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Farm-to-School Programs: Factors Influencing Farmer Participation¹

Chuck Nicholson

Adjunct Associate Professor, Charles H. Dyson School of Applied Economics and Management, Cornell University and Associate Professor of Agribusiness, Cal Poly San Luis Obispo

Introduction

A previous issue of *Smart Marketing* explored differences in how farm-to-school programs are structured, indicating that the roles and activities of participating farmers can differ greatly. This issue discusses the factors that farmers in coastal California considered important to their decision to participate in a proposed farm-to-school program. Although the context may be different for California growers, many of the basic considerations apply to New York farmers as well.

Factors Farmers Consider Important to Participation in a Proposed Farm-to-School Program

As one component of a study to assess the financial feasibility of expanding a farm-to-school program in coastal California, information was gathered through a farmer focus group, a farmer survey and interviews with key agricultural program administrators. Numerous factors were identified as important for farmer interest in farm-to-school program participation. The most important of these included the requirement for new assets, liability concerns, product prices, volumes, and the frequency and mode of distribution.

New Assets Required. One concern expressed by farmers was whether investments would be required for additional equipment, machinery or vehicles for either production or distribution. This could occur depending on the farm's current assets and the requirements for participation in the program. This will obviously vary greatly among farms and farm-to-school programs. The underlying concern was that until the farm-to-school program is firmly established, investments in additional assets to facilitate participation would be more risky than many farmers would prefer.

Food Safety and Liability Concerns. One focus group participant (currently the head of a small-scale produce cooperative) identified food safety requirements and liability insurance as being potential concerns. This concern was based on the perceived financial and negative publicity risks if produce sold

¹ Parts of this document are adapted from Bogard et al. (2011), "A Business Analysis of the Uses for the City Farm Parcel and Alternatives to Expand the Existing Farm-to-School Program for the San Luis Coastal Unified School District," Department of Agribusiness, Cal Poly, San Luis Obispo.

directly from farms to schools was implicated in any illness among school children. The extent to which this concern is merited is difficult to determine. According to Markley (2010), there are currently no liability insurance requirements at the federal level for farmers selling to school meal programs or other institutional food service operations. Nearly three-quarters of farmers surveyed by the Community Food Security Coalition already purchased broad liability insurance, but it is not entirely clear if this provides adequate protection for farm-to-school program sales. Markley recommended that farmers often benefit from working closely with distributors to address product liability and to meet food safety guidelines, which could facilitate participation in farm-to-school programs based on third-party distributors.

Other Factors Influencing Choice of Market Outlet. For many farmers, the decision to sell to a farm-to-school program depends on the same factors as for other market outlets. Prices, volumes, and terms of delivery are among the most important. An informal survey of farmers at a local farmers' market provided additional information about these factors and how they might differ for farm-to-school programs than other market outlets. Farmers were asked to rank the importance of various factors that affect their decision to sell to a customer. Delivery costs were considered the most important by one-half of the respondents. Other factors considered somewhat less important included the price received, delivery location, and potential liability. The volume sold, delivery schedule and specific produce item were of lower importance.

The respondents also ranked some specific factors according to their importance. Of greatest importance to their participation in a farm-to-school program was a nearby delivery location, followed by limited liability and low delivery costs. The frequency of required deliveries was not a concern. Conditions such as a formal supply contracts, increased volumes, and selling products the producers already grow were ranked the least important factors. In fact, nearly one-third of respondents indicated they would consider new crops if required for participation in a farm-to-school program. Many respondents indicated their willingness to bring produce to a farmers' market in order to become involved in a local farm-to-school program.

The importance of delivery mode is underscored by opinions about specific delivery options. A large proportion of respondents indicated a willingness to distribute through an "aggregation hub" if it were reasonably close to their farms, and a similarly large proportion preferred to have produce picked up by others at their farm location. Direct delivery by farmers to schools was the least favored option.

Factors Local Agricultural Administrators Consider Important to Participation in a Proposed Farm-to-School Program

In addition to the survey of farmers, analysts from the San Luis Obispo Agricultural Commissioner's Office assessed factors that farmers should (and would) consider to evaluate farm-to-school program participation. These analysts view price as the most important incentive or deterrent for producer participation, because this relates to both production and distribution costs. Price can be an issue, because school districts often are considered medium-volume, lost-cost buyers. For many smaller farmers, the quantities to be sold would not be a deterrent, provided the price of the product was appropriate, although they could prove decisive for the use of an "aggregation hub" based distribution system. As a rough rule of thumb, volumes worth greater than \$100 per delivery trip were considered an incentive for participation and less than that would be a deterrent. A "grow-to-order" operation in which a school food service director contracts for production in advance was considered an attractive option, as long as the volume was large enough to provide an incentive for growers to commit to modify their production schedules to meet the needs of the school district. Purchasing additional liability insurance to supply food to schools was not viewed as necessary, because most growers already assume liability and have insurance coverage as well as methods of traceability for their products.

The factors discussed above are important considerations for farmers considering starting or expanding sales to farm-to-school programs. As noted in the previous issue of *Smart Marketing*, these factors will differ depending on how the farm-to-school program is structured. Thus, it is important to evaluate sales to farm-to-school programs in a way similar to those for other market outlets.

References

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