



# What Farmers Need to Know About Selling to Schools

Why are schools a good market for local farmers? It seems like their budgets are so tight, they can't pay enough money for products! Although their budgets can be tight, school nutrition professionals will often be willing to pay a higher price for their food when they know who grew it and how it was grown. Introducing your local food to students can build their understanding of the local food system and create future customers. Plus, schools don't go out of business, and they pay their bills on time. Schools buy local foods successfully by:

- Balancing costs of foods across weeks and months so that they can buy local produce exclusively in the fall, or purchase local ground beef once a week.
- Menus are planned one month ahead and in 3-5-week cycles, so demand is predictable. This is perfect for forward contracting and crop planning; it's easier to provide volume discounts with a contract.

Selling to your local schools can be a valuable part of your marketing efforts in your community. Just make sure the school is recognizing your farm as a vendor where possible! Some simple ideas include:

- a sign or poster on the serving line
- a blurb in a newsletter
- a cafeteria tribute wall or map displaying the local farms sourced from
- a list of farms of the monthly menu sent home to families
- a post on a social media



## FAQs ABOUT THE SCHOOL FOOD MARKET

### Who runs the school food program?

About 65% of Vermont schools run their own independent food programs. The rest either have a for-profit food service management company (FSMC) run the program, or receive prepared food from another school in the district.

### How do I approach a school? Who should I talk to? When should I reach out?

The school nutrition director or manager\* (often referred to as food service director or manager) is the person to talk to. Here are some tips about how to reach them successfully:

- Call early in the morning or after 12:30/1:00PM when they are not serving meals.
- Find out who makes the decisions about purchasing.
- For a food service management company (FSMC), you may have to communicate with a regional director. For an independent, school-run program, it may be the manager at the school, or the district may have a director who makes the procurement decisions.
- Request a short meeting to talk about what you produce and what they need. Bring a small sample.

*\*Formerly named 'food service director', but these directors do so much more, such as nutrition!*

### **In the past, I've tried to sell product to schools, but I end up playing phone tag. How can I avoid that?**

Don't give up! Everyone has different communication preferences. It's important to find out what works best for the school contact from the beginning. Ask the school office for an email and direct phone number for the kitchen. Additionally, in your communications, be sure to indicate good methods and times to get back to you.

### **I've sold to my local school, but they don't call again. What should I do now?**

Ask some questions. Find out if their lack of contact is because they don't have the time to call, or because there is disappointment with your product. If it's a lack of time, ask how the communication or delivery can be streamlined. If it's a problem with the product, delivery, or packaging, ask for feedback about how to improve.

### **Can I drop off extra produce at my town school?**

It depends. School nutrition directors and managers have to plan their menus at least a month in advance, and often have limited storage capacity, so an unexpected gift of produce that isn't already on the menu may or may not be welcome. If you already have a relationship with the school nutrition director or manager, contact them before dropping anything off and see if they can use the product. If you're new to the relationship, ask ahead of time if they want extra produce during the growing season and what types and quantities they are interested in. Then reach out again when you're offering to drop off extra produce.

### **Can I sell grade B vegetables to schools?**

Yes, but first remember that your product represents your farm and quality standards. Thus, it works best when you already have a relationship with the school nutrition director or manager who knows your product quality. Here are some tips to consider before selling grade B vegetables to schools:

- Ask first, rather than assuming any school assuming that a school wants the cheaper grade B product.
- Inform the school ahead of time what grade B means (imperfect size, scars, etc...)
- Let the school know what grade A prices are, and how it differs from grade B.
- Clean the produce and make sure there are no cuts into the skins, damaged leaves, etc...

### **What school food safety regulations should I be aware of? Do I need to be GAP certified? Will FSMA impact how I can sell to schools?**

Schools and school districts vary in their requirements; ask what they require and communicate the food safety measures you have in place.

### **How does a school pay me? Do I need to fill out a W-9 Federal form?**

Schools often submit their invoices to their business offices; it could take 30 days for the office to send you a check. Ask about requirements and the payment process beforehand.

### **What if I can't give the school a discount on bulk purchasing because they don't have storage space for the products?**

If you have storage and delivery capabilities that won't cost you additional money, offer to hold the products. For example, can you store the 500 lbs. of ground beef and deliver it in two batches? There are also grants for school equipment, and you could offer to write a letter to the school board in support of more storage for local products.

### **How can I better market my farm to schools?**

You can offer something distributors often can't: a farm-business relationship. This relationship increases local food consumption, so there's a mutual benefit. If you're willing, offer additional benefits, such as hosting a field trip, taste test, or participating in a harvest dinner.



## I have heard the like “forward contracting,” “micro-purchasing,” and “three bids and a buy” in relation to selling to schools. What do they mean?

USDA regulations require that School Food Authorities (SFAs) allow for fair and open competition when purchasing any goods or services using funds from the school food service account. If a purchase will be over \$250,000 in Vermont, a formal bid is required. This involves a public notification and a formal RFP process. Most local purchases directly from a farmer do not exceed this threshold.

**Forward Contracting:** Some producers seek to set up agreements, in advance of harvest, with their buyers. These agreements, known as “forward contracts”, are a means for producers to guarantee a market for products, as well as for buyers to guarantee prices and other specifications for products they wish to source locally on a regular basis, or in a larger quantity.

**Micro-Purchase or Opportunity Buy:** This method does not require bids, but does require the individual purchase to be below \$10,000 annually (Federal guidelines). This applies to a one-time purchase and is **not** for repeated buying of the same products from the same producer over time. Product could be purchased because of a seasonal bounty of produce, discounted products for a short period of time, a school year one-time purchase of maple syrup or beef, product for a harvest dinner, taste tests, or if the school is trying out new products.

### “Three Bids and a Buy” Informal Purchase:

This method is used when the solicitation for a bid is below \$250,000 in Vermont. It could be for a few months or a forward contract for a year. The school nutrition director can choose whom to send the bid solicitations to (they are not public) but must get prices for the same product or service from three or more vendors.

Most importantly, product and service criteria must be included for any local food solicitation. **Those criteria must be met before prices are considered.** Any additional criteria that are important to the school nutrition program will be listed such as: willingness to conduct a farm field trip, participate in a harvest dinner, deliver produce within 24 hours of harvest, humanely raised practices, etc... Specific products, qualities, quantities, delivery, and prices for a period of time will be outlined in the solicitation.

The prices must be recorded, and the vendor who meets all requirements and additional criteria set out by the SFA and has the lowest price wins the bid. The school nutrition director is contracted to buy from you if you win the bid, and you are required to provide the products.



Photos courtesy USDA



Vermont FEED is a Farm to School partnership project of NOFA-VT & Shelburne Farms. Learn more @ [vtfeed.org](http://vtfeed.org).