gov/oasdf)



### Tips for Selling to: Grocery Stores

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By Marisa Alcorta, Rex Dufour and Tammy Hinman, NCAT  
Production: Karen Van Epen

This publication is available on the Internet at [www.attra.ncat.org](http://www.attra.ncat.org)  
IP 424, Slot 419, Version 122612

**Direct to Retail: Resources**

<b>Source Link</b>	<a href="https://attra.ncat.org/attra-pub/summaries/summary.php?pub=387">https://attra.ncat.org/attra-pub/summaries/summary.php?pub=387</a>
Document Name	ATTRA_Tips for Selling to Grocery Stores.pdf
Notes Ranking ☆☆☆	2 pages. Tip-sheet covers advantages, considerations, tips, key questions and resources.
Date Published	2012
Author	NCAT/ATTRA (Marisa Alcorta, Rex Dufour and Tammy Hinman)

<b>Source Link</b>	<a href="http://www.uwplatt.edu/cont_ed/LocalFare/links-resources.html">http://www.uwplatt.edu/cont_ed/LocalFare/links-resources.html</a>
Document Name	Local Fare Selling To Stores Report.pdf
Notes Ranking ☆☆☆	13 pages. Study describing efforts to sell local food to Wisconsin grocery stores and analyzing profitability. Covers overview of industry, descriptions of variety of stores (specialty, local, regional, national); packaging, labeling, pricing, delivery and assessment of benefits
Date Published	Undated
Author	Scott Skelly, Local Fare

<b>Source Link</b>	<a href="http://www.uwplatt.edu/cont_ed/LocalFare/links-resources.html">http://www.uwplatt.edu/cont_ed/LocalFare/links-resources.html</a>
Document Name	Local Fare_ Should you Sell to Grocery Stores?.pdf
Notes Ranking ☆☆☆	4 page. Guide to help you decide if selling in grocery stores is right for your farm, will give you the basics for selling in stores, and help you develop the skills to make your sales pitches a success.
Date Published	Undated
Author	Local Fare, a program of University of Wisconsin

☆☆☆ = very highly recommended, ☆☆ = highly recommended, ☆ = recommended





**Direct to Schools**





## Direct to Schools

Many communities nationwide are now adopting Farm to School programs. They see the educational and nutritional values of providing fresh and local food for students. This gives farmers the opportunity to contribute to a positive movement by selling directly to schools, while simultaneously expanding their market and revenue streams.

### **Pros:**

- Farmers are contributing to a good ideological and nutritional cause.
- Once a relationship is established, there is a secure source of extra income.
- Schools are a great outlet for peak season surplus or seconds crops.
- This channel is newer and thus expanding avenue
- It can be viewed as buying a market share for the future.

### **Cons:**

- There are many regulations that must be met in order to sell to schools.
- Profits can be minimal because schools are on limited food budgets. (However, if you sell to schools at reduced prices it may qualify for a tax deduction, as schools are charitable organizations.)

### **Notable Examples**

- Davis Farm to School (<http://www.davisfarmtoschool.org/>)
- CAFF's Farm to School program (<http://caff.org/programs/farm-2-school/>)
- Farmer Rick Melone, of Massachusetts, could not sell the small apples of his harvest to grocery stores, so he used to sell them at a low price to a juice company. However, Mr. Melone now sells smaller apples to the public schools for meals in cafeterias: "We can get rid of the smaller stuff at a better price than juice."

### **Instructions**

*State and Federal Regulations:* "Farmers must meet all local and State regulations and be in good standing, in order to sell their product within the Child Nutrition Programs." (USDA) You may contact your local health department to ensure that the requirements are met.

### **Such regulations may include:**

- Food safety: pre and post harvest.
- Child nutrition guidelines: Federal and State standards for school meals
- Third party audits: farm visits with checklists
- Product liability insurance: This is required to sell to schools.

There are specific handling requirements for the produce:

- If not met, your product can be refused upon delivery.
- Deliveries are typically made to the central warehouse.
- The delivered products must be washed and bagged or boxed.
- Some smaller Farm to School programs may pick up orders from farmers markets or directly from farms. However, as the program grows, the practice of pick-ups may be unsustainable.

### **Contact your local Farm to School program**

Farm to School programs can advise regarding the following:

- All regulations of the State and Federal levels
- What the school districts' budgets are, which will be telling of what and how much they can buy from farmers
- Any entitlement dollars the schools have access to, which may be used to purchase local foods
- Specifically what farm products the schools are looking to purchase
- Local schools may be able to refer you to their program.
- [www.FarmToSchool.org](http://www.FarmToSchool.org) will also reveal the where the programs are located.

### **Choosing Products Popular with Children**

- New Farm to School programs will likely start with fruits such as apples and oranges, depending on the season.
- More mature programs may be interested in vegetables and herbs, such as broccoli, carrots, and parsley, as they first require preparation and proper facilities to be in place.

### **Calendar Considerations**

- The fall season (September-November) is a great time to sell to schools.
  - The spring can be a bit more difficult as the school year ends no later than mid-June.
- You may consider joining a cooperative or some larger organization in order to fulfill the schools' needs. Schools' needs may include: variety, volume, quality, and selection.

## **The Business Side**

- There are typically no long-term contracts between farmers and schools.
- The dealings are often between the farmers and the Food Service Director in rural, small district areas.
- The dealings are between farmers and the distributors in mid-large districts.
- Districts have food budgets and as long as they do not have contracts with mega distributors, they can usually reserve up to 10% of their budget for local produce.
- Prices must fall under a certain threshold in order for orders to be successful.
- There can be exceptions to the threshold rule so long as the school district really wants the products and can stage a “bidding” between two providers or farms. The formality of the bid shows that the school district will buy the product that costs less.
- Common relationships between farmers and schools begin with a farm surplus as a creative short-term solution that may lead to seasonal dealings.

## **You may elect to become more involved with the programs**

- Farms are wonderful teaching tools. Consider hosting a student field trip. With the children interested in the practice, it may lead to devout fresh-food eating for a lifetime.
- Many schools have Career Day. Consider attending as a speaker to inspire the children.
- Inquire if the schools have a garden. Perhaps consider offering some consultation or making a small donation of seeds or plants. Keeping farms relevant for the kids can power a fresh-food future.

## *Resources*

[CA Department of Education Farm to School](#)

[CA Farm to School](#)

[National Farm to School Network](#)

[Community Alliance with Family Farmers](#)

[Center for Ecoliteracy](#)

**Direct to Schools: Resources**

<b>Source Link</b>	<b><a href="http://www.agofthemiddle.org/pubs/farmschool.pdf">http://www.agofthemiddle.org/pubs/farmschool.pdf</a></b>
Document Name	Farm to School Institutional Marketing.pdf
Notes Ranking ☆	7 pages. Includes challenges and benefits. Examines different states' programs. Also includes "economics of the enterprise"
Date Published	Later than 2005
Author	Gail Feenstra (UC-SARE) Marion Kalb (CFSC)

<b>Source Link</b>	<b><a href="http://www.Farmentoschool.org/files/publications_173.pdf">www.Farmentoschool.org/files/publications_173.pdf</a></b>
Document Name	UEPI Food Access & Distribution Solutions
Notes Ranking ☆	4 pages. Outlines the objective of Farm to School programs as one of five strategies for improving access and distribution in farm to institution models.
Date Published	No date
Author	UEPI Center for Food and Justice

<b>Source Link</b>	<b><a href="http://agr.wa.gov/marketing/smallfarm/DOCS/056-SmallFarmAndDirectMarketingHandbook-Complete.pdf">agr.wa.gov/marketing/smallfarm/DOCS/056-SmallFarmAndDirectMarketingHandbook-Complete.pdf</a></b>
Document Name	WSDA Small Farm & Direct Marketing Handbook
Notes Ranking ☆☆☆	3 pages. Fact sheet covers benefits and challenges of selling to institutions. Includes schools, universities, and childcare facilities; hospitals and extended care facilities; state institutional facilities; and corporate campuses. (Complete pdf also includes restaurants, CSAs, grocery stores etc.)
Date Published	2010
Author	Washington State Department of Agriculture

<b>Source Link</b>	<a href="http://_agmarketing.extension.psu.edu/begfrmrs/SmllFarm.pdf">_agmarketing.extension.psu.edu/begfrmrs/SmllFarm.pdf</a>
Document Name	USDA Innovative Marketing Opportunities for Small Farmers
Notes Ranking ☆	61 pages. Detailed case study of a New North Florida Cooperative and analysis of opportunities for limited-resource farmers in the direct-to-school market.
Date Published	2000
Author	USDA-AMS (Daniel P. Schofer, Glyen Holmes, Vonda Richardson, Charles Connerly)

<b>Source Link</b>	<a href="http://caff.org/wp-content/uploads/2011/07/Farmer_tips_F2S.pdf">caff.org/wp-content/uploads/2011/07/Farmer_tips_F2S.pdf</a>
Document Name	CAFF Tips for Selling to Schools.pdf
Notes Ranking ☆☆	2 pages. Overview of Farm to School, with suggested tips on how to get started pricing and selling produce.
Date Published	Updated 2011
Author	CAFF

☆☆☆ = very highly recommended, ☆☆ = highly recommended, ☆ = recommended





## Direct to Food Service





## Direct to Food Service (food away from home)

The popularity of locally grown produce is on the rise. Restaurants are responding to this demand by including and promoting menu items featuring local foods. This offers farmers the opportunity to sell their goods directly to restaurants.

### Pros:

- There is potential to be lucrative as there is often no middleman.
- There is potential for economic stability because of healthy relationships with the clients and restaurants.
- Farmers know where and how their products are being used.

### Cons:

- It is very demanding for the farmer, as it requires not only production but also customer service.
- Being your own distributor and making all the contacts requires a lot of time and effort.

### Notable Examples

- Farmer's Kitchen Cafe in Davis, California receives the majority of their produce from Capay Organic, Vega Farms, Good Humus, and Towani Farms.
- Frog Hollow Farm, First Light Farm, Deardorff Family Farm sell their products to many restaurants in California

### Instructions

*Seek out restaurants that may be interested in serving local food.*

- Upscale restaurants tend to be interested in more unique products such as rhubarb and heirloom tomatoes, while mid-scale restaurants and bakeries may be interested in more standard products like carrots and apricots.
- Target establishments that fit into your business plan. For example, if your product is cucumber, you need not reach out to bakeries, as they are unlikely clients.
- Simple Yellow Pages or internet searches can be effective.
- Local fundraising or community events may be great places to meet local restaurants, potential clients. The investment of your time may pay off with a handful of clients.
- Understand where the restaurants are located so you do not waste time with places that are too far for regular deliveries.

- Chefs Collaborative is a national network of food professionals and they are interested in sustainable practices. Members are likely to be inclined to feature products from local farms.
- You may also elect to work with a local food hub for help with distribution to restaurants. A food hub is a “business or organization that actively manages the aggregation, distribution, and marketing of source-identified food products primarily from local and regional producers to strengthen their ability to satisfy wholesale, retail, and institutional demand.”

### **Contact restaurants**

- A phone call to the restaurant is unlikely to be successful for the *initial* contact.
- Consider a sample produce box delivered for the chef.
- A mailed letter with information of your farm and products may be effective.
- Do not hesitate to follow up on your contact with another attempt. Persistence may pay off.
- Consider hosting a farm tour for local chefs.
- Have a logo and profile for your farm as you are marketing for yourself and people will buy into you.
- Meal service times are not good times to try to contact the restaurant. Also, owners may not be available on the weekends.

**Schedule a meeting with the person in charge:** In many restaurants, the chef is in charge of purchasing. However, in some cases there may be a purchasing manager. The purchasing manager tends to be more concerned with price than anything else.

### **Be prepared for the meeting**

Know:

- What you will be selling
- The quantity you can grow
- By when you can have them ready
- How you will be packaging and delivering
- What you will charge
- How and when you will bill the restaurant (invoice)

Consider bringing samples.

Confirm the best way to stay in contact with your client (phone, email, etc.).

**Assess staff capacity/Arrange for proper help**

- You'll need a dependable delivery method
- You'll likely also need someone with strong organizational and perhaps computer skills (email, invoice preparation, etc.)

**Follow through with excellent customer service**

- Quality – Produce more than you know you need so you can sell the best of the harvest.
- Consistency – Deliver when you say you will. Have invoices ready on a regular schedule.
- Customer service – If you cannot make a delivery, inform the client immediately and offer alternatives.
- Build a relationship with your client: Be interested in your client's wants and needs. Perhaps consider letting your client pick what you grow or provide input.
- Communicate any available supply with your client. Restaurants may respond fondly to bulk or sale items you may have.
- If this is the first time your client is sourcing locally, educate your client on how your farm works and factors that affect your farms harvests. For example, if adverse weather delays or destroys a crop, it is critical to share this news as well as an updated harvest schedule with your client as soon as possible.
- Be considerate of your client's time. Always give as much notice as possible and set appointments as needed.



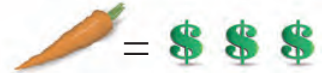
# Tips for Selling to: Restaurants

NCAT Marketing Tip Sheet Series

Restaurants are businesses that provide full meals and drinks, and try to offer a unique atmosphere and menu for customers. Some restaurants, especially locally owned ones, now want to feature dishes using local produce. This presents a good marketing opportunity for farmers to sell to them directly.

*For this market you can expect:*

- *Low-to-medium volume of product*
- *Higher prices per unit*



## Advantages

★ key point

- Chefs value fresh, high-quality products.

## Considerations

- Expect small order size and frequent delivery.
- Chefs value top quality produce.
- It's important to provide the buyer with a weekly availability list.
- Chefs may require a consistent supply of particular items.

## Tips

- ★ **Be consistent.** Chefs expect a product will be delivered if they put it on the menu.
- Build a relationship with the entire staff. Chefs move frequently.
- ★ **Chefs are on a tight schedule and generally require deliveries when they're not busy, such as before 10 a.m. or between 2 and 5 p.m.**
- Introduce new products by dropping off free samples with your regular deliveries.
- ★ **Fax or email a list of available products for the chef to order from.**
- Use the chefs as your best source of market information. They may know what the next big thing is before you do.
- Know how the chef is using your product and be prepared to talk about other ways to use it.
- In the autumn, ask the chefs what products they want you to grow next season.
- ★ **Ask about each restaurant's needs, including pack, size, variety, post-harvest preferences, new items, and how they would like to place orders (by fax, phone text message, or email).**



Photo: Tammy Hinman, NCAT.



## Key Questions to Ask Yourself

- ★ **How far in advance do the chefs need to see an accurate schedule of product availability in order to allow them to plan their menus?**
  - What restaurants are the best fit for my product profile? Ethnic restaurants, specialty bakeries, high-end gourmet restaurants?
  - What production, handling, storage, and delivery methods will I use to ensure the freshest and highest quality products to high-end chefs? Highlight these in outreach to chefs.
  - How frequently and quickly am I able to deliver to restaurants? What are the chef's expectations about this?
- ★ **How do the restaurants want to communicate with me? Cell phone, email, text message, fax?**

## Resources for Selling to Restaurants

- **ATTRA Publications**  
Prices vary for individual publications. Many are free. An inexpensive subscription to ATTRA will give you access to all 350+ publications and databases.  
[www.attra.ncat.org](http://www.attra.ncat.org)
  - **Selling to Restaurants** (2004)
  - **New Markets for Your Crops** (2008)  
(also available in Spanish)
  - **Scheduling Vegetable Plantings for Continuous Harvest** (2008)
  - **Season Extension Techniques for Market Gardeners** (2005)
  - **Postharvest Handling of Fruits and Vegetables** (2000)
  - **Illustrated Guide to Growing Safe Produce on Your Farm: GAPs** (2011) (also available in Spanish)
- **Chefs Collaborative** works with chefs and the greater food community, including farmers, to celebrate local foods and foster a more sustainable food supply.  
[www.chefscollaborative.org](http://www.chefscollaborative.org)
- **Selling Directly to Restaurants and Grocery Stores.**  
Washington State Department of Agriculture. 2010.  
<http://agr.wa.gov/Marketing/SmallFarm/DOCS/3-sellingDirectlyToRestaurantsAndGroceryStores.pdf>



Photo: Markristo Farm.

The development of this material was supported through USDA/NIFA/OASDFR  
[www.outreach.usda.gov/oasdf](http://www.outreach.usda.gov/oasdf)



### Tips for Selling to: Restaurants

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By Marisa Alcorta, Rex Dufour and Tammy Hinman, NCAT  
Production: Karen Van Epen

This publication is available on the Internet at [www.attra.ncat.org](http://www.attra.ncat.org)  
IP 425, Slot 421, Version 122612



# Tips for Selling to:

# Institutional Markets

Institutional markets are entities such as cafeterias in state and local government buildings, schools, universities, prisons, hospitals, or similar organizations. These institutions are becoming more interested in buying local food, which provides a new marketing opportunity for a medium to large-scale farm.

**For this market you can expect:**

- Larger volumes of product
- Lower prices per unit



## Advantages

★ key point

- You can sell large volumes of many products.
- There are many possible sales outlets, such as business cafeterias, schools, hospitals, prisons, day-care centers, senior centers, community colleges, and universities.

## Considerations

- While you can sell a larger quantity, expect a lower price.
- ★ Requires good communication between buyer and seller.
- Some institutions expect a more processed product.
- Liability insurance is required.
- Institutions usually pay within 30 days.
- The health department requires that vehicles delivering produce to institutions must remain at a certain temperature.

## Key Questions to Ask Yourself

- Do I have liability insurance and a Good Agricultural Practices (GAPS) plan? Do these buyers require either of these items?
- How do these buyers want produce packed and delivered?
- What quantities do they need and how often?
- Do they need produce that has been pre-cut or lightly processed for easy use?
- What's the best way to communicate with these buyers about my product availability — fax, email, text message, phone?
- Is there a competitive bidding process for schools and other public institutions? What do I need to do to be considered?



