



Local Line

CHAPTER 8

Farm to Institution

Selling farm to institutions

Let's assess your readiness to sell to institutions, such as hospitals, schools, universities, and community centers. With every institution comes different challenges, requirements, and workflows. In this chapter, we cover different types of institutions, how you can best prepare, and address some common challenges and mistakes – and how to fix them!

Pros and cons of institutions

Selling your farm products to institutions such as hospitals, universities, and schools is a strategic approach that offers unique opportunities and challenges. Understanding the pros and cons of engaging with institutional buyers is the first step in preparing your farm for success in this market.

Pros	Cons
<ul style="list-style-type: none">• Steady demand: Institutions often require a consistent supply of fresh and local produce.• Large orders: Institutions typically place bulk orders, providing significant revenue potential.• Established relationships: Building long-term relationships with institutions can lead to stable contracts.	<ul style="list-style-type: none">• Stringent requirements: Institutions may have strict quality and safety standards.• Longer sales cycles: Decision-making processes in institutions can be lengthy.• Price negotiations: Institutions may negotiate for lower prices, impacting profit margins.• Logistical challenges: Meeting delivery schedules and packaging requirements can be challenging.

Types of institutions

There are many different institutions you can work with. In this section, we'll review the different types of institutions. Identifying the types of institutions you want to target is a critical step, as each may have unique needs, regulations, and procurement processes.

Hospitals and medical centres

Hospitals often prioritize fresh, high-quality produce to meet the nutritional needs of patients. Emphasizing the health benefits of your farm products, for example, pesticide-free, organic, and hormone-free, can be a key selling point.

Universities

Universities, with a focus on sustainability and local community support, are increasingly interested in sourcing products from nearby farms. Highlighting your farm's commitment to sustainable practices and support for local agriculture can make your products more appealing. Additionally, more and more universities are looking to offer their students healthier options, such as offering subscription boxes (with local vegetables) or hosting an “on-campus” farmers’ market.

Elementary and high schools

Schools are typically interested in nutritious and kid-friendly options with increasing demand from parents. At school, lunches are a great opportunity for schools to procure from neighboring farms and producers. A great approach is to provide the nutritional value of your products and consider offering educational programs or resources to schools: teaching children and students where their food comes from and what it takes to produce it.

The [California Farm to School Program](#) is increasing opportunities for producers in the state to build connections and sell to local schools.

Churches and community centres

Churches often value community support and engagement. Promote the idea of local congregation members supporting a nearby farm, creating a sense of community and shared values.

How to prepare

Preparing your farm and products to meet the requirements of institutional buyers is crucial for success in this market.

Quality assurance

Implementing strict quality control measures is essential to meet the stringent standards set by institutions. Regular testing for contaminants, adherence to food safety protocols, and consistent quality checks are paramount.

Obtain relevant certifications

Obtain relevant certifications such as food safety certifications. Institutions often prioritize suppliers with recognized certifications, as it provides assurance regarding the quality and safety of the products. This is especially relevant for institutions that deal with sensitive populations, such as hospitals.

If you are unsure what certifications are required or what is required to obtain these certifications, look into organizations that are looking to connect farmers and institutions, such as farm-to-school programs. These organizations are built to provide the training, support, and infrastructure to better connect farmers to these sales channels, and will most likely be able to provide this information, as well as might have funding to help farmers get certified.

Understand your target market

Different institutions are looking for different things. For example, a hospital has pre-defined menu development and structure to their food programming. A university or school that is starting with their local procurement program might have more flexibility in what they are looking for. Depending on your business model, what you produce, your scale, and your experience selling wholesale, you might opt for a different type of institution. It is essential that you understand how their procurement works and what they are looking for. Most importantly, it is essential to understand how you fit into their system.

Community research

Conduct thorough research to understand the specific requirements and preferences of each type of institution. Tailor your offerings and marketing strategies accordingly to align with their needs.

What you need

Sell sheet

As discussed in **Chapter 2**, same as selling to other wholesale buyers, your sell sheet is a great asset to have. To review, a sell sheet is a piece of paper that quickly describes all the information a buyer needs about your business. First, it outlines all the information a buyer would need to buy from you, such as your contact information, product line, pricing, and ordering details. Secondly,

it also provides them with a hard copy to share with other staff and team members when deciding to order from you.

In addition to the main bullets, your grocery sell-sheet must also contain:

- List of distributors (if you work with any)
- Delivery frequency
- Case size

👉 [Here are templates for sell sheets on Canva to get you started.](#)

Samples

If you have an organized meeting with a buyer or you have an existing relationship with the buyer, i.e., you've visited their location a few times, it might be advantageous to bring a few samples along to your meeting. Obviously, this depends on your product type – however, it is a great way to immediately show the buyer who they should buy your product. Along with your sell sheet, bringing samples can be an essential part of your pitch.

Step-by-step

Navigating the process of selling your farm products to institutions requires a systematic approach. Follow these steps to increase your chances of success.

1. Research

Identify potential institutions by researching their procurement processes, preferences, and current suppliers. Understand their needs and tailor your approach accordingly. Consider searching if there are any existing farm-to-institution programs near you, for example, at a local school, university, or medical center. This is the best opening when selling to a new customer type.

2. Networking

Build relationships with key decision-makers within the institutions you are targeting. Attend networking events, industry conferences, and engage in community activities to establish a presence and make connections.

3. Proposal submission

Prepare a comprehensive proposal or sell sheet that includes details about your farm, the range of products you offer, pricing structures, and your ability to meet their specific requirements. Clearly communicate the benefits of sourcing from your farm. This will help be both a physical document you can leave with the buyer for them to review and help guide the initial conversations you have.

