



FARM TO INSTITUTION MARKETING: 2012 SURVEY SHOWS INTEREST FROM MICHIGAN VEGETABLE FARMERS

COLLEEN MATTS, MSU CENTER FOR REGIONAL FOOD SYSTEMS
CAITLIN FISHER, UNIVERSITY OF MICHIGAN
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In February and March 2012, researchers from the Michigan State University Center for Regional Food Systems surveyed Michigan vegetable farmers regarding their interest in and willingness to sell their products to institutional markets (K-12 schools, hospitals and colleges/universities), and motivators and barriers associated with this type of marketing. The survey was conducted in partnership with the United States Department of Agriculture's (USDA) National Agriculture Statistics Service Michigan Field Office (MI NASS). This is the first supply-side Farm to Institution (FTI) survey conducted by CRFS, though the center has conducted surveys of institutional buyers' food purchasing and serving practices and their perspectives about and use of local foods.

A 25-question paper survey, along with a cover letter and consent information, was mailed to a representative sample (825) of Michigan vegetable farmers with farms of varying sizes (one to 500 and more acres), as determined by MI NASS. Question topics included vegetable production and management practices; marketing, including to institutions; and demographics. The majority of FTI questions were based on a 5-point Likert-type scale. After two survey mailings, MI NASS staff made follow-up phone calls to farmers who had not yet responded to the paper survey. Surveys were returned by 311 farmers with active farms for an overall response rate of 38%.

Eighty-five percent of the respondents were male, 15% were female, and 28% were 65 years old or older. Respondents' mean years farming was 33 years, ranging from one to 80 years. The majority had small- to medium-sized farms: the mean number of acres in production in 2011 was 96 acres, but the median and mode were 18 and two acres, respectively. Farms in the sample larger than 25 acres tended to have more certifications and verifications than smaller farms; about 68% of respondents with USDA Good Agricultural Practices (GAP) audits and 59% with Michigan Agriculture Environmental Assurance Program (MAEAP) verification were larger than 25 acres. More farms smaller than 25 acres were reported as synthetic pesticide- and fertilizer-free (72% each) compared to farms larger than 25 acres (26% and 23%, respectively). When asked which fresh market vegetables were grown in the past two years, responses illustrated the diversity of Michigan's crops. Each of the 32 crop types listed on the survey was represented by at least three respondents. The top vegetables grown were tomatoes (58%), sweet corn (53%), winter squash (51%), peppers (48%) and cucumbers (47%).

Fair prices (89%), reliable payment (87%), and market's value of local food and farming (80%) were factors of greatest influence in farmers' selection of markets. Almost 61% of respondents indicated that they sold their fresh market vegetables through a farm store/stand. Of those who had a farm store/stand, 59% also sold at farmers markets. Only 7% of respondents sold their produce to any institutions. Of those who had not yet sold directly to an institution, 47% reported interest in selling to K-12 schools, 41% to hospitals and 40% to colleges and/or universities. Overall, 50% of farmers were interested in selling to at least one of these institution types.

When asked about motivators to sell to institutions, responses reflected farmers' social and market values. The top three motivating factors reported as "important" or "very important" were supplying healthy foods to customers; fair, steady prices; and supplying local food to consumers. To begin or increase sales of vegetables to institutions, respondents indicated that knowing which institutions were interested (67%), consistent ordering (66%), and higher prices (62%) were the top three factors that would be of most help. The majority of concerns in selling or potentially



selling to institutions were rated fairly equally, with timely payments, prices too low, and regular communication needed with customers as the top three. Only one factor had less than 50% positive response – potential threat to relationships with current buyers (32%) – indicating that most farmers did not see this as a major concern. Farmers were also asked about logistical challenges that would hinder them in selling to institutions. The top three challenges were institutions’ potential requirements for packaging, (product) consistency, and delivery.

INFLUENCES ON SELLING TO INSTITUTIONAL MARKETS

Motivators for selling to institutions	%	Concerns about selling to institutions	%	Challenges for selling to institutions	%
Supplying healthy foods to customers	77	Timely payments	69	Packaging requirement	61
Fair, steady prices	77	Prices too low	65	(Product) consistency requirement	60
Supplying local foods to consumers	76	Regular communication needed with customers	61	Delivery requirement	59

Overall, farmers responded positively to potential opportunities to learn more about selling to institutions. Almost 85% indicated it would be helpful to have lists of institutions in their area that are interested in purchasing local food. Regulatory information such as rules about buying and selling local foods (78%) and food safety information (75%) were also of interest to many farmers. Only a small subset of respondents (20) had already sold their products to local institutions, and this population varied substantially in age, size of farms, and diversity of vegetable crops grown. Over 75% of these farmers reported that they sold \$5,000 or less to institutions in 2011, indicating that these institutional markets are generally not a significant source of total farm income. Eighty percent of these farmers also sold produce at farmers markets.

Although farmers participating in FTI may not always rely on it for farm profitability in the short-term, this survey showed that Michigan vegetable farmers have significant interest in selling to institutions, particularly schools. The reported barriers, concerns and opportunities to learn more provide valuable feedback to shape outreach and education efforts to increase farmers’ participation in FTI and to help make available the types of foods institutions want in the forms they need. As many institutions, especially schools, first purchase fruits when beginning FTI programs due to their ease in preparation and popularity with customers, additional research must be done to determine Michigan fruit growers’ interest and participation in FTI to complete this picture.

For more information, visit www.foodsystems.msu.edu or contact Colleen Matts, Farm to Institution Specialist, at matts@msu.edu or 517-432-0310.

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