Photo: Rex Dufour, NCAT.

# Tips for Selling to Institutional Markets

★ key point

- Research the institution. Find out who makes buying decisions.
- ★ Know what the buyer requires from you.
  - Produce quality standards?
  - Type of pack or size of product?
  - Specific delivery times and number of deliveries per week?
  - Liability insurance and for how much?
  - A Good Agricultural Practices (GAPs) plan?
- ★ Maintain consistent volumes and quality.
  - Work with local organizations such as universities, nonprofits, and Food Policy Councils to help reduce barriers for farmers selling to local institutions.
  - Consider developing a Good Agricultural Practices (GAPs)/Food Safety Plan to allow easier access to these markets.
  - Find out if the buyer will purchase imperfect, blemished or small produce for a lower price.

## Resources

- **ATTRA Publications**  
Prices vary for individual publications, many are free. An inexpensive subscription to ATTRA will give you access to all 400+ publications and databases. [www.attra.ncat.org](http://www.attra.ncat.org)
  - *New Markets for Your Crops*, 2008 (also available in Spanish and as a Spanish-language audio file)
  - *Illustrated Guide to Growing Safe Produce on Your Farm*, 2010 (also available in Spanish)
- *Selling to Institutions* by Bill Wright, University of Wisconsin Cooperative Extension, Emerging Agricultural Markets Team, 2007. A 4-page PDF on how to get started and do well selling to institutions. [www.uwex.edu/ces/agmarkets/publications/documents/A3811-19.pdf](http://www.uwex.edu/ces/agmarkets/publications/documents/A3811-19.pdf)
- *Farm to Hospital: Supporting Local Agriculture and Improving Health Care*. This 6-page brochure explains farm-to-hospital and why it's important, as well as how hospitals can improve their food, and how growers can approach institutions. [www.foodsecurity.org/uploads/F2H\\_Brochure-Nov08.pdf](http://www.foodsecurity.org/uploads/F2H_Brochure-Nov08.pdf)
- **Farm to College Website Resource List**. Useful for anyone interested in learning more about getting local produce into institutions. The lists are broken down by the intended audience such as farmers, food professionals, student organizers, etc. <http://farmtocollege.org/resources>
- *Community Food Security Liability & Food Safety* (in English and Spanish). This short brochure summarizes some of the issues regarding food safety when selling to institutional markets. It gives the reader information on what to expect for insurance requirements and how to better protect your farm. [www.foodsecurity.org/insurance.htm](http://www.foodsecurity.org/insurance.htm)

The development of this material was supported through USDA/NIFA/OASDFR  
[www.outreach.usda.gov/oasdf](http://www.outreach.usda.gov/oasdf)



### Tips for Selling to: Institutional Markets

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IP 427, Slot 425, Version 122612

Direct to Food Service: Resources

<b>Source Link</b>	<b><a href="http://www.sarep.ucdavis.edu/sfs/files/selldirect.pdf">www.sarep.ucdavis.edu/sfs/files/selldirect.pdf</a></b>
Document Name	SARE Selling to Restaurants and Retailers
Notes Ranking ☆☆☆	5 pages. Publication outlines the participant farmer responses to a series of practical questions about how to develop and maintain direct market sales to restaurants and retailers. Addresses appropriate contacts, main talking points, necessary research, and maintaining good standing with buyers.
Date Published	2003
Author	Compiled by Gail Feenstra, Jeri Ohmart, and David Chaney. Contributions from Mark Mulcahy and Kris Pustina. Published by the University of California Sustainable Agriculture Research and Education Program

<b>Source Link</b>	<b><a href="http://www.extension.iastate.edu/Publications/pm1853b.pdf">http://www.extension.iastate.edu/Publications/pm1853b.pdf</a></b>
Document Name	Iowa State Local Food Connections From Farms to Restaurants
Notes Ranking ☆☆☆	4 pages. Publication outlining the marketing opportunities with restaurants. Addresses the following: market size and opportunity; restaurant expectations; seasonality and the availability of produce; produce volumes; packaging and labeling; orders and payments; marketing strategies; doing necessary research; preparing to meet with chefs/buyers; making commitments; working with nonprofits and cooperatives to market products to restaurants.
Date Published	Revised 2008
Author	Iowa State University Extension.

<b>Source Link</b>	<b><a href="http://www.traces.org/green/Course-marketing/5.5_Restaurants.pdf">www.traces.org/green/Course-marketing/5.5_Restaurants.pdf</a></b>
Document Name	Traces of Green Direct Marketing to Restaurants.pdf
Notes	6 pages. Lecture on tips on selling to restaurants; includes resource list.
Date Published	adapted from several publications: 2002,2003,2004,1999
Author	Traces of Green

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<b>Source Link</b>	<b><a href="https://attra.ncat.org/attra-pub/summaries/summary.php?pub=388">https://attra.ncat.org/attra-pub/summaries/summary.php?pub=388</a></b>
Document Name	ATTRA_Tips for Selling to Restaurants.pdf
Notes	2 pages. Helpful tips, especially key questions to ask yourself
Date Published	2012
Author	NCAT/ATTRA (Marisa Alcorta, Rex Dufour and Tammy Hinman)

<b>Source Link</b>	<b><a href="https://attra.ncat.org/attra-pub/summaries/summary.php?pub=266">https://attra.ncat.org/attra-pub/summaries/summary.php?pub=266</a></b>
Document Name	ATTRA_Selling to Restaurants.pdf
Notes	16 pages. Includes section for high-end restaurants. Examples also provided.
Date Published	2004
Author	NCAT/ATTRA/Janet Bachmann

☆☆☆ = very highly recommended, ☆☆ = highly recommended, ☆ = recommended

**Direct to Produce and Other Wholesale Channels**





## Direct to Produce and Other Wholesale Channels

### Three key considerations:

1. Compliance with food safety regulations
2. Post-harvest handling, storage and distribution
3. Packaging and labeling

### Key steps for selling to intermediate markets:

1. Schedule meetings and create a relationship with the buyer before the growing season starts
  - Establish price goals
  - Provide samples
  - Product description
  - Availability sheet
2. Develop a written buy/sell agreement that includes:
  - Price
  - Quality of work per week
  - Size and packaging requirements
  - Quality standards
  - Ordering and delivery schedule
  - Licensing, insurance, or certification requirements
  - Payment method and schedule
3. Maintain communication with the buyer throughout the year.

### Elements of consideration when selling to wholesale distributors:

- Product liability insurance
- Hold Harmless agreement
- Good Agricultural Practices/Good Handling Practices certification (See Section V.)

### Miscellaneous Tips:

- Build trust: keep quality level consistent
- Make sure you receive a delivery receipt or get the invoice signed
- Keep a record of all transactions
- Comply with USDA standard pack and grade requirements
- Be careful not to compete with your distributors by selling to retail and food service customers that it can service.





# Tips for Selling to: Produce Distributors

NCAT Marketing Tip Sheet Series

Produce distributors are businesses that aggregate product and resell it in small or large quantities to their customers. Distributors may be an individual with a van or a company with a fleet of eighteen-wheelers. Distributors can purchase from individual farmers, brokers, wholesale buyers, or packing houses.

Distributors sell to a range of customers, from individual restaurants to institutions such as hospitals and schools. Since local food has come into higher demand, some distributors have made the effort to focus their business on providing local produce to their customers.

## Advantages

★ key point

- Distributors can handle large volumes of product.
- Distributors can contract for a particular product for the whole season.
- Farm product identity could be retained in this wholesale market if the distributor focuses on local products.

## Considerations

- While you can sell a larger quantity, expect a lower price per unit.
- Some distributors may not pay for 30 to 60 days. Make sure to keep organized records of money owed to you and be clear about when you want to be paid.
- Distributors have USDA standard pack and grade requirements that you will need to follow, which include clean, new boxes.
- Selling to distributors requires a well organized invoicing and recordkeeping system.

## Tips

- ★ Contact the distributor to see what products they are looking for as well as volume, price, pack and grade preferences, delivery or pickup schedule, and liability insurance and GAPs (Good Agricultural Practices) requirements.
- Ensure quality by pre-cooling and careful post-harvest handling.
- Consider specialty products that may bring a higher price, such as green garlic, squash blossoms, or pea tendrils that are variations on conventional items.

For this market you can expect:

- Higher volume
- Lower prices



Earl's Organic Produce, San Francisco. Photo: Rex Dufour, NCAT.



## Key Questions to Ask Yourself about Selling to Produce Distributors

- How do these buyers want produce packed and delivered? What quantities do they want, and how often?
- Do I have liability insurance or a GAPs plan? Do these buyers require either of these items, and how much coverage do I need to have?

## Resources

- **ATTRA Publications.** Prices vary for individual publications. Many are free. An inexpensive subscription to ATTRA will give you access to all 350+ publications and databases. Phone 800-346-9140. [www.attra.ncat.org](http://www.attra.ncat.org)
  - *Illustrated Guide to Growing Safe Produce on Your Farm: GAPs* (2011) (English or Spanish)
  - *New Markets for Your Crops* (2008) (English or Spanish)
  - *Scheduling Vegetable Plantings for Continuous Harvest* (2008)
  - *Season Extension Techniques for Market Gardeners* (2005)
- *The Packer* is a weekly newspaper covering fruit and vegetable news, produce shipping, distribution, packing, marketing, and trends in fresh produce in North America. An annual produce and availability merchandising guide lists buyers by commodity and their states and cities. [www.thepacker.com](http://www.thepacker.com)
- *Wholesale Success: A Farmers Guide to Selling, Post Harvest Handling, and Packing Produce* is a 255-page manual for the produce wholesale industry. It covers food safety, post-harvest handling, packing and grading standards, fulfilling orders, recordkeeping, billing, and building relationships. The manual includes harvesting, cooling, storing, and packing information for 103 different fruits and vegetables. Phone: 708-763-9920. [www.familyfarmed.org/wholesale-success](http://www.familyfarmed.org/wholesale-success)
- **AMS Fresh Fruit, Vegetable, Nut and Specialty Crop Grade Standards** lists the U.S. Agricultural Marketing Service grade (quality) standards for each fruit, vegetable and nut sold as commodities. <http://tinyurl.com/ams-grade-standards>
- *Food Safety and Liability Insurance for Small-Scale and Limited Resource Farmers* gives a brief overview of food safety and liability insurance. From the Community Food Security Coalition, in English or Spanish. [www.foodsecurity.org/insurance.htm](http://www.foodsecurity.org/insurance.htm)
- **Como Proteger Su Negocio Agrícola y Producir Alimentos Seguros en Su Granja** is a Spanish [audio](#) version of the Food Safety and Liability Insurance brochure mentioned above. On the Community Food Security Coalition website, you can click on the link to listen to the mp3 version on your computer. You can request a CD of this recording by contacting [publications@foodsecurity.org](mailto:publications@foodsecurity.org), (503) 954-2970. [www.foodsecurity.org/insurance.htm](http://www.foodsecurity.org/insurance.htm)
- **USDA Terminal Market Report** lists current wholesale prices online at <http://tinyurl.com/3znaeuf>
- **Rodale Institute Organic Price Report** can be configured to show organic only or to compare organic and conventional wholesale prices at the current market rates. Prices of fruit, vegetables and grains are listed for six different wholesale terminals across the U.S. [www.rodaleinstitute.org/Organic-Price-Report](http://www.rodaleinstitute.org/Organic-Price-Report)
- **UC Davis Small Farm Program Wholesale Market Resources** explain wholesale buyers and terminal markets: <http://sfp.ucdavis.edu/pubs/sfnews/Archive/93052.htm> and <http://sfp.ucdavis.edu/pubs/sfnews/archive/92091.htm>

*This tip sheet was developed with the assistance of Bob Corshen, Community Alliance with Family Farmers.*

The development of this material was supported through USDA/NIFA/OASDFR  
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### Tips for Selling to Produce Distributors

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By Marisa Alcorta, Rex Dufour and Tammy Hinman

Production: Karen Van Epen

Find this on the Internet at [www.attra.ncat.org/marketing.html](http://www.attra.ncat.org/marketing.html)

IP431, Slot 431, Version 052912

# Tips for Selling to: Wholesale Buyers at Terminal Markets

NCAT Marketing Tip Sheet Series

Wholesale buyers are typically located in permanent stalls at a terminal market. Terminal markets are central sites, often in a metropolitan area, that serve as an assembly and trading place for agricultural commodities. Wholesale buyers will purchase products from farmers, brokers, or packing houses in large quantities, and resell it

into the open marketplace. Prices of products, cooling considerations, and time of delivery are all negotiated before farmers bring their products to the docks.

## Advantages

★ key point

- Buyers can handle large deliveries of produce.
- Generally, pre-negotiated prices are more stable with wholesale buyers, however prices are not guaranteed.

## Considerations

- You can sell a larger quantity, but expect a lower price per unit.
- ★ Wholesale buyers typically pay within 30 days. You must determine how this will affect your cash flow.
- Farmers can set the price, but the buyer must agree to it. Farmers must have a good idea of what the going prices are in the wholesale market. See fifth Tip, next page.
- Farmers must meet packing and grading standards.
- ★ Consider your wholesale buyer's post-harvest requirements and whether product must be delivered in a refrigerated truck.
- Selling to a wholesale buyer requires a well organized invoicing and recordkeeping system.

For this market you can expect:

- Higher volume of product
- Lower prices per unit



## Key Questions to Ask Yourself

- How far away is the nearest terminal market?
- Do I want to put the effort into establishing relationships with the buyers? Would I rather go through a broker?
- How do the buyers at terminal markets want produce packed and delivered?
- How much volume is needed to supply wholesale buyers?
- ★ Do my profits cover the cost of production, gasoline and labor?



Photo: Loading docks at a terminal market, [www.oaklandnorth.net](http://www.oaklandnorth.net)



# Tips for Selling to Wholesale Buyers at Terminal Markets

★ key points

- ★ Visit a terminal market to get an idea of how it works and learn about the competition. To talk to a wholesale buyer and show them your produce, visit after 6 or 7 a.m. To see the market operating at busy times, visit around 3 or 4 a.m.
- Terminal markets are typically open from 11 p.m. to 12 noon. To sell a product, farmers must deliver to the terminal market late at night or very early in the morning. Most deliveries take place between 11 p.m. and 4 a.m. Buyers begin arriving at 5 a.m. to purchase products.
- ★ Identify and contact wholesale buyers before you try to sell to them. Farmers can get higher prices through established relationships, for higher quality products, and for unique or specialty products in high demand.
- If this will be a regular market channel, plan to bring them product on a regular basis. Consistency and quality are keys to success in this market.
- ★ Check the USDA Terminal Market Reports (available online at <http://tinyurl.com/3znaeuf>) for prices on your product before you try to negotiate with a wholesale buyer.
- ★ Ensure high quality by using good pre-cooling and post-harvest practices.
- ★ Don't use this channel if you have less than 50 to 100 boxes of each item. Wholesale buyers only purchase large quantities.

## Resources

- **ATTRA Publications.** Prices vary for individual publications. Many are free. An inexpensive subscription to ATTRA will give you access to all 350+ publications and databases. Phone 800-346-9140. [www.attra.ncat.org](http://www.attra.ncat.org)
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  - *Post-Harvest Handling for Fruits and Vegetables* (2000)
  - *New Markets for Your Crops* (2008) (English & Spanish)
  - ATTRA website's Marketing, Business and Risk Management section: [www.attra.ncat.org/marketing.html](http://www.attra.ncat.org/marketing.html)
- *The Packer* is a weekly newspaper covering fruit and vegetable news, produce shipping, distribution, packing, marketing, and trends in fresh produce in North America. [www.thepacker.com](http://www.thepacker.com)
- *Wholesale Success: A Farmers Guide to Selling, Post Harvest Handling, and Packing Produce* is a 255-page manual for the produce wholesale industry. It covers food safety, post-harvest handling, packing and grading standards, fulfilling orders, record keeping, billing, and building relationships. The manual includes harvesting, cooling, storing, and packing information for 103 different fruits and vegetables. Phone 708-763-9920. [www.familyfarmed.org/wholesale-success](http://www.familyfarmed.org/wholesale-success)
- **AMS Fresh Fruit, Vegetable, Nut, and Specialty Crop Grade Standards** lists the U.S. Agricultural Marketing Service grade (quality) standards for each fruit, vegetable and nut sold as commodities. <http://tinyurl.com/ams-grade-standards>
- *Food Safety and Liability Insurance for Small-Scale and Limited Resource Farmers* gives a brief overview of food safety and liability insurance. (English & Spanish) [www.foodsecurity.org/insurance.htm](http://www.foodsecurity.org/insurance.htm)
- **USDA Terminal Market Report** lists current wholesale prices online at <http://tinyurl.com/3znaeuf>
- **Rodale Institute Organic Price Report** can be configured to show organic only or to compare organic and conventional wholesale prices at the current market rates. Prices of fruit, vegetables and grains are listed for six different wholesale terminals across the U.S. [www.rodaleinstitute.org/Organic-Price-Report](http://www.rodaleinstitute.org/Organic-Price-Report)
- **UC Davis Small Farm Program Wholesale Market Resources** explain wholesale buyers and terminal markets: <http://sfp.ucdavis.edu/pubs/sfnews/Archive/93052.htm> and <http://sfp.ucdavis.edu/pubs/sfnews/archive/92091.htm>

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### Tips for Selling to Wholesale Buyers at Terminal Markets

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Find this on the Internet at [www.attra.ncat.org/marketing.html](http://www.attra.ncat.org/marketing.html)

IP 432, Slot 432, Version 122612

# Produce Brokers

A produce broker is a salesperson who has access to any seller in the food chain, including packing houses, processors, agribusinesses, and mid- to large-scale farms. Typically they work with large-scale farms. A broker will help arrange the logistics of getting your product from your

farm to their buyer, often taking commissions based on a percentage of the sale. Their success depends on their reputation and they spend years building relationships.