4. Negotiation

Be prepared for negotiations on pricing, delivery schedules, and payment terms. Find a balance that is mutually beneficial and demonstrates your commitment to a long-term partnership.

5. Contract signing

Once terms are agreed upon, ensure a formal contract is drafted and signed by both parties. This document should outline all responsibilities, expectations, and any conditions agreed upon during negotiations.

6. Delivery

Ensure timely and consistent delivery of high-quality products. Work closely with the institutions to meet their scheduling requirements and address any issues promptly to maintain a positive relationship. For more tips on Logistics, check out **Chapter 6**.

7. Feedback and communication

Establish open communication channels for feedback. Act on any feedback received, and demonstrate your commitment to continuous improvement. A proactive approach to communication can help address any concerns before they escalate.

Common challenges and mistakes

In a study conducted by UC Davis on [Institutional Procurement of Regionally-Grown Crops](#), they found that the most common barriers were:

Menu development

Depending on the institution, menu development can be determined by member needs. For example, in a hospital, the menu items are based on the specific dietary needs of patients, which does not always correspond with seasonality.

Fix: The more lead time the culinary team can have, the better! If you're interested in selling to an institution such as a hospital where menu development is often set far in advanced, consider supplementing products they're already using first. As you build a relationship, you can work with them as the seasonality of products changes.

Source identification

Institutions have strict regulations when it comes to sourcing food products. They need to be able to track the origin of each product they purchase.

Fix: Great record keeping. Ensure you're keeping accurate records and are able to provide traceability information on your products.

Farm scale compatibility

Institutions require large volumes of one product to meet their needs. They need a partner that is able to fulfill their orders.

Fix: Start small. Start with one product you are certain that you can keep up with the demand, or consider partnering with another local producer who is able to supplement the difference.

Processing specifications

Similar to source identification, many institutions have pre-defined processing requirements for the crops and products they source. These specifications may be a barrier for some farmers looking to sell to institutions.

Fix: Start with products that have lower processing requirements. If you are unable to meet processing requirements for certain products, consider selling items that need less processing or working with institutions that utilize the "raw" product instead. The smaller, more bespoke the institution, the less likely they have as clear-cut requirements.

Institution readiness checklist



- **Implement Quality Control Measures:** Have stringent measures in place for testing contaminants, adhering to food safety protocols, and conducting consistent quality checks.
- **Food Safety Certifications:** Ensure your farm obtains relevant food safety certifications.
- **Research Certification Requirements:** If unsure, explore organizations like farm-to-school programs for guidance on required certifications and potential funding support.
- **Research Institutions:** Conduct thorough research on each type of institution (hospitals, universities, schools) to understand their procurement processes and preferences.
- **Tailor Offerings:** Customize your products and marketing strategies to align with the specific needs of each type of institution.

What you need

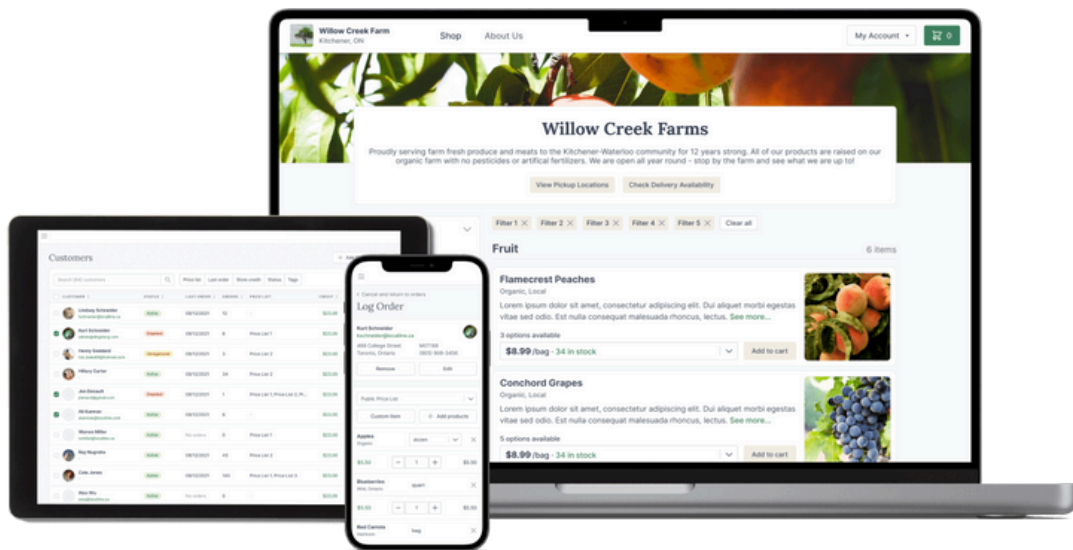


- **Sell sheet:** Create a comprehensive sell sheet that includes:
 - Contact information
 - Product line details
 - Pricing information
 - Ordering details
 - List of distributors (if applicable)
 - Delivery frequency
 - Case size
- **Product samples:** Consider preparing samples for organized meetings or existing relationships with buyers.

By completing this checklist, your farm will be well-prepared to navigate the institutional market successfully. It ensures that you have met the necessary quality standards, obtained relevant certifications, understand your target institutions, and have the essential materials for effective communication and sales.

Start Selling with Local Line Today!

To support you in your wholesale selling journey, consider [Local Line's all-in-one farm e-commerce platform](#). Local Line is an easy-to-use software tool for farmers to connect with local buyers, such as restaurants, schools, hospitals, and businesses looking to buy wholesale from local farms in their area.



Try selling online with Local Line today. We can get you up and selling online within an hour.

[Sign up here today!](#)

Happy selling!
The Local Line team

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