Across the US, “farm to school” and other strategies to sell directly to institutions have grown in popularity, especially as public policy has sought to both promote healthful diets and support local farms. The precise requirements for selling to institutions vary. In general, farms need to have a volume of reliable production to sell to institutions, though several small farms are selling to institutions by finding a right-size match. They also need to have the capacity to deliver or arrange deliveries. And, finally, they will need to dedicate time for building relationships and regular communication. The good news is that as public awareness has grown more institutions are interested in buying local food. Farmers interested in selling to institutions may find a good match in institutional markets, such as:

- Schools, universities, child care and senior facilities;
- Hospitals and extended care facilities;
- State institutional facilities;
- Corporate campuses; and
- Aggregation and distribution for institutions.

### Schools, Universities, Child Care and Senior Facilities

Schools, universities, child care and senior facilities are a growing market for farmers. The markets share some characteristics, but have differences that may make one a better market than the others for specific farms.

### Schools

With nearly 300 school districts in Washington, there is a school near to almost every farm. Requirements for selling vary by district and most schools have very tight food purchasing budgets. However, with recent federal legislation encouraging local purchasing and increased produce variety in school nutrition standards, along with farm to school support from WSDA in recent years, a new market for raw product from farmers has been created. Some may purchase frozen or dried produce, as well.

Each individual school district makes their own menu and food purchasing decisions. So, one of the first steps for farmers is to contact the school’s food buyer or the child nutrition services director in the school district. You can build a good sales partnership with schools by offering to start small and then steadily building your purchasing relationship. Participating in the “Taste Washington Day” that is held the last Wednesday in September or providing “Harvest of the Month” snacks are opportunities to get started.

School districts purchasing directly from farms have shown that children enjoy both the food and the educational activities tied to “farm to school” programs. Teachers and principals report that
students are more focused, better behaved, and ready to learn when they participated in snack programs serving local produce.

The WSDA Farm to School Toolkit
www.wafarmtoschool.org

The WSDA Farm to School Toolkit is designed to provide farms, schools (and other institutions), families, and communities with resources to help them meet their farm to institution goals. Within the Toolkit, the “Washington-Grown Food Kit” (www.wafarmtoschool.org/ToolKit) provides recipes, menu plans and educational materials organized by Washington foods. The Food Kit is searchable by school, childcare, and senior meal to find recipes that meet appropriate nutrition standards for each type of program.

The Toolkit also provides essential food safety, procurement and other technical information to support farm to institution markets. When purchasing locally-grown food, it is critical that child nutrition programs follow federal, state and school district requirements for school food procurement. "A School's Guide to Purchasing Washington-Grown Food" (www.wafarmtoschool.org/Page/73/procurement) clarifies today’s rules about how to apply a geographic preference in school food purchases and help school districts increase their use of Washington-grown food. In order to support schools in best practices for using produce from local farms and school gardens in their kitchens, WSDA partnered with Washington State Department of Health (DOH), Washington State University School of Food Science and the Office of the Superintendent of Public Instruction (OSPI) to develop "SAFE Salad Bars in Schools - A Guide for School Food Service." (www.wafarmtoschool.org/Content/Documents/SAFE_Salad_Bars_in_Schools_-_FINAL_-_AGR_PUB_607-374_N-1-13.pdf). These publications may be useful to share with local school districts when seeking to establish a new relationship with their buyers.

If you need further help finding institutional buyers, or would like assistance in planning for this market, visit the Toolkit or www.agr.wa.gov/farmtoschool, email FarmtoSchool@agr.wa.gov, or call (206) 256-6150.

University, child care and senior facilities
Universities and child care or senior facilities are at opposite ends of the spectrum in terms of the volumes they buy. Universities will have similar standards to the large business cafeterias. Child care and senior facilities will range from very small to large volumes and operations vary from home-based childcares to larger centers to drop-in meal sites for seniors. It is important to speak with specific programs or facilities to determine whether they are a good size and scale match for your farm. Juvenile detention centers operate similarly to schools, and most are under the National School Lunch Program.

Benefits of Selling to Schools, Universities and Child Care Facilities:
• Steady year round markets (with summer feeding programs) and consistent order volumes.
• Allows for medium and high volume sales in your community and across the state.
• Opportunities to partner on educational programming for students about farming.
• Higher price point than wholesale.
• Demand for value-added products and minimally processed products.
Challenges of Selling to Schools, Universities and Child Care facilities:
- Farm may incur delivery costs or require time away from the farm to make deliveries.
- Farm may be required to carry additional liability insurance and/or third party food safety certifications like Good Agricultural Practices (GAP, available through WSDA Fruit and Vegetable Inspection Program).
- Larger schools may prefer that farms sell through regional distributors.
- Schools and other institutions may seek washed, processed foods (cut, peeled, diced, etc.) that require minimal kitchen preparation.

Hospitals and Extended Care Facilities
Hospitals and Extended Care Facilities recognize the health benefits of eating good food and are increasing their purchasing from local farms. Many health care facilities feature local food in their cafeterias where they have some flexibility in pricing.

The first step is to call and identify the food buyer at the hospital or extended care facility. Ask about seasonal items such as winter squash or berries that they may want to purchase and whether they participate in events that support local farms. Some facilities may host farmers markets or offer a CSA drop sites for employees. Be sure to provide the buyer with information about all of your products, seasonal availability, volumes, packing and processing, as well as delivery options.