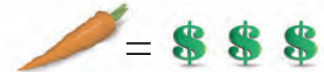
## Advantages

★ key point

- Brokers have relationships with many buyers and can arrange a sale more easily than the farmer can.
- Brokers generally have a better understanding of the market conditions and prices than the farmer does.
- Working with a broker allows you to focus on production, rather than sales.
- Brokers can arrange transportation, either from your farm or from a terminal market.

*For this market you can expect:*

- Higher volume of product
- Lower prices per unit



## Considerations

- Brokers prefer to deal with larger volumes, but it is not a requirement.
- While you can sell a larger quantity, you should expect a lower price per unit.
- Research your broker and their reputation. Farmers can sign an agreement with a broker that clearly delineates lines of fiscal responsibility.
- It is advantageous when working with brokers to have clear and concise agreements regarding volume throughout the season. Written agreements are helpful but not required.
- In order for a broker to sell your product, you will need to properly sort it for high quality, cool it, and store it.

## Key Questions to Ask Yourself

- Do you know others who have had good experiences with this broker?
- Do you have enough volume to still see a profit after paying a commission to a broker and selling at wholesale prices?
- Would you rather entrust someone else to sell your products so that you can focus only on production?



Photo: Rex Dufour, NCAT

# Tips for Selling to Produce Brokers

★ key points

- ★ Check with other growers and get a sense of the broker's or the brokerage company's reputation before you work with them. You want someone with an excellent track record who comes highly recommended. You can check their credibility through their DUNS number ([www.dnb.com](http://www.dnb.com)) or through the Blue Book ([www.producebluebook.com](http://www.producebluebook.com)). There may be a fee for credit-check services.
- ★ Written contracts are preferred, but not standard. However, it's always a good idea to have some type of written agreement with the broker outlining price, volume, time period, and whether the broker is purchasing the product from you or only negotiating a sale. These documents are critical to protecting both parties if anything goes wrong.

## Resources

- **ATTRA Publications.** Prices vary for individual publications. Many are free. An inexpensive subscription to ATTRA will give you access to all 400+ publications and databases. Phone 800-346-9140. [www.attra.ncat.org](http://www.attra.ncat.org)
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- **The Packer** is a weekly newspaper covering fruit and vegetable news, produce shipping, distribution, packing, marketing, and trends in fresh produce in North America. [www.thepacker.com](http://www.thepacker.com)
- **Wholesale Success: A Farmers Guide to Selling, Post Harvest Handling, and Packing Produce** is a 255-page manual for the produce wholesale industry. It covers food safety, post-harvest handling, packing and grading standards, fulfilling orders, recordkeeping, billing, and building relationships. The manual includes harvesting, cooling, storing, and packing information for 103 different fruits and vegetables. Phone 708-763-9920. [www.familyfarmed.org/wholesale-success](http://www.familyfarmed.org/wholesale-success)
- **AMS Fresh Fruit, Vegetable, Nut, and Specialty Crop Grade Standards** lists the U.S. Agricultural Marketing Service grade (quality) standards for each fruit, vegetable and nut sold as commodities. <http://tinyurl.com/ams-grade-standards>
- **Food Safety and Liability Insurance for Small-Scale and Limited Resource Farmers** gives a brief overview of food safety and liability insurance. Published by the Community Food Security Coalition. [www.foodsecurity.org/insurance.htm](http://www.foodsecurity.org/insurance.htm)
- **Como Proteger Su Negocio Agrícola y Producir Alimentos Seguros en Su Granja** is a Spanish audio version of the Food Safety and Liability Insurance brochure above. From the Community Food Security Coalition website, you can click on the link to listen to the mp3 version on your computer, or you can request a CD of this recording by contacting: [publications@foodsecurity.org](mailto:publications@foodsecurity.org), or (503) 954-2970. [www.foodsecurity.org/insurance.htm](http://www.foodsecurity.org/insurance.htm)
- **USDA Terminal Market Report** lists current wholesale prices online at <http://tinyurl.com/3znaeuf>
- **Rodale Institute Organic Price Report** can be configured to show organic only or to compare organic and conventional wholesale prices at the current market rates. Prices of fruit, vegetables, and grains are listed for six different wholesale terminals across the U.S. [www.rodaleinstitute.org/Organic-Price-Report](http://www.rodaleinstitute.org/Organic-Price-Report)
- **UC Davis Small Farm Program's Wholesale Market Resources** explain wholesale buyers and terminal markets: <http://sfp.ucdavis.edu/pubs/sfnews/Archive/93052.htm> and <http://sfp.ucdavis.edu/pubs/sfnews/archive/92091.htm>

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### Tips for Selling to Produce Brokers

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By Marisa Alcorta, Rex Dufour and Tammy Hinman

Production: Karen Van Epen

Find this on the Internet at [www.attra.ncat.org/marketing.html](http://www.attra.ncat.org/marketing.html)

IP 436, Slot 437, Version 011013

# Tips for Selling to: Produce Packing Houses

NCAT Marketing Tip Sheet Series

Produce packing houses are large-scale businesses that buy produce from growers through a contract and then re-sell it on the open market. They sell very large quantities. Packing houses can also own land, renting plots to farmers to grow specifically for them, and sometimes supplying seed, inputs and packaging. They have invested in equipment such as coolers and fumigators, so they have the ability to store large amounts of product.

Packing houses never own the product once they receive it, therefore the price the farmer receives is based on what it sells for at the end of the chain. Some packing houses are cooperatively owned by farmers.

## Advantages

★ *key point*

- Packing houses can provide land, seed, inputs, labor, and packaging.
- Working with a packing house allows farmers to focus on production rather than sales.
- Farmers don't have to invest in packing and washing equipment or storage facilities, because the packing house will provide those services for a fee.

## Considerations

- ★ Packing houses are considered by experts in the industry to be the most risky for farmers for many reasons. One potential problem is that the product goes through many hands, and the price a farmer gets at the end is based on the quality of the product, which may have had time to degrade.
- Some contracts with packing houses can limit participation in other market channels.
- Packing houses will quote you a price when you deliver the product, but it is not guaranteed. The farmer will get paid a percentage of the price the packing house receives for the sale.
- Some packing houses may sell seed, inputs and packaging at a marked-up price to farmers.
- ★ Many farmers in this system are unable to reach a profit, since the costs of growing the product are often more than they receive after the packing house sells it.

*For this market you can expect:*

- Higher volume of product
- Lower prices per unit



Packing bell peppers. [www.ceriverside.ucdavis.edu](http://www.ceriverside.ucdavis.edu)

## Key Questions to Ask Yourself

- Am I comfortable with the risks (explained above) of selling my product to a packing house?
- Have I confirmed that other growers I know are making a profit and have a good relationship with this packing house?
- Am I able to understand the commitments I'm agreeing to, outlined in the contract I will sign? Have I found someone to translate it for me if necessary?
- Do I have a cushion of savings in case the money I owe the packing house is more than I will make from my sales?



## Tips for Selling to Produce Packing Houses

★ key points

- ★ Ask other farmers about the reputation of the packing house before you work with them.
- ★ Packing houses always have a contract. Be sure that you understand it, keep a copy, and have someone translate it for you if necessary.
- If there is a concern about product quality, get a third-party quality inspection. For a fee you can have your produce inspected by the Agricultural Marketing Service (AMS) before you deliver it to the packing house. See the Resources section below.
- ★ Request a written receipt when you drop off your product. Make sure the person who takes your boxes signs the receipt and prints their name legibly. A receipt should include what you sold, the weight or number of boxes, the date it was delivered, and the quality grade. Reconsider doing business with a packing house that will not give you a receipt.
- Depending on one market can be risky. Consider investigating other market channels. See other Marketing Tip Sheets in this series.

## Resources

- **ATTRA Publications.** Prices vary for individual publications. Many are free. An inexpensive subscription to ATTRA will give you access to all 350+ publications and databases. Phone 800-346-9140. [www.attra.ncat.org](http://www.attra.ncat.org)
  - *Illustrated Guide to Growing Safe Produce on Your Farm: GAPs* (2011) (English or Spanish)
  - *Post-Harvest Handling for Fruits and Vegetables* (2000) — *New Markets for Your Crops* (2008) (English or Spanish)
  - ATTRA website's Marketing, Business and Risk Management section: [www.attra.ncat.org/marketing.html](http://www.attra.ncat.org/marketing.html)
- *The Packer* is a weekly newspaper covering fruit and vegetable news, produce shipping, distribution, packing, marketing, and trends in fresh produce in North America. [www.thepacker.com](http://www.thepacker.com)
- *Wholesale Success: A Farmers Guide to Selling, Post Harvest Handling, and Packing Produce* is a 255-page manual for the produce wholesale industry. It covers food safety, post-harvest handling, packing and grading standards, fulfilling orders, record keeping, billing, and building relationships. The manual includes harvesting, cooling, storing, and packing information for 103 different fruits and vegetables. Phone 708-763-9920. [www.familyfarmed.org/wholesale-success](http://www.familyfarmed.org/wholesale-success)
- **AMS Fresh Fruit, Vegetable, Nut and Specialty Crop Grade Standards** lists the U.S. Agricultural Marketing Service grade (quality) standards for fruit, vegetables and nuts sold as commodities. <http://tinyurl.com/ams-grade-standards>
- **AMS Inspection Service** will inspect your produce and certify its grade of quality before you sell it. On their website, click on "Request an Inspection/Contact an Office" on the right column. <http://tinyurl.com/ams-inspection-service>
- *Food Safety and Liability Insurance for Small-Scale and Limited Resource Farmers* gives a brief overview of food safety and liability insurance in English and Spanish. This is also available as a Spanish audio version in mp3 or CD format. Contact [publications@foodsecurity.org](mailto:publications@foodsecurity.org), (503) 954-2970. [www.foodsecurity.org/insurance.htm](http://www.foodsecurity.org/insurance.htm).
- **USDA Terminal Market Report** lists current wholesale prices online at <http://tinyurl.com/3znaeuf>
- **Rodale Institute Organic Price Report** can be configured to show organic only or to compare organic and conventional wholesale prices at the current market rates. Prices of fruit, vegetables and grains are listed for 6 different wholesale terminals across the U.S. [www.rodaleinstitute.org/Organic-Price-Report](http://www.rodaleinstitute.org/Organic-Price-Report)
- **UC Davis Small Farm Program Wholesale Market Resources** explain wholesale buyers and terminal markets: <http://sfp.ucdavis.edu/pubs/sfnews/Archive/93052.htm>  
<http://sfp.ucdavis.edu/pubs/sfnews/archive/92091.htm>

*This tip sheet was developed with the assistance of Bob Corshen, Community Alliance with Family Farmers.*

The development of this material was supported through USDA/NIFA/OASDFR  
[www.outreach.usda.gov/oasdr](http://www.outreach.usda.gov/oasdr)



### Tips for Selling to Produce Packing Houses

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By Marisa Alcorta, Rex Dufour and Tammy Hinman

Production: Karen Van Epen

Find this on the Internet at [www.attra.ncat.org/marketing.html](http://www.attra.ncat.org/marketing.html)

IP 433, Slot 433, Version 122612



**Direct to Produce and Other Wholesale Channels: Resources**

<b>Source Link</b>	<a href="http://postharvest.ucdavis.edu/files/93626.pdf">postharvest.ucdavis.edu/files/93626.pdf</a>
Document Name	UCDavis_Wholesale Produce Marketing
Notes Ranking ☆☆	14 pages. Thorough overview; Includes general tips and detailed information on terminal markets, local retail produce markets, industrial food service, specialty food stores, restaurants and hotels. Covers cost/benefit analysis and includes worksheet and resources.
Date Published	1998
Author	Lisa Kitinoja and James Gorny, Dept. of Plant Sciences, UC Davis

<b>Source Link</b>	<a href="https://attra.ncat.org/attra-pub/summaries/summary.php?pub=405">https://attra.ncat.org/attra-pub/summaries/summary.php?pub=405</a>
Document Name	ATTRA_Tips for Selling to Wholesale Buyers at Terminal Markets.pdf
Notes Ranking ☆☆☆	2 pages. Tip sheet on terminal markets. Includes advantages, considerations, key questions to ask, tips and resources.
Date Published	2012
Author	ATTRA Marisa Alcorta, Rex Dufour and Tammy Hinman

<b>Source Link</b>	<a href="http://www.familyfarmed.org/wp-content/uploads/2010/07/2013WSManual-overview.pdf">http://www.familyfarmed.org/wp-content/uploads/2010/07/2013WSManual-overview.pdf</a>
Document Name	Wholesale Success Manual Preview.pdf
Notes Ranking ☆☆☆	13 pages. Preview for Wholesale Success: A Farmers Guide to Selling, Post Harvest Handling, and Packing Produce- a 255-page manual for the produce wholesale industry. Covers food safety, post-harvest handling, packing and grading standards, fulfilling

	orders, record keeping, billing, and building relationships. The manual includes harvesting, cooling, storing, and packing information for 103 different fruits and vegetables Order full guide at <a href="http://www.familyfarmed.org/wholesale-success">www.familyfarmed.org/wholesale-success</a> or by calling 708-763-9920.
Date Published	2010
Author	Jim Slama, Family Farmed

Source Link	<a href="https://attra.ncat.org/attra-pub/summaries/summary.php?pub=403">https://attra.ncat.org/attra-pub/summaries/summary.php?pub=403</a>
Document Name	ATTRA Tips for Selling to Produce Distributors.pdf
Notes Ranking ☆☆☆	2 pages. This tip sheet highlights the advantages, considerations, and key questions you should ask yourself when considering selling to a produce distributor.
Date Published	2012
Author	NCAT/ATTRA (Marisa Alcorta, Rex Dufour and Tammy Hinman)

☆☆☆ = very highly recommended, ☆☆ = highly recommended, ☆ = recommended

## Agritourism





## **Agritourism**

Agritourism involves any agriculturally-based operation or activity that brings visitors to a farm or ranch.

### **Main reasons for creating Agritourism:**

- Increase profit
- Educate visitors
- Marketing tool

### **Agritourism Requirements:**

- Visitor/employee skill-building
- New regulations
- Additional risks
- New partners: Connecting growers, fair organizers, agritourism operators and others for collaboration (County and District fairs)
- Community support

### **Agritourism examples/activities:**

- Hayrides, mazes, pumpkin patches, farm tours, a bed and breakfast, guest ranches, farm stands, farm dinners, tours, classes, festivals, U-Pick, hunting, camping, tastings, corn mazes, pumpkin patches
- Consider hosting a festival focused on a particular farm product or activity, such as a lavender festival, harvest festival, planting celebration, etc.
- Cattle roundup, cheese making, pruning, concerts, farm contests, farm promotional items

### **Other ideas/benefits:**

- On-farm stores are an ideal venue to sell value-added products such as jam, baked goods, etc.
- Increases off season sales
- Develop a conference room in your barn or an out building that can accommodate weddings in the summer and groups in the winter. Co-sponsor a community event.

### **Location/Requirements:**

- Best on a busy road or near a population center
- Have “something to see, something to do, something to buy”
- Provide adequate parking, restrooms and signage
- Ample liability insurance

## What makes you special?

Consider the unique features of your enterprise will draw customers.

Develop your message: attract attention, retain interest, build desire, and encourage a call to action.

## Marketing tools:

- Social media
- Monthly e-newsletter w/recipes and seasonal produce
- Donate to local charity/event
- Work with local restaurants to offer your product on the menu
- Join the local chamber of commerce
- Join an agritourism association
- Work with the press
- Keep a competitor's advantage
- Evaluate marketing success: customer surveys

## Finalizing Tips:

- Check with your chamber of commerce or economic development office to connect to local or regional tourism promotion
- Be consistent, always remember it's the "little things" that people remember. Be sure that your staff is well trained in hospitality.

## Agritourism Extras

Example	Activities/Offerings
Farm stand	Recipes and menu suggestions, special packaging, themed merchandising processing, jams, chutneys, contests, coupons, loyalty cards
Bed and breakfast	Recipes, jars of preserves, packages of homemade cookies
Working farm/ranch	Locally made hand cream, leather keychains, T-shirt or hat with logo
Hunting and fishing stays	Recipe box with tied flies, complimentary photograph of guest with catch, free shipping home
Birding or photo safaris	Checklist list of area wildlife, complimentary bird checklist
Camping	Flashlight with logo, trail maps, wildlife guides

# Tips for Selling with: Agritourism and “Pick-Your-Own”

Agritourism combines agricultural sales with on-farm activities that involve the customers. These can include hayrides, mazes, pumpkin patches, farm tours, a bed and breakfast, or other endeavors.

“Pick-your-own” or “you-pick” operations allow customers to wander out into the fields or orchards to pick their own apples, berries, pumpkins, or other crops. Customers check in at the farmstand when finished and pay by weight or volume. This can be a fun activity, especially for kids, and can sometimes allow customers to get larger volumes at lower prices.

*For this market you can expect:*

- Lower volume of product
- Higher prices per unit



## Advantages

★ key point

- Good way to attract customers willing to pay for an educational and engaging experience.
- Good way to diversify your farm business.
- Good way to advertise your farm and your other enterprises.
- Opportunity to educate the next generation about agriculture and rural communities.
- On-farm stores are an ideal venue to sell value-added products, such as jams, baked goods, etc.



Photo: Tammy Hinman, NCAT

## Considerations

- You may have less privacy. People will be walking around your farm.
- ★ You should be prepared to interact with a wide range of people.
- You will need to focus not just on production, but on creating an attractive and safe customer experience.
- You will need customer facilities, such as bathrooms and hand washing sinks.
- You may need additional insurance beyond a farm liability policy.
- ★ Agritourism enterprises do best when located on a busy road or near a population center.
- In pick-your-own operations, farmers may be expected to offer a discounted price for high-value crops.

