



Marketing to Institutional Buyers 101

To connect effectively with institutional buyers, use the information on this sheet. The way you communicate with potential buyers about yourself, your products, and your services will have an impact on your ability to make a sale. Be prepared.

Institutions include:

Target institutions that have kitchen facilities for food preparation such as schools or school districts, nursing homes, hospitals, colleges, religion organizations, universities, hotels, conference and meeting centers, and private companies. These are **not retail food buyers**.

Pick on someone your own size

Size is critical when choosing which institutions you will propose selling your produce to. Some serve 100 meals a day, some serve 5,000 meals a day or more. Institutions that source locally most often aim to source one to five percent of their total purchases locally in the first 1-2 years.

Know your product

Be prepared to answer, in detail:

- Type of produce you grow, including its size and variety
- Quantity you grow, in pounds (unless bushel, pint, or bin) – while not all institutions require this it is much preferred because almost all of their produce is billed this way by their primary vendor
- USDA grade standard of your product - institutions require USDA Grade No. 1, and occasionally may use Grade No. 2 for dishes like soup
- Price, including delivery - this is determined between you and the buyer

Local's competitive advantage

Know how to highlight your best selling points. Some examples:

- We live down the street – you can't get more local than that
- Many of your customers (or patients) live in town just a few miles from our farm
- Our family has been farming here for four generations
- This is our first year farming and we want to be involved with the community
- Sweet corn is our specialty – we deliver the same day we pick it
- We have the best tasting heirloom tomatoes
- Our farm supports 5 local families

Making contact the first time

Start by finding the contact information of the food service director from the institution's receptionist or their website. Then write a letter or an email to the food service director with this information:

Explain who you are (including a description of your farm) and that you are writing to offer local product and would like to have a meeting with them to discuss the opportunity. A week after mailing the letter or sending the email, you can follow up with a call. If you leave a message, say

Possible matches

A farm with an acre of fresh produce available might propose selling to a rural hospital that serves 100-500 meals per week, depending on their local sourcing goals.

A farmer with an acre of sweet corn could propose selling to a local school district or hospital for a special event.

Five farms working together that share or rent a refrigerated delivery truck could approach larger or multiple institutions (college or, conference centers).

who you are, why you are calling, and ask the best time to call back or reach them is. Be specific because food buyers are busy and you may have just one chance to connect. If they never call you back, don't be discouraged. A food buyer may be interested but does not have the time or ability this year. You can also try them later on in the season.

When you call – Be prepared to talk about your farm and specific details about your product/s. In addition to product questions be prepared to answer or discuss:

- Can you deliver? What day and time?
- Is your delivery refrigerated?
- If not refrigerated, how soon after is it harvested can you guarantee delivery?
- What time of day and day of week can you deliver?
- Will someone from your farm unload the truck, or does our staff unload the truck?
- Will your delivery driver take a background check?
- Do you have liability insurance?
- Do you have training in washing and packing protocols?
- Do you have any food safety training or certificates?

Questions to ask a potential buyer:

- How many meals a day do you serve?
- What types of produce do you prefer?
- What is your billing process like?
- Do you have a goal for sourcing a certain percentage of your food locally?

You may also offer to meet them in person. Much of what you are doing by reaching out is attempting to start a relationship, and this will be helpful to build trust. If meeting in person, consider bringing product samples and pictures of your farm. Another idea – you may want to invite them to visit!

Be prepared to negotiate price – know your margins!

Customer service

When you start selling to an institution, customer service is key. An institution may start buying local in small quantities and buy more if they like the product and your working relationship. There is a learning curve for them, so if there is bad weather, crop damage, or another interruption in supply, let them know as soon as possible so they can back fill their produce using their primary vendor. They are depending on you to communicate in a timely manner, deliver reliably and bring the product quantity and quality that you promise. You must deliver on the day and time you agreed upon, otherwise you can throw off their preparation for hundreds of meals.

Visit www.ifmwi.org for great resources!

Dane County UWEX • One Fen Oak Ct. Suite 138 • Madison, WI 53718
(608) 224-3710 • witzling@countyofdane.com

This fact sheet was made possible in part through funding from the Buy Local, Buy Wisconsin program in the Wisconsin Dept. of Ag, Trade, & Consumer Protection

Don't forget to sell the benefits of local

Buying local supports the local economy. For every \$1 spent locally, \$4 recirculates in the Wisconsin economy.

Buying local supports family farms and the people you employ

Your product is fresh, tasty, and nutritious.

Locally grown produce was named a top 10 trend in the National Restaurant Association's "Chef Survey: What's hot in 2009."

It's good for the environment - each tractor trailer that does not have to come from California or Mexico reduces thousands of pounds of carbon emissions.