Benefits of Selling to Hospitals and Extended Care Facilities:
- May offer a good price point and the opportunity to move volume quickly.
- Can advertise farm to customers with point of sale materials.
- Farm may also be able to set up a CSA pick-up site at the hospital or extended care facility.
- Steady year round markets and consistent order volumes.

Challenges of Selling to Hospitals and Extended Care Facilities:
- Farm may be required to carry additional liability insurance or third party food safety certifications like Good Agricultural Practices or GAP (available through WSDA Fruit and Vegetable Inspection Program).
- May prefer that farms sell through regional distributors.
- May be hard to get connected initially with the buyer.
- May have specific delivery requirements.

State Institutional Facilities
Washington State prisons, Department of Social and Health Services (DSHS) facilities and other state-run facilities utilize state contracted vendors through the Washington State Department of Enterprise Services which requires formalized lowest-cost bidding. The State food contracts do include “Buy Washington” clauses, so contracted vendors are expected to buy from small businesses. You can find out who holds the current state contracts by going to the “For Business” page at www.des.wa.gov, and using the Contract Search Tool to search for “Food” contracts.
Larger co-ops and very large farms tend to have the volume needed to successfully bid for contracts through the Department of Enterprise Services (DES). The Washington Electronic Business Solution System (WEBS) offers one central location where vendors can register to receive notification of government bidding opportunities and access bid documents posted to WEBS by government organizations. Register for WEBS at www.des.wa.gov. For WEBS information, call (360) 902-7400.

State facilities are allowed to buy off contract through the “Best Buy” clause if the product is not available through the vendor or they find the item at a lower cost. The Best Buy option is described by DES “goods and services that fall within the scope of a state contract shall be considered the first source of supply for state agency purchases.” To qualify for Best Buy, the following must be met:

- The non-contract supplier must be at least 5% less than the state contract price.
- The state contractor must be given the opportunity to meet or beat the alternative supplier’s offer.
- The non-contract supplier must agree to all the terms and conditions of the state contract. Some examples may include, but are not limited to: warranty, shipping, quantity, insurance, quality, trade-in, life-cycle, installation and prompt payment/volume discounts.
- The authorized purchaser must notify Enterprise Services.

Additionally, DES has a policy on “Direct Buy Procurements/Purchases” (DES-125-03), which can be viewed at www.des.wa.gov/about/pi/ProcurementReform/Pages/Policies.aspx.

Farmers can contact individual prisons and Department of Social and Human Services (DSHS) facilities for additional markets. To initiate a sales conversation with the Department of Corrections, please call the State Food Program Manager at (360) 725-9149 or the Sustainability Coordinator at (360) 725-8396. DSHS facility locations can be found at www.dshs.wa.gov/locate.shtml or call (800) 737-0617 for more information.

For additional information about selling to state institutions, call the Department of Enterprise Services State Contracting and Purchasing Contact at (360) 407-2210. Be sure to ask for the best contact for food contracts.

**Benefits of Selling to State Institutional Facilities:**
- Prisons do not require processed foods because they can process items on-site.
- Steady year round markets and consistent order volumes.
- Allows for medium and high volume sales in your community and across the state.

**Challenges of Selling to State Institutional Facilities:**
- Farm may need to deliver very high volumes.
- Farm may be required to carry additional liability insurance or third party food safety certifications like Good Agricultural Practices or GAP (available through WSDA Fruit and Vegetable Inspection Program).
- Prison or detention center may prefer that farms sell through regional distributors.
Corporate Campuses

Corporate campuses are seeing farm fresh food as an employee benefit and are offering local food options more than ever before. Businesses with in-house food service that serve 100 or more people per day are an example of this market. Whether these businesses make machinery in eastern Washington or software in western Washington, the cafeteria may offer three meals each day and ample snacks. Sometimes the cafeterias of large businesses can pay more than other institutions because the employee may pay more for featured local items. To get started, contact the buyer or food service management company that runs the cafeteria. Check for requirements and minimum volumes. Offer a list of your products, how you can offer them (fresh, frozen, dried, or canned) and possible delivery schedules.

Benefits of Selling to Corporate Campuses:
• Higher price point than other institutions and you can move volume quickly.
• Your farm may be featured with point of sale materials.
• May also be able to advertise to cafeteria customers or set up a CSA pick-up site at the business.

Challenges of Selling to Corporate Campuses:
• May be hard to get connected initially with the buyer.
• Farm may be required to carry additional liability insurance or third party food safety certifications like Good Agricultural Practices (GAP; available through WSDA Fruit and Vegetable Inspection Program).
• May prefer that farms sell through regional distributors.

Aggregation and Distribution for Institutions

Because institutions frequently need larger volumes of product, and prefer to simplify ordering and delivery, aggregation and distribution are useful considerations when planning for sales to institutions. Working with a local or regional distributor may work for some farms. Other farms join together officially as marketing co-ops or use aggregation in the form of a food hub to get the volume of product needed for institutional sales. Ensuring product traceability is very important in aggregation and may require significant coordination and labeling. Farms may also want to locate a co-packing facility to facilitate aggregation, minimal processing, packing, sales support and marketing and distribution of products.

Recommended Fact Sheets
7. Insurance
9. Direct Marketing in Washington State
12. Selling to Grocery Stores and Food Co-ops
15. Selling and Donating to Food Banks
18. Good Agricultural Practices (GAPs)
19. WSDA Food Processor License and Facilities

For further information, to provide comments, or suggest a resource to add to this fact sheet, please email smallfarms@agr.wa.gov or call (360) 902-2888.