## Agritourism Tips



key point

- ★ Have “something to see, something to do, something to buy.”
  - Feature children’s activities such as petting zoos, pumpkin picking, arts and crafts, or picking out a Christmas tree with the family.
  - An internet presence can help advertise your operation, its location, what it has to offer, and times of operation.
  - Provide adequate parking, restrooms, and signage.
  - Consider hosting a festival focused on a particular farm product or activity, such as a lavender festival, harvest festival, planting celebration, etc.
  - Check with your chamber of commerce or economic development office to connect to local or regional tourism promotion.
- ★ Be prepared for folks who trip and fall, and absolutely carry at least \$2 million in liability insurance.

## Key Questions to Ask Yourself

- Do I like entertaining and having people at my farm?
- Can I keep my farm tidy and hazard free?
- Is my farm located on a road with enough traffic or close enough to a busy population center to generate customers?
- Can I put up sufficient signage to alert drivers and give them time and space to pull off the road?
- Do I have space for parking?
- What permits and extra insurance do I need?

## Agritourism Resources

- **ATTRA Publications.** Prices vary for individual publications, many are free. An inexpensive subscription to ATTRA will give you access to all 350+ publications and databases. [www.attra.ncat.org](http://www.attra.ncat.org)  
— *Entertainment Farming and Agritourism: Business Management Guide* (2004)
- **California Agritourism Directory** shows agritourism operations in the state, searchable by county. The directory provides detailed contact information and farmers can add their farms to the list. [www.calagtour.org](http://www.calagtour.org)
- **Local Harvest** website lists and describes all kinds of farms that sell direct to the public. Browsing here will give you a good sense of what farmers across the country are doing. The website currently has about 800 listings nationwide for Pick-Your-Own farms—mostly for small fruits. [www.localharvest.org](http://www.localharvest.org)
- **East Coast Agritourism 2010** webinar series. [www.ncsu.edu/tourismextension/programs/webinars.php](http://www.ncsu.edu/tourismextension/programs/webinars.php)
- **National Agricultural Law Center** compiles information about specific agricultural and food law topics. [www.nationalaglawcenter.org/readingrooms/agritourism](http://www.nationalaglawcenter.org/readingrooms/agritourism) and [www.nationalaglawcenter.org/research](http://www.nationalaglawcenter.org/research)
- **UC Small Farm Program: Agritourism (2010)** website provides links to California case studies. <http://sfp.ucdavis.edu/agritourism>
- **Agritourism: A Web-Based Resource for Farmers** is a network based at the University of Vermont that offers many links, webinars and nationwide research papers about agritourism, including *Agricultural Diversification and Agritourism: Critical Success Factors*. [www.uvm.edu/tourismresearch/agritourism](http://www.uvm.edu/tourismresearch/agritourism)
- **North American Farmers’ Direct Marketing Association** promotes direct marketing, agritourism. [www.nafdma.com](http://www.nafdma.com)

***This tip sheet was developed with assistance from Dina Izzo, Bludog Organic Produce Services.***

The development of this material was supported through USDA/NIFA/OASDFR  
[www.outreach.usda.gov/oasdrf](http://www.outreach.usda.gov/oasdrf)



### Tips for Selling with: Agritourism and “Pick-Your-Own”

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Production: Karen Van Epen

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## Agritourism: Resources

<b>Source Link</b>	<a href="http://anrcatalog.ucdavis.edu/pdf/8444.pdf">anrcatalog.ucdavis.edu/pdf/8444.pdf</a>
Document Name	UC Davis_ Marketing Strategies for Agritourism Operations
Notes	21 pages. Textbook-thorough. Includes also a lot of social media tips.
Ranking ☆☆☆	
Date Published	2011
Author	UCDavis, Holly George and Ellie Rilla

<b>Source Link</b>	<a href="https://attra.ncat.org/attra-pub/summaries/summary.php?pub=400">https://attra.ncat.org/attra-pub/summaries/summary.php?pub=400</a>
Document Name	ATTRA Tips for Selling with Agritourism and "Pick-Your-Own"
Notes	2 pages. Considerations, advantages, key questions to ask
Ranking ☆☆☆	
Date Published	2012
Author	NCAT/ATTRA

<b>Source Link</b>	<a href="http://www.uvm.edu/tourismresearch/agritourism/Riskmanagement/Social_Media_Farms_Webinar_5-2-12.pdf">http://www.uvm.edu/tourismresearch/agritourism/Riskmanagement/Social_Media_Farms_Webinar_5-2-12.pdf</a>
Document Name	SARE_CA Agritourism Presentation 2012
Notes	Webinar Slides from Agritourism: A Web-Based Resource for Farmers
Ranking ☆	is a network based at the University of Vermont that offers many links, webinars and nationwide research papers about agritourism, including Agricultural Diversification and Agritourism: Critical Success Factors.
Date Published	2012
Author	University of Vermont

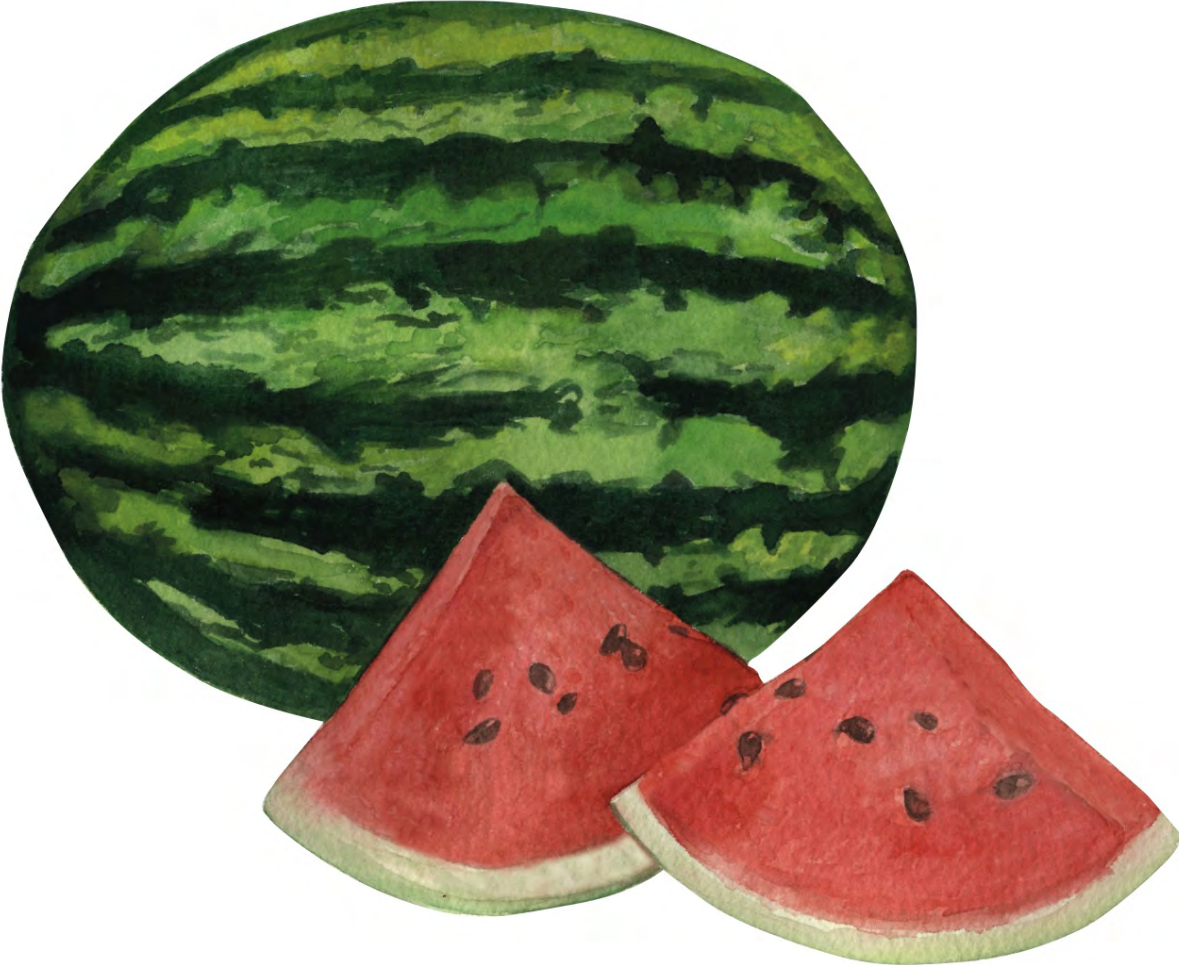
<b>Source Link</b>	<a href="http://mysare.sare.org/MySare/assocfiles/954313SiskiyouFoodSummitAgritourism2012.pdf">mysare.sare.org/MySare/assocfiles/954313SiskiyouFoodSummitAgritourism2012.pdf</a>
Document Name	SARE_CA Agri-tourism Presentation 2012.pdf
Notes	27 pages. Power point presentation from Siskiyou Food Summit, July 2011. Clear and comprehensive. Introductory yet compelling.
Ranking ☆☆☆	Discusses constraints and requirements.

Date Published	2012
Author	SARE, Penny Leff

<b>Source Link</b>	<b><a href="https://pubs.wsu.edu/ItemDetail.aspx?ProductID=13977">https://pubs.wsu.edu/ItemDetail.aspx?ProductID=13977</a></b>
Document Name	Washington State U.Cultivating Tourists on the Farm.pdf
Notes Ranking ☆☆☆	32 pages. Comprehensive guide for creating a successful agri-tourism business. Topics include: insurance, safety, and regulations; labor and financial management and tools; government support and economic impact; animal welfare and much more.
Date Published	2008
Author	WSU Extension

☆☆☆ = very highly recommended, ☆☆ = highly recommended, ☆ = recommended

# Social Media and Online Communication





## Social Media and Online Communications

Social media and online communication can be used in a variety of ways for your business:

- Creates a personal connection between you and customers
- Provides visual images of your product
- Informs others about agricultural issues
- Helps promote local/sustainable food movements
- Connects you with other farmers
- Stimulates market traffic and increase sales (by generating awareness, building customer relationships, and/or promoting events)

Below are some examples of social media and online communication that can be applied to your business:

### **Blogs**

Suggested uses/posts:

- Communicate farm news and operations
- Provide photos and information that show how your farm operates and illustrate to consumers how their food is produced
- Share recipes, local food news, and beautiful pictures

Tips and Resources:

- Word Press: <http://codex.wordpress.org/>
- Blogger: <http://www.blogger.com>
- Locallygrown.net: “food hub” local food market
- RSS: Real Simple Syndication
- Small Central Farms
- [www.seametrics.com/blog/top-farm-blogs](http://www.seametrics.com/blog/top-farm-blogs)

### **E-newsletters / Email subscriptions**

Suggested uses/features:

- Favorite crops being harvested
- Stories and anecdotes from the farm
- Recipes and tips for using your products
- Upcoming events and activities
- Special offers for e-mail list members

Tips and Resources:

- Constant Contact and Mail Chimp
- To avoid being flagged as SPAM, increase the number of addresses on your email list

### **Facebook**

Suggested uses/posts:

- Generate buzz about products and crops
- Let customers know about new products and programs
- Build preference and differentiation between local, small-farm-produced food and conventionally grown food.

### **Twitter**

Suggested uses/Tweets:

- Daily observations
- Media recommendations: Articles, videos, or music
- Events: Links to local food or farming events
- “Retweet” (RT) other posts that your followers may find interesting

### **Ofbf.org**

- Discuss the news, opinions and issues important to them, and provide personal testimony and examples through commenting at the end of stories, events, polls and other posts.

### **Online Store**

- Benefits: convenient for customer, convenient for farmer, potential for growth
- Challenges: building, marketing, fulfilling orders

### **Other Popular Social Media Platforms/Sites**

YouTube, Tumblr, Instagram, Pinterest

### **Website**

Suggested content: Who you are; Location; Hours of operation; Products

What to avoid:

- Animated gimmicks
- Long, boring text
- Dark/complex background

- Music
- Poor quality images

#### Estimated Website Costs

- Web domain \$10-50 annually
- Web hosting \$100-200 annually
- Hiring professional web designer \$2,000-\$5,000
- Dreamweaver (DIY) \$400

#### **Setting a Schedule**

- Define goals
- Identify your budget
- Get it in writing
- Stay on schedule
- Learn how to use your site
- Advertise: business cards, brochures, letterhead, bags, T-shirts

#### **Social media creates two concepts**

- Crowdsourcing: tapping resources outside of an organization for ideas; mass collaboration efforts that allow consumers to impact the look and feel of brands in meaningful ways.
- Co-creation: active participants in innovations, creating mutual value for a firm and its customers.

**Benefits of social media:** build long-term relationships, fast feedback about products or services, and low-cost feedback

- Long-term relationships: customers openly share ideas
- Low-cost feedback: coupons or promotions instead of cash





# Tips for Selling on: The Internet

NCAT Marketing Tip Sheet Series

The Internet is a communication and marketing tool that can provide exposure to a large number of potential customers. The Internet can be used to advertise your farm with pictures and maps, take orders online, show product availability, keep in touch with your existing customers, and support other ways of selling, such as CSAs or farmers markets. Farmers can have an Internet presence through their own website or by using a website run by a third party.

## Advantages

★ key point

- You can let a lot of people know about your farm, its history, product line, and location.
- You save time marketing and selling, since your website or web presence is always available to customers.
- A basic website can be developed with minimal instruction.
- Third-party websites can be used to provide web presence with minimal investment of your time or resources.

## Considerations

- There is less personal connection between customer and producer over the Internet.
- ★ An Internet presence requires regular maintenance.
- The Internet can be used to take and process orders, but this requires a more sophisticated website than one that simply advertises your farm and products.
- Know your closest, least expensive, most reliable shipping options. Can they ship cold?
- Make sure you calculate the cost of all your packing materials into the cost of your products. Be aware of your customers' packing material preferences.
- Make sure you take into consideration how shipping is compensated. Is it included in the sale of goods, or do customers pay for shipping separately?

## Key Questions to Ask Yourself

- What is my experience and comfort level with computers? If it is limited, who can help me with my computer and Internet work on a regular (weekly) or as-needed basis?
- How will I keep my site or web presence up to date in order to keep attracting customers to it?
- How much time will it take to maintain an electronic list of customers for e-newsletters and updates?
- ★ How might Internet marketing fit with, and perhaps support, other marketing channels, such as CSA, agritourism and institutional markets?

For this market you can expect:

- Lower volume of product
- Higher price per unit



The website of Full Belly Farm, Guinda, Calif., gives details about their products, markets, CSA, staff, events, and more. [www.fullbelly.com](http://www.fullbelly.com)



## Tips for Selling on the Internet

- ★ **Outline your goals for your farm's Internet presence. This process will allow you to determine what resources (labor, expertise, software, hardware) you need to support these goals.**
  - Make your website easy to use and easy to find. Ask for feedback from friends and customers.
  - Select a website address ("domain name") that is short, meaningful, easy to spell, and easy to remember.
- ★ **Diversify your marketing strategies. Don't rely on your website as your only marketing channel or tool for your business.**
  - Consider using Facebook and Twitter to connect with a large number of potential customers.
  - Keep a blog and use other social media to keep customers interested in what is happening on your farm.
- ★ **Guide people to your site.**
  - Create and trade links to related websites.
  - List your web address in Buy Fresh Buy Local and other farm guides.
  - Use an e-newsletter that links to your website.
  - Put your website and email address on all your farm's printed material.
  - Sign up with websites that point to local produce such as *www.localharvest.org*.

## Resources

- **Buy Fresh Buy Local** chapters promote locally produced food. See a nearby chapter to find potential customers for your farm products and to learn more about local and Internet marketing. *www.foodroutes.org*
- **Foodzie** helps small food producers and farmers across the U.S. reach new customers and connect directly to customers searching for foods and gifts. Cost of using this service is tied to product sales. *www.foodzie.com*
- **Local Harvest** is a nationwide directory of small farms, farmers markets, and other local food sources. The site helps consumers buy what they want directly from the farmers and ranchers who produce it. *www.localharvest.org*
- **CSAware** is a customizable, user-friendly Community Supported Agriculture software program. It allows your CSA members to sign up for your program online, let you know when they'll be out of town, and order any special items you offer. As the administrator, you can see and manage all of that information, set what goes into the boxes each week, manage your drop-off site information, email some or all of your members, print out harvest lists, box labels, and member sign-in sheets, and perform other functions. *www.csaware.com*
- **Small Farm Central** was started by an ex-farmer who ran a CSA. The company provides, for a price, support to farmers to develop their own website as part of their marketing strategy. They offer a free trial as well as variable rates and levels of support service to help you develop and maintain your website. The site also provides member management services to CSAs and allows farmers to sell products on their website. *www.smallfarmcentral.com*
- **Internet Marketing for Farmers.** *http://king.wsu.edu/foodandfarms/documents/internetMrkt.pdf*
- **How to Direct Market Farm Products on the Internet** (a 50-page pdf download) is an excellent guide to developing internet marketing goals, doing research on internet consumers, setting up and marketing a website, and using the experience of a variety of farmers who use the internet to support their sales. Good resources section with links to relevant software, articles and publications. *http://agmarketing.extension.psu.edu/retail/howdrctmrktoninternet.html*

***This tip sheet was developed with assistance from Dina Izzo, Bludog Organic Produce Services.***

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*www.outreach.usda.gov/oasdr*



### Tips for Selling on: The Internet

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By Marisa Alcorta, Rex Dufour and Tammy Hinman  
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## Social Media and Online Communication: Resources

<b>Source Link</b>	<a href="https://attra.ncat.org/attra-pub/summaries/summary.php?pub=412">https://attra.ncat.org/attra-pub/summaries/summary.php?pub=412</a>
Document Name	ATTRA_Social Media
Notes Ranking ☆☆☆	16 pages. Guide that includes information on blogs, websites, social media consulting, Facebook, email-based newsletters, Twitter, RSS Feeds, Return on Investments and other resources. Includes case studies
Date Published	August 2012
Author	NCAT/ATTRA (Emily Post)

<b>Source Link</b>	<a href="http://extension.missouri.edu/explorepdf/agguides/hort/g06228.pdf">http://extension.missouri.edu/explorepdf/agguides/hort/g06228.pdf</a>
Document Name	Promotion Media Use by Missouri Farmers Market Organizers
Notes Ranking ☆☆	4 pages. Guide discusses how social media in general can be used to learn about consumer needs and preferences, and provides specifics on how to use social networks in this capacity.
Date Published	2010
Author	University of Missouri Extension; Jill Fleischmann, Mary Hendrickson, Joe Parcell, Alice Roach

<b>Source Link</b>	<a href="http://extension.missouri.edu/explorepdf/agguides/hort/g06229.pdf">http://extension.missouri.edu/explorepdf/agguides/hort/g06229.pdf</a>
Document Name	Using Social Media to Learn about Consumer Needs and Preferences
Notes Ranking ☆☆☆	6 pages. Guide discusses how social media in general can be used to learn about consumer needs and preferences, and provides specifics on how to use social networks in this capacity.
Date Published	2010
Author	University of Missouri Extension; Jill Fleischmann, Mary Hendrickson, Joe Parcell, Alice Roach

<b>Source Link</b>	<a href="http://extension.missouri.edu/explorepdf/agguides/hort/g06227.pdf">http://extension.missouri.edu/explorepdf/agguides/hort/g06227.pdf</a>
Document Name	Social Media Use and Purchasing Patterns of Missouri Farmers Market Consumers
Notes Ranking ☆☆	6 pages. Research paper describing survey of 300 MO farmers market consumers and how they use social media
Date Published	2010
Author	University of Missouri Extension; Jill Fleischmann, Mary Hendrickson, Joe Parcell, Alice Roach

<b>Source Link</b>	<a href="http://ofbf.org/uploads/Social-Media-Guide-V2_single-pages-PRESS.pdf">http://ofbf.org/uploads/Social-Media-Guide-V2_single-pages-PRESS.pdf</a>
Document Name	Ohio Farm Bureau Guide to Social Media Version 2.0
Notes Ranking ☆☆☆	32 pages. Manual offers guidance on Facebook, YouTube and Twitter in extraordinary detail.
Date Published	June 2009, Updated July 2010
Author	Ohio Farm Bureau Federation

<b>Source Link</b>	<a href="http://www.buylocalfood.org/resources-for-farmers/tipsheets/">http://www.buylocalfood.org/resources-for-farmers/tipsheets/</a>
Document Name	CISA tip sheets blogs
Notes Ranking ☆☆☆	2 pages. Tip sheet covering benefits and challenges of keeping a blog.
Date Published	2004
Author	CISA

<b>Source Link</b>	<a href="http://www.buylocalfood.org/resources-for-farmers/tipsheets/">http://www.buylocalfood.org/resources-for-farmers/tipsheets/</a>
Document Name	CISA tip sheets permission marketing
Notes Ranking ☆☆☆	2 pages. Tip sheet on best practices (content, timing, permission) for emailing customers.
Date Published	2004
Author	CISA

<b>Source Link</b>	<a href="http://www.buylocalfood.org/resources-for-farmers/tipsheets/">http://www.buylocalfood.org/resources-for-farmers/tipsheets/</a>
Document Name	CISA tip sheets stores
Notes Ranking ☆☆☆	2 pages. Tip sheet on the benefits and challenges of offering an online store.
Date Published	2004
Author	CISA

<b>Source Link</b>	<a href="http://www.buylocalfood.org/resources-for-farmers/tipsheets/">http://www.buylocalfood.org/resources-for-farmers/tipsheets/</a>
Document Name	CISA tip sheets websites
Notes Ranking ☆	1 page. Summary of how to find a web domain, find a web designer, and evaluate cost.
Date Published	Unknown
Author	CISA

☆☆☆ = very highly recommended, ☆☆ = highly recommended, ☆ = recommended



## Value Added / Cottage Food Operation



## Value Added / Cottage Food Operation

California Department of Public Health Regulations

### Cottage Food Operations: New State Law Effective January 1, 2013

Assembly Bill (AB) 1616 authored by Assembly Member Gatto, [Chapter 415, Statutes of 2012](#) was signed into law by Governor Brown on September 21, 2012, and becomes effective on January 1, 2013. The bill allows individuals to prepare and/or package certain non-potentially hazardous foods in private-home kitchens referred to as “cottage food operations” (CFOs).

All individuals involved with the CFOs are required to complete a food processor training course within three months of registering. Information about this training is available at: <http://www.cdph.ca.gov/programs/Documents/fdbCFOtrain.pdf>

### Value Added / Cottage Food Operation: Resources

Source Link	<a href="http://www.cdph.ca.gov/programs/Pages/fdbCottageFood.aspx">http://www.cdph.ca.gov/programs/Pages/fdbCottageFood.aspx</a>
Document Name	Cottage Food Operation
Notes Ranking ☆☆☆	Learn more about the State's new requirements for cottage food and from the links provided. All the information you need to know about the regulation that govern the production of added value products in your home kitchen can be downloaded and printed from this site
Date Published	January 2013
Author	California Department of Health

☆☆☆ = very highly recommended, ☆☆ = highly recommended, ☆ = recommended



**Section IV.**  
**California Homemade Food Act**

## Section IV. California Homemade Food Act

The following pages contain information from the California Department of Public Health (<http://www.cdph.ca.gov>).



<http://www.cdph.ca.gov/programs/Documents/fdbCFOover.pdf>

<http://www.cdph.ca.gov/programs/Documents/fdbCFOfaq.pdf>

<http://www.cdph.ca.gov/programs/Documents/fdbCFOfoodlist.pdf>

<http://www.cdph.ca.gov/programs/Documents/fdbCFOlabel.pdf>

<http://www.cdph.ca.gov/programs/Documents/fdbCFOtrain.pdf>



## COTTAGE FOOD OPERATIONS

Assembly Bill (AB) 1616 authored by Assembly Member Gatto, [Chapter 415, Statutes of 2012](#) was signed into law by Governor Brown on September 21, 2012, and becomes effective on January 1, 2013. The bill allows individuals to prepare and/or package certain non-potentially hazardous foods in private-home kitchens referred to as “cottage food operations” (CFOs).

AB 1616 creates a two-tier cottage food operator registration and permitting system to be enforced by local county or city environmental health agencies: 1) “Class A” cottage food operators are those operations that sell CFO prepared foods directly to the public (at the home where the cottage food operation is located or at a community event), and 2) “Class B” cottage food operators are those operations that sell CFO prepared foods either indirectly through restaurants and stores or both directly to the public as well as indirectly to the public via sale to retail food facilities such as restaurants and markets. There are different requirements for “Class A” and “Class B” cottage food operations. “Class A” cottage food operations must submit a completed self-certification checklist approved by the local environmental health agency when they submit their registration application. “Class B” operations must submit a permit application and be inspected prior to obtaining a permit from the local environmental health agency. All cottage food operations must be registered or permitted by their local environmental health agency before commencing business. Please contact your local environmental health agency for more information.

All cottage food operators will have to meet specified requirements pursuant to the California Health and Safety Code related to preparing foods that are on the approved food list, completing a food processor training course within three months of registering, implementing sanitary operations, creating state and federal compliant labels, and operating within established gross annual sales limits.

The local environmental health agency may inspect the permitted or registered area of the private home in which the cottage food operation prepares, handles, or stores food (1) prior to issuing a permit to “Class B” CFOs and (2) on the basis of a consumer complaint where there is reason to suspect that adulterated or otherwise unsafe food has been produced by the cottage food operation or that the cottage food operation has violated provisions of law related to cottage food operations.

Cottage food operations are not allowed to manufacture potentially hazardous foods, acidified foods, or low acid canned food products that would support the growth of botulism if not properly prepared. These foods, as well as other foods not on the approved foods list, are regulated by the California Department of Public Health (CDPH). The enactment of AB 1616 provides cottage food operators with the opportunity to operate a small scale food business. Once the cottage food operation exceeds the gross sales volume established in the law, they must move their operations to a commercial processing facility and register with the CDPH under the Processed Food Registration Program. You may contact CDPH at (916) 650-6516 for more information about registration.





# California Homemade Food Act

## Frequently Asked Questions

### AB 1616 (Gatto) - Cottage Food Operations

**When does the new Cottage Food Law go into effect?** The new law became effective January 1, 2013. The law requires the California Department of Public Health (CDPH) to carry out certain tasks associated with implementation, and imposes certain responsibilities on local planning and environmental health jurisdictions. Further information regarding the status of implementation can be obtained from your local environmental health agency.

- 1. What is a cottage food operation (CFO)?** A CFO is an enterprise at a private home where specific low-risk food products that do not require refrigeration are prepared or packaged for sale to consumers.
- 2. What is meant by a private home?** “Private home” means a dwelling, including an apartment or other rented space, where the CFO operator resides.
- 3. Are there limitations on the size of CFO sales?**
  - \$35,000 or less in gross sales annually in 2013
  - \$45,000 or less in gross sales annually in 2014
  - \$50,000 or less in gross sales annually in 2015 and beyond
- 4. Can a CFO have employees?** A CFO can have one full-time equivalent employee (not counting family members or household members).
- 5. What cottage foods are CFOs permitted to produce?** Only specific foods that are defined as “non-potentially hazardous” are approved for preparation by CFOs. These are foods that do not require refrigeration to keep them safe from bacterial growth that could make people sick.

CDPH will establish and maintain a list of approved cottage food categories on their website. The list included in the new law includes:



Baked goods without cream, custard, or meat fillings, such as breads, biscuits, churros, cookies, pastries, and tortillas  
Candy, such as brittle and toffee  
Chocolate-covered nonperishable foods, such as nuts and dried fruit  
Dried fruit  
Dried pasta  
Dry baking mixes  
Fruit pies, fruit empanadas, and fruit tamales  
Granola, cereals, and trail mixes  
Herb blends and dried mole paste  
Honey and sweet sorghum syrup  
Jams, jellies, preserves, and fruit butter that comply with the standard described in [Part 150 of Title 21 of the Code of Federal Regulations](#).  
Nut mixes and nut butters  
Popcorn  
Vinegar and mustard  
Roasted coffee and dried tea  
Waffle cones and pizzelles

#### 6. What are the two classifications of CFO's?

**“Class A”** CFOs are only allowed to engage in **“direct sale”** of cottage food.

**“Class B”** CFO's may engage in both **“direct sale”** and **“indirect sale”** of cottage food.

7. **What is meant by “direct sale” of cottage food?** “Direct sale” means a transaction between a CFO operator and a consumer, where the consumer purchases the cottage food product directly from the CFO. Direct sales include, but are not limited to, transactions at holiday bazaars or other temporary events, such as bake sales or food swaps, transactions at farm stands, certified farmers’ markets, or through community-supported agriculture subscriptions, and transactions occurring in person in the cottage food operation within the jurisdiction of the local environmental health agency in which the CFO is permitted or registered.
8. **What is meant by “indirect sale” of cottage food?** “Indirect sale” means an interaction between a CFO, a third-party retailer, and a consumer, where the consumer purchases cottage food products made by the CFO from a third-party retailer that holds a valid permit issued by the local environmental health agency in their jurisdiction. Indirect sales include, but are not limited to, sales made to retail food facilities including markets, restaurants, bakeries, and delis, where food may be immediately consumed on the premises.



**9. What are limitations on Internet sales and delivery of cottage food products?** A cottage food operator may advertise as well accept orders and payments via Internet or phone. However, a CFO must deliver (in person) to the customer. A CFO may not deliver any CFO products via US Mail, UPS, FedEx or using any other third-party delivery service. A cottage food operator may not introduce a CFO product into interstate commerce.

**10. What are limitations on advertising of CFO products?** It is unlawful for any person to disseminate any false advertising of any food. An advertisement is false if it is false or misleading in any particular. A cottage food product that is found to be falsely advertised would be subject to enforcement action.

**11. Do I need any special training or certification to make cottage foods?** A person who prepares or packages cottage food products must complete a food processor course instructed by the CDPH within three months of being registered or permitted.

**12. Does a CFO need a permit to operate?**

**Planning and zoning:** All CFO's need to obtain approval from their local city or county planning department. The Homemade Food Act gives planning departments several options to consider, so planning department requirements may vary between jurisdictions.

**Environmental Health:** For "**Class A**" CFO's (direct sale only), **registration** with the local enforcement agency and submission of a completed "self-certification checklist" approved by the local environmental health agency. For "**Class B**" CFO's (either direct and indirect or indirect only), a **permit** from the local environmental health agency is required.

**Other requirements:** Check on other state or local requirements that may be applicable, such as Sellers Permits through the Board of Equalization, or Business Licenses through your city or county.

**Registrations and permits are nontransferable between:**

- 1) Persons
- 2) Locations
- 3) Type of food sales [i.e., direct sales ("Class A") vs. indirect sales ("Class B")]
- 4) Type of distribution

**13. How much will the permit or registration cost the CFO?** Each local jurisdiction will establish fees that are not to exceed the cost of providing the service. Additional fees may be charged for inspection and/or enforcement activities if



the cottage food operation is found to be in violation of California food safety laws on cottage food operations.

**14. Will my CFO registration/permit allow me to sell at other retail venues?** There may be health permits required to sell at other locations, such as Certified Farmers' Markets, Swap Meets or community events. Please check with your local environmental health department for additional permit requirements.

**15. How often will a CFO be inspected?**

**"Class A"** CFO kitchens and food storage areas (referenced in the law as the "registered or permitted area") are not subject to initial or routine inspections.

**"Class B"** CFO kitchens and food storage areas are inspected initially prior to permit issuance.

**"Class A or B" (complaint inspections)** - The local environmental health agency may access, for inspection purposes, the registered or permitted area where a cottage food operation is located if the representative has, on the basis of a consumer complaint, reason to suspect that adulterated or otherwise unsafe food has been produced by the cottage food operation or that the cottage food operation has violated California food safety laws.

**16. What are CFO operational requirements?** All CFOs must comply with the following:

No domestic activity in kitchen during cottage food preparation

No infants, small children, or pets in kitchen during cottage food preparation

Kitchen equipment and utensils kept clean and in good repair

All food contact surfaces and utensils washed, rinsed, and sanitized before each use

All food preparation and storage areas free of rodents and insects

No smoking in kitchen area during preparation or processing of cottage food

A person with a contagious illness shall refrain from preparing or packaging cottage food products

Proper hand-washing shall be completed prior to any food preparation or packaging

Water used in the preparation of cottage food products must be potable

Cottage food preparation activities include:

- Washing, rinsing, and sanitizing of any equipment used in food preparation
- Washing and sanitizing hands and arms
- Water used as an ingredient of cottage food.





## 17. What has to be on my cottage food label?

All cottage food products must be properly labeled in compliance with the Federal, Food, Drug, and Cosmetic Act (**21 U.S.C. Sec. 343 et seq.**).

The label must include:

- The words “Made in a Home Kitchen” in 12-point type.
- The name commonly used to describe the food product.
- The name city, state and zip code of the cottage food operation which produced the cottage food product. If the CFO is not listed in a current telephone directory then a street address must also be declared. (A contact phone number or email address is optional but may be helpful for consumers to contact your business.
- The registration or permit number of the CFO which produced the cottage food product and, in the case of “Class B” CFOs, the name of the county where the permit was issued.
- The ingredients of the food product, in descending order of predominance by weight, if the product contains two or more ingredients.
- The net quantity (count, weight, or volume) of the food product, it must be stated in both English (pound) units and metric units (grams).
- A declaration on the label in plain language if the food contains any of the eight major food allergens such as milk, eggs, fish, shellfish, tree nuts, wheat, peanuts, and soybeans. There are two approved methods prescribed by federal law for declaring the food sources of allergens in packaged foods: 1) in a separate summary statement immediately following or adjacent to the ingredient list, or 2) within the ingredient list.
- The use of the following eleven terms are considered nutrient content claims (nutritional value of a food): free, low, reduced, fewer, high, less, more, lean, extra lean, good source, and light. Specific requirements have been established for the use of these terms. Please refer to the [Cottage Food Labeling Guideline](#) for more details.
- A health claim is a statement or message on the label that describes the relationship between a food component and a disease or health-related condition (e.g., sodium and hypertension, calcium and osteoporosis). Please refer to the Cottage Food Labeling Guideline for more details.
- If the label makes approved nutrient content claims or health claims, the label must contain a “Nutrition Facts” statement on the information panel.



- Labels must be legible and in English (accurately translated information in another language may also be included on the label). Labels, wrappers, inks, adhesives, paper, and packaging materials that come into contact with the cottage food product by touching the product or penetrating the packaging must be food-grade (safe for food contact) and not contaminate the food.

In a permitted retail food facility (such as a restaurant, market, or deli), cottage food products served without packaging or labeling shall be identified to the customer as homemade on the menu, menu board or in another easily accessible location that would reasonably inform the consumer that the food or an ingredient in the food has been made in a private home.

**18. What is my legal responsibility as a cottage food operator in ensuring that my food product is safe?** Cottage food operators and/or their employees shall not commit any act that may cause contamination or adulteration of food.

This would include making foods that are not on the approved food list and or making foods under unsanitary conditions or with spoiled or rancid ingredients.

A cottage food operation that is not in compliance with the requirements of AB 1616 would be subject to enforcement action taken by the local environmental health agency and/or the California Department of Public Health.

**19. What if I find out an ingredient I used has been recalled because it can make people sick or has been identified as the cause of food borne illness?** You should notify your local environmental health agency or CDPH immediately and do not distribute anymore product. You may need to notify your customers and request that they return or dispose of the products. For specific food recall information, you can contact CDPH at: (916) 650-6500 or email: [FDBinfo@cdph.ca.gov](mailto:FDBinfo@cdph.ca.gov).

**20. What is my liability as a cottage food business operating out of my home?** You should check with your homeowner insurance company or your landlord if you are operating out of a rental property. Many homeowner insurance policies will not extend liability coverage to liabilities arising out of home-based businesses.



**21. What other educational resources and guidelines are available to assist me in ensuring I am making a safe food product?** Please see the CDPH website or contact your local environmental health agency for guidance and resource documents or web links.

**22. What can I do to ensure I am still meeting legal requirements if my cottage food operation grows to exceed the gross annual sales limit and/or I decide want to make another type of food product that is not on the approved food list?** Please contact CDPH for registration and facility requirements for food processors.

**23. Where can I file a complaint about a cottage food operation or cottage food product?** You can file a complaint at the CDPH toll-free complaint line – 1-800-495-3232.





## Approved Cottage Foods

Cottage food operations are allowed to produce certain non-potentially hazardous foods. These are foods that do not support the rapid growth of bacteria that would make people sick when held outside of refrigeration temperatures. The list of approved cottage food categories and their ethnic variations, which cottage food operations are allowed to produce, are listed below. The list will be maintained and updated by the California Department of Public Health (CDPH) on its Internet website as necessary.

CDPH may add to or delete food products from the approved products list. Notice of any change, reason for the change, the authority for the change, and the nature of the change to the approved food products list will be posted on the CDPH website and shall become effective thirty (30) days after the notice is posted.

### Approved Food Products List (January 1, 2013):

- (1) Baked goods, without cream, custard, or meat fillings, such as breads, biscuits, churros, cookies, pastries, and tortillas.
  - (2) Candy, such as brittle and toffee.
  - (3) Chocolate-covered nonperishable foods, such as nuts and dried fruits.
  - (4) Dried fruit.
  - (5) Dried pasta.
  - (6) Dry baking mixes.
  - (7) Fruit pies, fruit empanadas, and fruit tamales.
  - (8) Granola, cereals, and trail mixes.
  - (9) Herb blends and dried mole paste.
  - (10) Honey and sweet sorghum syrup.
  - (11) Jams, jellies, preserves, and fruit butter that comply with the standard described in [Part 150 of Title 21 of the Code of Federal Regulations](#).
- \*see below
- (12) Nut mixes and nut butters.
  - (13) Popcorn.,
  - (14) Vinegar and mustard.
  - (15) Roasted coffee and dried tea.
  - (16) Waffle cones and pizelles.

\*Jams, jellies, preserves, and fruit butter: Cottage food operations which produce jams, jellies, preserves, and other related products must be sure that their products meet the legal established standards of identity requirements for those products as set forth in [21 CFR Part 150](#). The purpose of the regulation is to maintain the integrity of the food product to ensure consumers consistently get what they expect. The product name and ingredients listed on the label must be factual and comply with the legal definitions and standards of identity or the product may be considered misbranded. Products made with other ingredients that are not defined in 21 CFR 150 cannot be produced by cottage food operations. Addition of other ingredients or alteration of ingredient profiles changes the chemistry of the food, which can allow the growth of various bacteria and toxins under the right conditions. For example, addition of peppers (i.e. jalapeno pepper) to make pepper jelly is not supported by 21 CFR 150 and the addition of this low acid ingredient could cause the formation of botulism toxin in the product if the proper controls are not used.





## Labeling Requirements for Cottage Food Products

Cottage food products are required to be labeled in accordance with specific state and federal labeling regulations. The following list of labeling requirements is intended to assist cottage food operations (CFOs) in complying with basic labeling laws and regulations.

Packaged, processed food labels usually have two distinct areas: the Principal Display Panel (aka: Primary Display Panel) and the Information Panel. The principal display panel information is the part of the label the consumer will see first and is usually located on the front of the package. This panel lists the product name and net quantity of contents. The information panel is usually located to the immediate right of the principle display panel and contains the nutrition facts statement. Computer generated labels affixed to cottage food products may list all required information on the principle display panel, provided that the information is displayed in a size and manner that will allow the information to be read by the average consumer.

A comprehensive guide to labeling requirements and regulations for processed foods is available at [general food labeling requirements](#). Additionally, complete federal labeling requirements may be found in the Federal Food, Drug, and Cosmetic Act available at [21 U.S.C. Sec. 343 et seq.](#) and [21 CFR Part 101](#).

### Labels on cottage food products must contain the following information:

- (1) The common or descriptive name of the CFO food product located on the primary (principal) display panel.
- (2) The name, city, and zip code of the CFO operation which produced the cottage food product. If the CFO is not listed in a current telephone directory, then a street address must also be included on the label. (A contact phone number or email address is optional but may be helpful for contact in case a consumer wishes to contact you.
- (3) The words **“Made in a Home Kitchen”** in 12-point type must appear on the principal display panel.
- (4) The registration or permit number of the “Class A” or “Class B” CFO which produced the cottage food product and, in the case of a “Class B” cottage food operation, the name of the county of the local enforcement agency that issued the permit number.
- (5) The ingredients of the cottage food product, in descending order of predominance by weight, if the product contains two or more ingredients.

- (6) The net quantity (count, weight, or volume) of the food product. Food product, stated in both English (pound) units and metric units (grams).
- (7) A declaration on the label in plain language if the food contains any of the major food allergens such as milk, eggs, fish, shellfish, tree nuts, wheat, peanuts, and soybeans. There are two approved methods prescribed by federal law for declaring the food sources of allergens in packaged foods:
  - a) in a separate summary statement immediately following or adjacent to the ingredient list, or
  - b) within the ingredient list.

See an example of a cottage food label below (principal display panel):

**MADE IN A HOME KITCHEN**  
**Permit #: 12345**  
**Issued in county: County name**

Chocolate Chip Cookies With Walnuts  
Sally Baker  
123 Cottage Food Lane  
Anywhere, CA 90XXX

**Ingredients:** Enriched flour (Wheat flour, niacin, reduced iron, thiamine, mononitrate, riboflavin and folic acid), butter (milk, salt), chocolate chips (sugar, chocolate liquor, cocoa butter, butterfat (milk), walnuts, sugar, eggs, salt, artificial vanilla extract, baking soda.

**Contains: Wheat, eggs, milk, soy, walnuts**

**Net Wt. 3 oz. (85.049g)**

- (8) The use of the following eleven terms are considered nutrient content claims (nutritional value of a food): free, low, reduced, fewer, high, less, more, lean, extra lean, good source, and light. The Federal Food and Drug Administration has set conditions for the use of these terms. (For details, please refer to [21 CFR Sections 101.13](#) and [101.54 et seq.](#))

For example: the term “sodium free” means that the food contains less than 5 milligrams of sodium per serving of the food.



- (9) A health claim is a statement or message on the label that describes the relationship between a food component and a disease or health-related condition (e.g., sodium and hypertension, calcium and osteoporosis). Health claims, if used, must conform to the requirements established in [21 CFR 101.14](#) and [101.70 et seq.](#)
- (10) Nutrition Facts panels will generally not be required for CFOs. If the food label makes any nutrient content or health claims then a Nutrition Facts Panel is required to be incorporated into the label. Nutrition information must be declared in a “Nutrition Facts” statement as indicated in the example below. The categories that are required to be on the Nutrition Facts panel include: Calories, total fat, saturated fat, *trans* fat, cholesterol, sodium, total carbohydrate, dietary fiber, sugar, protein, vitamin A, vitamin C, calcium and iron. The amount of *trans* fat must be declared on the nutrition facts panel unless the total fat in the food is less than 0.5 gram (or ½ gram) per serving and no claims are made about fat, fatty acid, or cholesterol content. If it is not listed, a footnote must be added stating the food is “Not a significant source of *trans* fat.”

See example of “Nutrition Facts” panel below:

<b>Nutrition Facts</b>			
Serving Size 1 cup (228g)			
Servings Per Container 2			
<b>Amount Per Serving</b>			
<b>Calories 260</b>		Calories from Fat 120	
<b>% Daily Value*</b>			
<b>Total Fat</b> 13g			<b>20%</b>
Saturated Fat 5g			<b>25%</b>
<i>Trans</i> Fat 2g			
<b>Cholesterol</b> 30mg			<b>10%</b>
<b>Sodium</b> 660mg			<b>28%</b>
<b>Total Carbohydrate</b> 31g			<b>10%</b>
Dietary Fiber 0g			<b>0%</b>
Sugars 5g			
<b>Protein</b> 5g			
Vitamin A 4%	•	Vitamin C 2%	
Calcium 15%	•	Iron 4%	
* Percent Daily Values are based on a 2,000 calorie diet. Your Daily Values may be higher or lower depending on your calorie needs:			
	Calories:	2,000	2,500
Total Fat	Less than	65g	80g
Sat Fat	Less than	20g	25g
Cholesterol	Less than	300mg	300mg
Sodium	Less than	2,400mg	2,400mg
Total Carbohydrate		300g	375g
Dietary Fiber		25g	30g
Calories per gram:			
Fat 9	•	Carbohydrate 4	• Protein 4

- (11) Labels must be legible and in English (accurately translated information in another language is optional).



- (12) Labels, wrappers, inks, adhesives, paper, and packaging materials that come into contact with the cottage food product by touching the product or penetrating the packaging must be food-grade (safe for food contact) and not contaminate the food.
  
- (13) Whenever a cottage food product is served without packaging or labeling in a permitted retail food facility or is used as an ingredient in a preparation of a food in a retail food facility including restaurants, bakeries, or delis, the retail customer must be notified that the food product or the ingredient in the food was processed in a CFO home kitchen.





## Cottage Food Operator Training

AB 1616 requires that any person who prepares or packages cottage food complete a food processor course within three months of becoming registered or permitted. The California Department of Public Health (CDPH) does not currently have training courses available for this subject matter, and given the urgency for operators to complete the training within three months of becoming registered or permitted, CDPH has identified training that you may take that will satisfy the training requirement specified in California Health and Safety Code section 114365.2(d).

Cottage food operators (CFOs), their employee, and any household member that is involved in the preparation or packaging of cottage foods may take one of the American National Standards Institute (ANSI) accredited food handler courses that are currently required for retail food facility food handlers. The courses are available on-line or via a classroom in a variety of languages for a minimal cost. After successfully completing the course, you will receive a food handler card or certificate, which you need to retain as proof that you completed the required training. You must present a copy of this card or certificate for each person involved in preparing cottage foods to your local enforcement agency upon their request, to verify that the training requirement has been completed. Since CFOs and their employees only need take the training one time, the future expiration date on the card will not be considered when determining compliance with this requirement.

You can access a list of available food-handler training courses at the following website:

<https://www.ansica.org/wwwversion2/outside/ALLdirectoryListing.asp?menuID=212&prgID=228&status=4>

**Section V.**  
**Good Agricultural Practices (GAPs) /**  
**Food Safety**



## Section V. Good Agricultural Practices (GAPs) / Food Safety

On January 4, 2011, President Obama signed into law the FDA Food Safety Modernization Act (FSMA), the most sweeping reform of our food safety laws in more than 70 years. Its aim is to ensure that the U.S. food supply is safe by shifting the focus from responding to contamination to preventing it.

Section 105 of the Food Safety Modernization Act (FSMA) directs FDA to set science-based standards for the safe production and harvesting of fruits and vegetables that the Agency determines minimize the risk of serious adverse health consequences or death. FDA proposes to set standards associated with identified routes of microbial contamination of produce, including the primary areas of the regulation will focus on:

1. Agricultural water
2. Biological soil amendments of animal origin (manure application)
3. Health and hygiene
4. Animals in the growing area domestic and wild
5. Equipment, tools and buildings

*Additional areas to be addressed include:*

6. Provisions related to sprouts
7. Training

*At the time this ToolChest was published, final regulations have not been written into the law.*

As required by Congress, farms will be partially exempt from the proposed rule if they meet two requirements. First, they must have food sales averaging less than \$500,000 per year during the last three years (adjusted for inflation). Second, their sales to qualified end-users must exceed their sales to others during the same period. A qualified end-user is either a consumer (in any location) or a restaurant or retail food establishment located in the same State as the farm or not more than 275 miles away from the farm. It is important to note, the FDA may withdraw this partial exemption if the farm is directly linked to an outbreak, or if FDA determines it is necessary to protect the

public health and prevent or mitigate an outbreak based on conditions or conduct that create the potential for the farm's produce to cause an outbreak.

It is expected that in the end, better on-farm food safety practices protect farmers as much as they protect all others in the supply chain. Many farmers will find that a majority of food safety requirements that will be adopted are asking farmers to systematize and document actions they are already performing. However, it is well documented that there will be a cost associated with the implementation of the FSMA. Estimates run between \$600 to thousands of dollars, based on the farm size and buyers' requirements.

### **“Effective and Compliance Dates and Definitions for Small and Very Small Businesses”\***

- **Effective Date:** 60 days after a final rule is published.
- **Compliance Dates:** For farms that would be covered by the proposed rule, the following definitions and compliance dates would apply:
  - **Very Small Businesses**—a very small business is defined as having, on a rolling basis, an average annual monetary value of food sold during the previous three years of no more than \$250,000. These farms would have four years after the effective date to comply; for some of the water requirements, they would have six years.
  - **Small Businesses**—a small business is defined as having, on a rolling basis, an average annual monetary value of food sold during the previous three years of no more than \$500,000. These farms would have three years after the effective date to comply; for some of the water requirements, they would have five years.
  - **Other Businesses**—other businesses would have to comply two years after the effective date. For some of the water requirements, they would have four years to comply.

*\*At the time this ToolChest was published, the FDA has not finalized those dollar figures. A very small business might end up being one with \$500,000 or a million dollars in sales.*



Good Agricultural Practices (GAPs) / Food Safety: Resources

<b>Source Link</b>	<a href="http://www.gaps.cornell.edu/Educationalmaterials/FAPdfs/CompleteAssessment.pdf">http://www.gaps.cornell.edu/Educationalmaterials/FAPdfs/CompleteAssessment.pdf</a>
<b>Document Name</b>	Food Safety Begins on the Farm, A Growers Self Assessment of Food Safety Risk
<b>Notes Ranking</b> ☆☆☆	194 pages. Comprehensive document that give you a step-by-step way to self assess your farms readiness for food safety, It contains easy to read chart for GAP & check lists and examples for corrective actions.
<b>Date Published</b>	2003 Cornell University, Dept of Food Science & dept of Horticulture
<b>Author</b>	Anusuya Rangarajan, Elizabeth A. Bihn, Marvin P. Pritts, Robert B. Gravani

<b>Source Link</b>	<a href="https://onfarmfoodsafety.org/login/?redirect_to=http://onfarmfoodsafety.org/create-a-food-safety-manual/">https://onfarmfoodsafety.org/login/?redirect_to=http://onfarmfoodsafety.org/create-a-food-safety-manual/</a>
<b>Document Name</b>	On-Farm Food Safety Project
<b>Notes Ranking</b> ☆☆☆	Based on harmonized GAP standards, this tool utilizes a number of decision trees that help you assess and address areas of food safety risk that are unique to your operation. Using this tool will help you develop a food safety plan that you can print and implement on your farm. It can also help prepare you for a food safety audit should you decide to pursue GAP certification.
<b>Date Published</b>	All content © 2010-2013
<b>Author</b>	FamilyFarmed.org

<b>Source Link</b>	<a href="http://onfarmfoodsafety.org/wp-content/uploads/On-Farm-Food-Safety-Plan-SAMPLE.pdf">http://onfarmfoodsafety.org/wp-content/uploads/On-Farm-Food-Safety-Plan-SAMPLE.pdf</a>
<b>Document Name</b>	Mesa Top Farm Food Safety Plan
<b>Notes Ranking</b> ☆☆☆	42 pages. Complete food safety document written for Top Farm. It covers every aspect of the proposed food safety act. Clearly defining all actions that are in place in order to provide continuous on farm food

	safety, An excellent example of a written plan. farmers.
Date Published	November, 2012
Author	Steve Warshawer

<b>Source Link</b>	<b><a href="http://ucanr.edu/sites/Small_Farms_and_Specialty_Crop/Food_Safety_on_the_Farm/">http://ucanr.edu/sites/Small_Farms_and_Specialty_Crop/Food_Safety_on_the_Farm/</a></b>
Document Name	Food Safety on the Farm
Notes Ranking ☆☆☆	This site shows 17 different resources for food safety information. “Food safety GAPs Manual Template (Self-Certification ( <a href="http://ucanr.edu/sites/Small_Farms_and_Specialty_Crop/files/171692.docx">http://ucanr.edu/sites/Small_Farms_and_Specialty_Crop/files/171692.docx</a> ) is an excellent template that can be used by farmers to initiate and or prepare for a food safety audit. This site also give you access to a video depicting what an audit is like.
Date Published	2013
Author	UC Cooperative Extension

<b>Source Link</b>	<b><a href="http://www.fda.gov/Food/GuidanceRegulation/FSMA/default.htm">http://www.fda.gov/Food/GuidanceRegulation/FSMA/default.htm</a></b>
Document Name	FDA Food Safety Modernization Act (FSMA)
Notes Ranking ☆☆	Official FDA site gives you access to the written law as well as the up-to-date information regarding regulations.
Date Published	2013 with continuous updates
Author	United States Food & Drug Administration

<b>Source Link</b>	<b><a href="http://ngfn.org/resources/ngfn-database/knowledge/Food%20safety%20guide%2001252013.pdf">http://ngfn.org/resources/ngfn-database/knowledge/Food%20safety%20guide%2001252013.pdf</a></b>
Document Name	Farmer’s Guide to On-Farm to Food Safety Certification
Notes Ranking ☆☆☆	11 pages. Overview of the steps farmers need to take to get a food safety plan done. The guide provides additional excellent resources for info on food safety and Gap requirements.
Date Published	2013 Wallace Center @ Winrock International
Author	Steve Warshawer – National Good Food Network Food Safety

Coordinator
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<b>Source Link</b>	<a href="http://caff.org/programs/foodsafety/gaps/">http://caff.org/programs/foodsafety/gaps/</a>
Document Name	CAFF Programs, Food Safety
Notes Ranking ☆☆☆	By clicking on programs and then on to Food Safety you will find a host of sites that cater to your particular needs. They are easy to negotiate and comprehensive.
Date Published	Regularly Updated
Author	CAFF Food Safety Coordinator and Staff

<b>Source Link</b>	<a href="http://www.fda.gov/downloads/Food/GuidanceRegulation/FSMA/UCM359258.pdf">http://www.fda.gov/downloads/Food/GuidanceRegulation/FSMA/UCM359258.pdf</a>
Document Name	FSMA Proposed Rule for Produce Safety
Notes Ranking ☆☆☆	5 pages. Overview of the proposed regulations. The background, who is covered, limitation on coverage, highlight of the proposed Rules
Date Published	2013
Author	Depart .of Health & Human Services/ U.S. Food & Drug Administration

<b>Source Link</b>	<a href="http://www.familyfarmed.org/publications/wholesalesuccess/">http://www.familyfarmed.org/publications/wholesalesuccess/</a>
Document Name	"Wholesale Success: A Farmer's Guide to Food Safety, Selling, Postharvest Handling, and Packing Produce"
Notes Ranking ☆☆☆	137 pages. This manual is a toolkit to guide you in putting together a food safety plan for your farm to prepare for the Food Safety Modernization Act.
Date Published	2014
Author	FamilyFarmed.org

☆☆☆ = very highly recommended, ☆☆ = highly recommended, ☆ = recommended



**Section VI.**  
**Organic Agriculture and Certification**



## Section VI. Organic Agriculture and Certification

The International Federation of Organic Agriculture Movements (IFOAM), an international umbrella organization for organic farming organizations, defines the overarching goal of organic farming as:

"Organic agriculture is a production system that sustains the health of soils, ecosystems and people. It relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects. Organic agriculture combines tradition, innovation and science to benefit the shared environment and promote fair relationships and a good quality of life for all involved..."\*\*

While the fundamental principles of organic farming have existed for hundreds of years the modern organic farming movement originated in response to the industrialization of agriculture after WWII. Many of the technologies that had been developed during the war were transferred to agriculture in the form of synthetic pesticides and nitrogen fertilizer, and machinery. Over time, a growing number of farmers and citizens around the world saw this chemical intensive agriculture as a threat to the environment, the economy, and human health.

In the U.S., the term organic was defined by law with the passage of the Organic Foods Production Act (OFPA) in the 1990 Farm Bill. The law created the U. S. National Organic Standards that are enforced by the National Organic Program (NOP) of the Agricultural Marketing Service, United States Department of Agriculture (USDA).

An organic label under the NOP indicates that the food or other agricultural product has been produced through approved methods that integrate cultural, biological, and mechanical practices that foster cycling of resources, promote ecological balance, and conserve biodiversity. These practices may include crop rotation, green manure, compost and biological pest control. Synthetic, chemically-added fertilizers; sewage sludge; irradiation; and genetic engineering may not be used.

In 1996 when the Organic Farming Research Foundation (OFRF) began its tracking there were approximately 2,500 to 3,000 certified organic farmers in the United States. There are more than 10,000 certified organic farmers. Organic Fresh Produce sales in 2012 increased by 13% to 9.7 billion and over all sales of organic products grew 10.2 % to 29 billion. Organic now represents 4.3% of the total food sales in the United States.\*\*\*

Consumers have supported the organic marketplace, at least in part, because they have felt that their patronage underwrote a more sustainable environmental ethic in terms of food production. However, studies have indicated a majority of consumers believe that organic products are healthier and safer than products produced using conventional practices. For the farmers, studies are showing that using organic production methods can reduce production costs and increase sales revenues. The demand for organic products has reshaped the thinking of major grocery chains. Today over 50% of organic products are sold in conventional super markets.

Before a product can be labeled "organic," a USDA accredited certifier evaluates the farm or facility where the food is grown or processed to make sure that the producer is following all the rules necessary to meet USDA organic standards. An independent third-party inspector, who reports their findings back to the certifier, inspects certified organic operations annually.

Organic certification is costly but is not intended to be prohibitive. The NOP set the organic certification rate at \$750 per farm, but the actual cost varies based on the certifying agency and the size of the farm. The NOP also offers some financial assistance, up to \$500. Small farms producing less than \$5,000 worth of organic products a year do not require certification. In the opinion of many farmers the cost of certification and the increased cost of production are justified based on their return on investment. However, it is the paper work required by the organic regulations that farmers find burdensome and costly.

The 2009 Farm Bill provided technical and financial assistance to farmers and ranchers who wanted to transition to organic farming under the Environmental Quality Incentives Program (EQIP). The program is administered by the Natural Resource Conservation Service whose goals for soil conservation line up well with the provisions set out in the NOP. The program is a cost share program, which means that farmers are required to



financially participate in the cost of implementing the transition. It maybe difficult for small farms to participate in the program but should certainly be looked into by organic growers that want to expand their production on farmland not currently certified as organic. It takes three years of using organic practices before new farmland can be certified. The money farmers can get from EQIP can help off set the price differential between the cost of using organic farm practices and selling products at conventional market prices.

\*\* The International Federation of Organic Agriculture Movements

\*\*\* Western Growers

<b>Selling Price Comparison Chart Conventional vs. Organic SF Terminal Market price as of 12Oct 2013</b>		
<b>Product</b>	<b>Conventional</b>	<b>Organic</b>
<b>Fruits</b>		
Apple, Fuji 72s	\$24.50	\$60.00
Oranges, Valencia, shor Choce 88s	\$20.00	\$38.00
Strawberries 8 1=1lb. Cont/w/lids	\$14.50	\$29.00
<b>Vegetables</b>		
Beets,Red 12s, carton Bunched,	\$17.00	\$18.00
Carrots, 25lb loose sack CA topped, med	\$7.50	\$25.00
Squash, Kaboch, large	\$20.00	\$35.00
Squash, WA Butternut, large	\$24.00	\$29.00
Tomatoes, Cherry, 12/1pt basket Lt red	\$15.00	\$28.00
Onions, Dry, Yellow Hybrid, Jumbo	.22/lb	.70/lb
<i>Conventional packed in 50lb sack</i>		
<i>Organic packed in 40lb. Carton</i>		

*The day and products chosen were made to insure that there could be a direct comparisons made between conventional and organic product. All the organic prices are for products that are third party certified.*

The premium prices that organic farmers ask for their products are directly related to their operating costs. In almost all cases the direct cultivation costs, (seed, fertilizer, weed, pest and disease control) for organic production are higher than for conventional production, while tillage and harvesting costs are only slightly higher on average. The most important factor for premium pricing comes from soil fertility and preservation methods used in organic farming, including crop rotation, cover crops and devoting a

percentage of cropland to insectary plants. These sustainable farming methods reduce yearly yields since land is devoted to non-food production. It is typical for California vegetable growers to plant 1.5 to 2.5 crops per year, but with the inclusion of cover crops into the rotation, Organic growers will only harvest 4 crops every 2 years, compared to 5 for conventional growers. \*

The demand for organic products has expanded beyond the traditional organic market over the last 10 years. As concerns about personal and environmental health grow, more and more consumers are purchasing organic produce at conventional super markets and big box stores. It is expected that the trend toward organic will continue as will the need to satisfy the demand. This demand has had a direct impact on the stocking decisions in major chain super markets. Over 50% of all organic products are now sold in convention grocery stores.

*\* Excerpts of this paragraph are developed from the paper "Cost Comparison Conventional vs. Organic" written by Dr. Karen Klonsky, UC, Agriculture and Natural Resources, Specialist in Cooperative Extension*



United States Department of Agriculture Accredited Certifying Agents  
Registered with the State Organic Program

<p><b>A Bee Organic</b> 40707 Daily Road De Luz, CA 92028 Contact: Sarah E.J. Costin &amp; Ro Elgas Phone: 760-731-0155 Email: <a href="mailto:admin@abeeorganic.com">admin@abeeorganic.com</a> Website: <a href="http://www.abeeorganic.com">www.abeeorganic.com</a></p>	<p><b>Agricultural Services Certified Organic</b> P.O. Box 4871 Salinas, CA 93912 Contact: Katherine Borchard Phone: 831-449-6365 Email: <a href="mailto:Kat@ascorganic.com">Kat@ascorganic.com</a> Website: <a href="http://www.ascorganic.com">www.ascorganic.com</a></p>
<p><b>CCOF Certification Services</b> 2155 Delaware Ave., Ste.150 Santa Cruz, CA 95060 Contact: Jake Lewin or Robin Allan Foster Phone: 831-423-2263 Email: <a href="mailto:jake@ccof.org">jake@ccof.org</a> or <a href="mailto:robin@ccof.org">robin@ccof.org</a> Website: <a href="http://www.ccof.org">www.ccof.org</a></p>	<p><b>Control Union Certification</b> Meeuwenlaan 4-6 8011 BZ ZWOLLE, Netherlands Contact: Gyorgyi Acs or Andrea Castro Phone: +31 (0)38 4260100 Email: <a href="mailto:gacs@controlunion.com">gacs@controlunion.com</a> or <a href="mailto:acastro@controlunion.com">acastro@controlunion.com</a> Website: <a href="http://www.controlunion.com">www.controlunion.com</a></p>
<p><b>Ecocert ICO LLC</b> 70 East Main Street, Ste. B Greenwood, IN 46143 Contact: Jessica Ervin Phone: 888-337-8246 Email: <a href="mailto:Jessica.Ervin@ecocert.com">Jessica.Ervin@ecocert.com</a> Website: <a href="http://www.ecocertico.com">www.ecocertico.com</a></p>	<p><b>Global Culture</b> P. O. Box 1280 Pacifica, CA 94044 Contact: Chris and Linda Van Hook Phone: 707-464-6913 Email: <a href="mailto:globalculture@earthlink.net">globalculture@earthlink.net</a> Website: <a href="http://www.globalculture.us">www.globalculture.us</a></p>
<p><b>Global Organic Alliance, Inc.</b> 3185 Township Road 179 Bellefontaine, OH 43311 Contact: Betty Kananen Phone: 937-593-1232 Email: <a href="mailto:goaorg@centurylink.net">goaorg@centurylink.net</a> Website: <a href="http://www.goa-online.org">www.goa-online.org</a></p>	<p><b>International Certification Services, Inc.</b> 301 5<sup>th</sup> Ave. SE Medina, ND 58467 Contact: Dawn Krapp Phone: 701-486-3578 Email: <a href="mailto:info@ics-intl.com/">info@ics-intl.com/</a> Website: <a href="http://www.ics-intl.com">www.ics-intl.com</a></p>



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<p><b>Marin Organic Certified Agriculture (MOCA)</b> Marin Department of Agriculture 1682 Novato Blvd., Suite 150-A Novato, CA 94947 Contact: Anita Sauber or Stacy Carlson Phone: 415-473-6700 Email: <a href="mailto:ASauber@marincounty.org">ASauber@marincounty.org</a> or <a href="mailto:SCarsen@marincounty.org">SCarsen@marincounty.org</a> Website: <a href="http://www.marincounty.org/depts/ag/contact-us">www.marincounty.org/depts/ag/contact-us</a></p>	<p><b>Midwest Organic Services Association (MOSA)</b> P.O. Box 821 Viroqua, WI 54665 Contact: Steve Walker Phone: 608-637-2526 Email: <a href="mailto:spwalker@mosaorganic.org">spwalker@mosaorganic.org</a> Website: <a href="http://www.mosaorganic.org">www.mosaorganic.org</a></p>
<p><b>Minnesota Crop Improvement Association</b> 1900 Hendon Ave St. Paul, MN 55108 Contact: Susan Stewart or Brenda Rogers Phone: 612-625-7766 Email: <a href="mailto:susan.stewart@mncia.org">susan.stewart@mncia.org</a> or <a href="mailto:brenda.rogers@mncia.org">brenda.rogers@mncia.org</a> Website: <a href="http://www.mncia.org">www.mncia.org</a></p>	<p><b>Monterey County Certified Organic</b> Monterey County Agricultural Commissioner's Office 1428 Abbott Street Salinas, CA 93901 Contact: Kenneth Allen Phone: 831-759-7325 Email: <a href="mailto:allenke@co.monterey.ca.us">allenke@co.monterey.ca.us</a> Website: <a href="http://www.ag.co.monterey.ca.us/">www.ag.co.monterey.ca.us/</a></p>
<p><b>NOFA-NY Certified Organic, LLC</b> 840 Upper Front St. Binghamton, NY 13905 Contact: Sherrie Hastings Phone: 607-724-9851 Email: <a href="mailto:sherriehastings@nofany.org">sherriehastings@nofany.org</a> Website: <a href="http://www.nofany.org/organic-certification">www.nofany.org/organic-certification</a></p>	<p><b>Ohio Ecological Food &amp; Farm Association</b> 41 Croswell Rd Columbus, OH 43214 Contact: Julia Barton Phone: 614-262-2022 Email: <a href="mailto:julia@oeffa.org">julia@oeffa.org</a> Website: <a href="http://www.oeffa.org">www.oeffa.org</a></p>
<p><b>OneCert, Inc.</b> 2219 C Street Lincoln, NE 68502 Contact: Sam Welsch Phone: 402-420-6080 Email: <a href="mailto:sam@onecert.com">sam@onecert.com</a> Website: <a href="http://www.onecert.com">www.onecert.com</a></p>	<p><b>Oregon Department of Agriculture</b> 635 Capitol St. NE Salem, OR 97301 Contact: Lindsay Benson Eng Phone: 503-986-4620 Email: <a href="mailto:leng@oda.state.or.us">leng@oda.state.or.us</a> Website: <a href="http://www.oregon.gov/ODA/CID/Pages/organic.aspx">www.oregon.gov/ODA/CID/Pages/organic.aspx</a></p>



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<p><b>Oregon Tilth, Inc</b> 260 SW Madison Ave, Ste. 106 Corvallis, OR 97333 Contact: Connie Karr or Aaron Turner Phone: 503-378-0690 Email: <a href="mailto:connie@tilth.org">connie@tilth.org</a> or <a href="mailto:aaron@tilth.org">aaron@tilth.org</a> Website: <a href="http://www.tilth.org">www.tilth.org</a></p>	<p><b>Organic Certifiers</b> 6500 Casitas Pass Road Ventura, CA 93001 Contact: Susan Siple Phone: 805-684-6494 Email: <a href="mailto:susan@organiccertifiers.com">susan@organiccertifiers.com</a> Website: <a href="http://www.organiccertifiers.com">www.organiccertifiers.com</a></p>
<p><b>Organic Crop Improvement Association International, Inc. – OCIA</b> 1340 N Cotner Blvd. Lincoln, NE 68505 Contact: Lisa Schroedl Phone: 402-477-2323 Email: <a href="mailto:reviewteam@ocia.org">reviewteam@ocia.org</a> Website: <a href="http://www.ocia.org">www.ocia.org</a></p>	<p><b>Pennsylvania Certified Organic</b> 106 School Street, Suite 201 Spring Mills, PA 16875 Contact: Robert Yang Phone: 814-422-0251 Email: <a href="mailto:robert@paorganic.org">robert@paorganic.org</a> Website: <a href="http://www.paorganic.org">www.paorganic.org</a></p>
<p><b>Primuslabs.com</b> 2810 Industrial Parkway Santa Maria, CA 93455 Contact: Courtney Cox Phone: 805-922-0055 Email: <a href="mailto:courtney.cox@primuslabs.com">courtney.cox@primuslabs.com</a> Website: <a href="http://www.primuslabs.com">www.primuslabs.com</a></p>	<p><b>Quality Assurance International (QAI)</b> 9191 Towne Center Dr., Ste. 200 San Diego, CA 92122 Contact: Jaclyn Bowen or Alexis Randolph Phone: 858-792-3531 Email: <a href="mailto:jaclyn@gai-inc.com">jaclyn@gai-inc.com</a> or <a href="mailto:Randolph@gai-inc.com">Randolph@gai-inc.com</a> Website: <a href="http://www.gai-inc.com">www.gai-inc.com</a></p>
<p><b>Quality Certification Services</b> P.O. Box 12311 Gainesville, FL 32604 Contact: Denise Aguen Phone: 352-377-0133 Email: <a href="mailto:denise@qcsinfo.org">denise@qcsinfo.org</a> Website: <a href="http://www.qcsinfo.org">www.qcsinfo.org</a></p>	<p><b>SCS Global Services</b> (Scientific Certification Systems, Inc.) 2000 Powell St., Ste. 600 Contact: David Hernick Phone: 510-452-8022 Email: <a href="mailto:dhernick@scsglobalservices.com">dhernick@scsglobalservices.com</a> Website: <a href="http://www.scsglobalservices.com">www.scsglobalservices.com</a></p>



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<p><b>Stellar Certification Services, Inc.</b> P.O. Box 1390 Philomath, OR 97370 Contact: Sally Lammers Phone: 541-929-7148 Email: <a href="mailto:Sally@Demeter-USA.org">Sally@Demeter-USA.org</a> Website: <a href="http://www.demeter-usa.org/stellar-certification/">www.demeter-usa.org/stellar-certification/</a></p>	<p><b>Yolo County Department of Agriculture</b> 70 Cottonwood St. Woodland, CA 95695 Contact: John Young Phone: 530-666-8140 Email: <a href="mailto:john.young@yolocounty.org">john.young@yolocounty.org</a> Website: <a href="http://www.yolocounty.org">www.yolocounty.org</a></p>
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## Organic Agriculture and Certification: Resources

<b>Source Link</b>	<a href="https://attra.ncat.org/attra-pub/summaries/summary.php?pub=67">https://attra.ncat.org/attra-pub/summaries/summary.php?pub=67</a>
Document Name	Guide for Organic Crop Producers
Notes Ranking ☆☆☆	This site gives you access to NCAT's free digital download for its guide to organic production. Each chapter covers an important step in becoming an organic producer. NCAT also produces information for individual organic crop production.
Date Published	This page was last updated on: August 5, 2013
Author	NCAT/ATTRA

<b>Source Link</b>	<a href="http://www.epa.gov/agriculture/torg.html">http://www.epa.gov/agriculture/torg.html</a>
Document Name	Organic Farming
Notes Ranking ☆☆☆	1 page. Give guidelines and link connections for all regulations pertaining to organic production
Date Published	Last updated on 06/27/2012
Author	This page is sponsored by EPA's Ag Center

<b>Source Link</b>	<a href="http://www.organic.org/articles/showarticle/article-206">http://www.organic.org/articles/showarticle/article-206</a>
Document Name	Top 10 Reasons to Support Organic in the 21st Century
Notes Ranking ☆	If you need a reason to transition to organic production, this site can help you understand the dynamics of your decision.
Date Published	2013
Author	Organic.org

<b>Source Link</b>	<a href="http://www.small-farm-permaculture-and-sustainable-living.com/advantages_and_disadvantages_organic_farming.html">http://www.small-farm-permaculture-and-sustainable-living.com/advantages_and_disadvantages_organic_farming.html</a>
Document Name	Advantages and Disadvantages Organic Farming
Notes Ranking ☆☆☆	This site tells it as it is. It has links to other parts of the site that will be very helpful when getting involved in organic production.
Date Published	Updated
Author	FantasticFarm.com.au

<b>Source Link</b>	<a href="http://www.ota.com/organic/us_standards.html">http://www.ota.com/organic/us_standards.html</a>
Document Name	US Organic Standards
Notes	1 page. Fact sheet giving the history and facts about the development of the national organic standards
Ranking ☆☆	
Date Published	Page Last Updated: Sep 26, 2011
Author	Organic Trade Association

☆☆☆ = very highly recommended, ☆☆ = highly recommended, ☆ = recommended



# Appendix

## Appendix

This section contains descriptions of three fictional farms and their marketing channels:

- Farm A:

A full size conventional orchard with some acreage in transition to organic

- Farm B:

Small organic diversified vegetable truck farm with a plan to sell to schools

- Farm C:

Diversified mid-sized farm with plans to sell online

**Farm A: Full size conventional orchard with some acreage in transition to organic**  
***Apple farm in transition to organic moving towards more fresh market sales.***

This second-generation farmer raises apples on 40 rolling acres several hours from the city. In the past she sold almost 80% of her crop to a local processor. The remainder is sold under her family label to a few long-standing customers through a broker at the terminal market or direct to retail stores.

The business has been barely breaking even for years, and commodity prices are falling for apples from her region. However, off-farm income keeps the home place afloat. Knowing that her outside job was coming to an end, and with the encouragement of her processor, she transitioned 12 acres of her best tasting varieties to certified organic that will start producing next year.

The big challenge for this grower is to develop a high margin market for the new organic product to cover its increased production cost and finance the transition of more of the ranch to organic production. She is convinced that organic margins will remain strong and she is increasingly committed to sustainable agriculture and wants her product to reflect those values. She wants to increase the percentage of fresh market sales with her specialty organic and local apples. She plans to pass the business on to her adult son and his wife who are now working about half time on the farm. The wife is interested in taking on the marketing responsibilities.

- a. Channels
  - i. Local processor
  - ii. Packing house with sales people
  - iii. Direct sales to some long standing retailers and distributors of boxed and labeled product.
  - iv. Consignment broker at terminal market
- b. Additional channels under consideration
  - i. Direct to foodservice distributor complete with “local” story
  - ii. Through large multi-farm CSA
  - iii. Direct to small regional retail chain
- c. Size – 40 acres

- d. Gross sales - approximately \$ 250,000. The maximum number of 40-pound boxes of fresh market apples that are available for sale per organic acre is 350, or about half the total tonnage harvested.
- e. Crops – apples, and specialty fresh market organic apples.
- f. Cultural practice – conventional: 28 acres, organic: 12 acres
- g. Distance to population centers is 100 miles
- h. Employees – none. More at peak seasons for harvest
- i. Land ownership – owned with two houses
- j. Other on farm enterprises – None. However, off farm employment is steady with health benefits for the family.

### **Narrative**

The owner understands that she has to add value and differentiates her product in order to make a profit on the farm. She is taking a risk by making a big investment into organic and branded product when she is barely breaking even now. However, she really knows how to grow apples, has an old family label, knows how to pack and sell wholesale, and new committed people are coming on board to help. She has a strong vision and clear values with the support of her current customers for the new venture. She owns the farm and has off-farm income so she can capitalize her new marketing channel. The ingredients for success are there, provided she can sell half her apples at organic margins and she can keep her added marketing costs down.

Apples are a difficult crop to make profitable but hers have great potential for specialty marketing. Her varieties are unique with cute names, demand is increasing in schools, she has a strong story to tell, and they are organic.

## Farm A's Marketing Channels

Current Marketing Channels	Marketing Channels Under Consideration
<p><u>I. Local processor:</u>            Low harvest and shipping costs, high volume, No size or blemish issues. Low price with small            Premium for organic. Average recent price \$200 to \$250 per ton</p> <p><u>II. Packing house:</u>            Weak farm and brand identification opportunity. Quality of Apples need to meet Standards. Price is based on market conditions.            No sales cost is incurred.</p> <p><u>III. Consignment broker at terminal market:</u>            Price is paid to the farmer is based on what the broker is able to sell the apples for. Price and payment is made after the sale. The broker deducts a commission and returns the difference to the farmer. Price can fluctuate daily depending on local supply and demand. Price is always higher then processor or packinghouse prices. No marketing or sales</p>	<p><u>I. Direct to foodservice distributor with complete "local" food story.</u>            This channel would initially replace the sales made into the current channels I and II. Sales price would be higher. There is a cost of marketing when selling direct to distributors but developing a farm story helps to brand and give added value to the product.</p> <p><u>II. Through large multi-farm CSA</u>            A CSA program is an excellent revenue source and can be relatively easier to start. Building participation, maintaining customers is not easy and can be costly. However, multi-farm CSA programs can favorable deflect or minimize costs. Model A Farmer needs to be the only supplier of apples. The price received should be 25 to 35% higher then the price for apples sold to the produce distributor. Successful CSA sales will take the place of sale to current channels I and II.</p> <p><u>III. Direct to small regional retail grocery chain</u>            Adding additional direct sales will in fact lower her operational cost. The logistics for adding new direct customer's needs to be carefully planned out. The cost of distribution can</p>

cost. This is a back-up plan for a large volume of unsold harvest.

IV. Direct sales:

Opportunity to establish brand identification. Establishing long-term relationship with direct customers gave the grower the opportunity to maximize her profits. Her selling price must justify the higher cost of distribution and marketing.

quickly eat into profits if distance and order size are not calculated before a new customer is solicited. The price charged to direct retail accounts should be 20 to 33 % higher than the price that apples are sold to the produce distributor.

## **Farm B: Small Organic diversified vegetable truck farm with a plan to sell to schools**

***A small, organic, rural farming couple who has participated in farmers markets and now seeks to build direct sales to schools and restaurants so the farmer can take advantage of new available acreage.***

This farm couple lives and farms on 12 acres, ten of which are under organic production on good land with plenty of water that they own free and clear two hours from the city. They intend to lease ten more organic acres next door for vegetables and need to find additional market channels. They raise vegetables for market but also care for some livestock and fruit trees for family use. They have been farming for 10 years and have a good production system. They own their tractor and have very little debt. Until now they have sold their entire production at two farmers markets and two restaurants.

The couple is about to have a child and is concerned that they won't have time or energy to simply add farmers markets to sell the additional markets. They want to start selling boxed or palletized product from their new acreage even if the margin per unit is lower than retail at the farmers markets. They have contacts in the city with private schools that want to buy packed product provided the growers can make long range plans. They are willing to pay more for local organic product but not as much as they would pay at a farmers market or as much as a restaurant would pay.

- a. Channels
  - i. Farmers markets – one local and the other in the city two hours away
  - ii. Direct to two restaurants in the city
- b. Additional channels under consideration
  - i. Two private schools in the city
  - ii. Other institutional buyers like hospitals or a high end retirement home
- c. Size – 10 acres now and adding 10 more
- d. Gross sales at 10 acres now \$60,000. Estimated sales at 20 acres is \$100,000
- e. Crops –broad selection of vegetables

- f. Cultural practice – organic but considering shifting to uncertified sustainable
- g. Distance to population centers is 25 miles to a mid-sized town and 75 miles to the city
- h. Employees – family or a few part-time. More at peak seasons for harvest. The couple has the capacity to hire a part time worker.
- i. Land ownership – 10 acres owned and 10 acres leased
- j. Other on-farm enterprises – none (but no debt!)

### **Narrative**

The most important challenge this couple is facing is the coming baby. They have to find a way to increase net income while reducing the management time per unit sold. On a small farm, the farmers' management time and expertise is the resource that usually makes the difference between success and failure. Their solution is to increase production by adding 10 acres and shift to selling packed produce in boxes or pallets resulting in more units per sale at lower margins.

This is a huge transition from a very successful market garden to a small commercial truck farm. It is the inflexion point when most farms fail or move on to a business model that is scalable. Now is the time for these farmers to really think about what they consider success. If that is getting bigger they should understand the implications. From now on they will either have to take on the role of middleman or pay someone else to aggregate and sell their product. They are entering a much more competitive and price conscious world.

This farming couple has reached the practical limits to income using their old business model and has the courage to step out into a new one. They have good resources in place that bode well for success; the farm is paid for, they know how to raise great products efficiently, they know how to sell themselves and tell a story about what makes their produce better, they are young, and they have some excellent customers lined up to buy in quantity.



## Farm B's Marketing Channels

***This family farm is enjoying fairly good revenue from its current sales channels and should not totally abandon their current efforts but, rather modify and build on them***

### Current Marketing Channels

### Marketing Channels Under consideration

I. Farmers Markets- One local and the other two hours away in the city.

Farmers in general receive the highest price for their harvest at farmers markets and it is the best source for cash revenue. However, preparation to go to market, travel and selling time, make for long days away from the farm operation. All costs of participation in farmers markets should be carefully calculated. Often overlooked is the loss of potential revenue for product not sold at the market. In this model, as in all cases, the change in the family dynamics will need to be considered, as it can reduce available time and can increase their selling labor cost. At the farmers market this family farmer offers a wide selection of specialty vegetable crops, which will generate higher dollar sales per customer.

II. Direct to two restaurants in the City

The best restaurant sales that farmers can make are to "star" chefs that shops at the farmers market. These operators are concerned about quality and are loyal to the

I. Two private schools in the City.

Doing business with private schools may be attractive because their demand for high quality product and price is not usually a major factor. However, there are a few factors that need to be factored into the price. Normally, a private school has a fairly low population and the order can be small, payments can be slow, over 30 days, and the buying season does not correspond with the prime harvest period. Product would probably have to be packed in new cartons and meet GAP standards. Strong consideration should be give to this sales decision if there is the potential that it will lead to additional customers and higher sales volume to cover new expenses.

II. Other institutional buyers like hospitals or a high-end retirement home

Building sales with hospitals and high-end retirement home require additional

farmer who quality is consistent. The reputation of a “star” chef will carry over to your reputation for quality. Selling to restaurants at the farmers market is advantageous because the operator will pay cash and will carry the product away. For larger purchases the farmer can deliver the select purchase product after the market has closed. Delivering orders to restaurants on market day is the most efficient and least costly. It should be noted that restaurants have a high bankruptcy rate. Suggest COD payment terms.

operational procedures to keep the customers advised on availability and price. Hospital would usually demand that the farmer adhere to GAP and food safety regulations to secure business. To build direct sales and participate in this channel, the farmer will need good selling skills, high energy and have good communication skills. 30-day payment terms are normal for these types of accounts.

Feeding patients in a hospital is a small part of the potential volume; staff and event catering provide high volume and do not have the same budget constraints. Many hospitals are now creating supplier contracts that state a percentage of their produce must be local.

### **Farm C: Diversified mid-sized farm with plans to sell online**

***A mid-sized farm that uses sustainable practices but is not certified organic. The family now sells everything through a multi-farm CSA and a distributor in the city. Since they can't increase production they must increase margin per unit sold. The family has the skills and time to manage additional market channels as well as capacity to raise capital.***

This very experienced farm couple just inherited a 35-acre family farm from her parents. They have managed the operation for ten years but now they have full ownership of the farm. However, many farm systems need investment. They need a new tractor and cultivator, a greenhouse, and the irrigation systems and packing shed needs to be overhauled. Their daughter has graduated from college in business and returned to make a career on the farm. They know that they will have to take on some debt to upgrade but the current cash flow won't support payments. They have some savings to supplement income for two years. They don't want to farm more than their 30 acres of great clay / silt soil with good water. Their challenge is to rethink their marketing strategy in order to increase profit per unit sold.

The farm produces a variety Asian Pear, French Pear, apples, and pistachios on 10 acres. The other 20 are in vegetables and some cut flowers. While not certified organic they have a tradition of sustainable practices. To date they have sold everything through a local multi-farm CSA managed by group of neighboring farms and directly to a distributor in the city.

Their daughter is interested in raising specialty crops that ship easily for sale online through emerging online virtual markets. She wants to explore the idea and will start with specialty garlic on 10 acres. She might later convert some of the orchard ground to hops for a local brewery or other high value annual crop depending on the success of the online marketing scheme.

- a. Channels
  - i. Multi-farm CSA (sells most crop through a collaborative growers CSA)
  - ii. Distributor about two hours away

- b. Additional channels under consideration
  - i. Online direct sales and shipped direct
  - ii. Hops direct to craft breweries
  - iii. Other direct markets interested in specialty packs and products that add value
- c. Size – 30 acres
- d. Current gross sales are \$140,000; they need at least \$155,000
- e. Crops – pomes and vegetables (10 acres to experiment with)
- f. Cultural practice – sustainable but not certified.
- g. Distance to population centers is up to 120 miles
- h. Employees – family plus one full time hand
- i. Land ownership – owned with no debt
- j. Other on farm enterprises – none

### **Narrative**

The most important asset this farming couple has is about to arrive in the form of their energetic, smart, and entrepreneurial daughter. The family challenge is to make the best use of this asset and make sure that she can make the farm her own and eventually take over.

Her strategy to diversify the market channels and target the high-end customers who shop at online virtual markets is risky, but sound. She must invest a lot of time to get the new enterprise running as well as provide substantial upfront costs to turn a raw product into an attractive branded and ready to sell package. She has to grow the specialty garlic for the first time, and she will certainly make mistakes. All this time and money could be invested in expanding and refining her CSA business or seeking distributors who would pay more than the current customer.

Marketing cost *per unit* will be much higher than CSA because of packaging, shipping, virtual market fees, and marketing costs. Sales income per unit will increase because she is selling a high value specialty item, through a specialty channel.

## Farm C's Marketing Channels

A SWOT analysis shows that the daughter has strong marketing computer skills as well good management skills. The daughter has a high tolerance for risk and has the support of her family.

### Current Marketing Channels

#### I. Multifarm CSA (collaborative growers)

For the parents selling in a collaborative growers CSA program presented a simple marketing channel. The cost of marketing, building a customer base and distribution was shared with other farmers. Based on the high value products, Asian and French Pears, pistachios, flowers along with specialty vegetables that the farm contributed, their return from the multi-farm CSA was substantial. CSA programs will help to mitigate cash flow problems.

#### II. Distributor (about two hours away)

Sales of apples and pears into the distribution channel moves the volume and generates a good percentage of the revenue, With a minimum sale of one or two pallets per order the product could be shipped economically by a LTL Carrier (less than truck load). Using a third party carrier reduces the wear and tear on the farm truck and reduces time away from farming.

*Price to the distributor could be increased if the*

### Marketing Channels Under Consideration

#### I. Online direct sales through and shipped direct.

There are a number of online sites that farmers can use to sell; however, only a few have had positive results for California farmers. In order to effectively sell on line the daughter will need to create an attractive website and make sure it is kept current. If planning to sell direct to restaurants she should define the delivery area and delivery days. It is best to show your price at the farm and add a delivery charge based on a minimum order. This would encourage the buyer to place a bigger order. For direct consumer your shipping box needs to be sturdy. Make arrangement for the carrier to set up a regular pick up days. Getting start with direct sales can be a slow and costly process but the long term out come can be financially rewarding.

#### II. Hops direct to craft breweries

With many new handcrafted breweries coming into the market there is a sharp increase demand for new sources of ingredients. However before taking out even marginal producing fruit trees for replacement for hops it would be best to obtain some growing contracts from the potential brewery customer. An example of a niche market that can give an excellent return on the investment would be to have certified organic

*farm implemented a branding effort. Because the farm is currently using sustainable farming practices it should give strong consideration to have the farm organically certified. Produce that is identified as certified organic will sell for more than non-certified.*

hops.

III. Other direct markets interested in specialty packs and products that add value.

Look to the unexpected -- for example, jarred garlic in the butcher shop, packaged pistachios in the hardware store.