

# Retail Ready for Local Farm Products



Retail Ready for Local Farm Products addresses the risks faced by North Carolina's small-scale farmers as they develop new relationships with local restaurant, grocery and wholesale buyers. This manual was designed to enhance the business skills necessary to market farm products to local vendors.

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## 1. Introduction

Across North Carolina, the demand for local food continues to grow. Farmers markets have been the leading edge of this trend, and they provide valuable opportunities for thousands of full- and part-time farmers to realize price premiums through direct sales of crops and products. But access to farmers markets is restricted by each market's popularity, location, and management. Some markets have limited commercial capacity or require sizable investments in time and travel.

Farmers can increase their sales and reduce their risk by diversifying their marketing channels and selling to multiple markets. These marketing channels include restaurants, co-ops and specialty grocers, national grocery chains, distributors and food service suppliers.

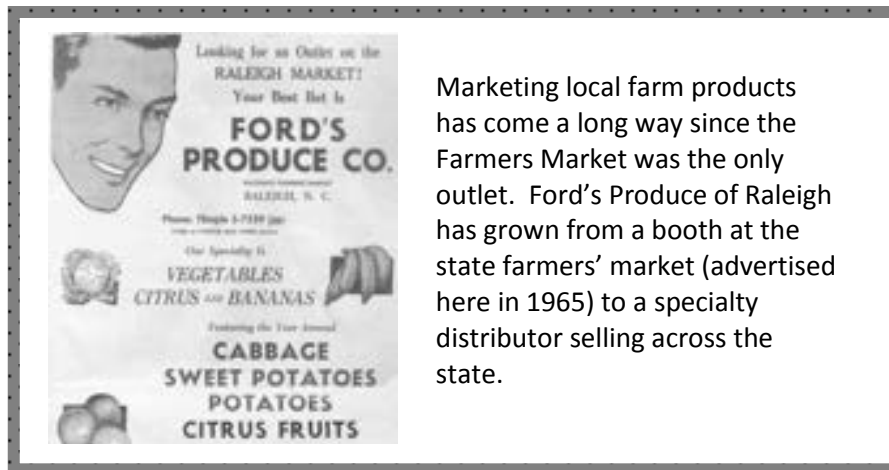
Mint Market of Durham, an internet portal which connects farmers to restaurant chefs, notes: "No single wholesale channel is a silver bullet, but if a farm picks the right partners to work with, it can make life much easier." According to specialty distributor The Produce Box, "Organizations like ours can be vital to the survival of farmers by providing an alternative market. We are an alternative to big brokers and wholesalers. Farmers are up against so much, we can bear the risk much more than they can alone."

Buyers of local farm products are actively looking for farmers to work with. Of the 40 buyers interviewed for this project, 87% said that they are looking for more suppliers and only 13% said they already had everything they needed. Paul Lieb, President of produce-supplier Foster-Caviness of Greensboro said, "We recognize the increasing interest in locally grown for freshness and the economic benefit it provides the surrounding communities. We are committed to promoting this concept and playing an integral part in helping it succeed." National grocery chains recognize the benefits of offering locally-grown farm products. According to Barry Paul, produce development specialist of the Virginia Beach-based Farm Fresh Supermarket chain, "Locally grown is a big merchandising advantage."

Statewide, the Center for Environmental Farming System's 10% Campaign has tracked \$25 million in local food purchases between the launch of its campaign to build North Carolina's local food economy in July 2010 and October 2012. But there is still much room for growth, as North Carolinians currently spend about \$35 billion a year on food. It is expected that the demand for local foods will continue to grow. And this demand is building in several directions. Chris Woodring, vice president of purchasing for food service supplier Fresh Point out of Raleigh, explained, "Our biggest demand comes from white tablecloth restaurants and from universities; the last six years of generational change among college students is in favor of local sourcing." As one specialty wholesaler marketing to retailers and restaurants said, "The sky is the limit."

Developed from responses to a telephone survey, this manual has been developed to help the state's farmers sell directly to restaurants, groceries, wholesale and foodservice buyers. All of the survey respondents buy products from local farmers, and several are actively recruiting local farmers and hope to increase their local purchases in the coming year. This translates into

“an incredible opportunity,” according to Jennifer Curtis, Chief Operating Officer of Durham’s Farmhand Foods. Bottom line: “We need more farmers.”



Marketing local farm products has come a long way since the Farmers Market was the only outlet. Ford’s Produce of Raleigh has grown from a booth at the state farmers’ market (advertised here in 1965) to a specialty distributor selling across the state.

Food service is another area of expansion. According to Lynn Ford, president of food service supplier Fords Produce of Raleigh, "At first, it was the elite restaurants who were most interested in local. Now there are many more interested – even chain restaurants and rest homes."

California-based food service supplier Bon Appétit, a subsidiary of global Compass, has been a pioneer in the local foods movement. The company states on its website that it “now spends tens of millions of dollars per year with small local farmers and artisans. Buying 100% locally is not yet practical but the commitment we have made to Farm to Fork will help ensure that our community can eat well today and tomorrow.” In Bon Appétit’s Southeast region, based in Durham, more than 25% of all products are now sourced locally.

Whether you are an experienced grower or novice farmer, dreaming of selling your heirloom produce to upscale restaurants, some of the skills and knowledge you need to succeed in this market differ from those needed to sell in commodities markets. As a farmer selling to retail or wholesale outlets, you are responsible for manufacturing, marketing, packaging and delivering your product store to store.

Many of the qualities required by commodities market buyers (food safety, consistent quality, insurance, and traceability) are equally important in the local market. Others (communication, flexibility, and responsiveness to buyers’ interests) are even more important. According to Jane Steigerwald of Wilmington’s Feast Down East, “Farmers are learning expectations of new kinds of buyers.” Developing these skills can greatly enhance your prospects for a successful venture into selling into local markets.

We hope that this manual will help guide your efforts to diversify your farm business into a broader range of markets and inform your overall business plan.

## Part I. Defining the Local Foods Market

The local foods market now accounts for an estimated \$5 billion, according to a 2011 USDA study. Not only is this market growing, it is also becoming more diverse. USDA notes that while farmers markets are the primary direct-to-consumer sales venue, an even larger part of the market is made up of sales by farmers to grocers, co-ops, wholesalers, distributors and restaurants. In 2008, sales of local foods through these indirect channels were three times higher than sales to consumers at farmers markets, CSAs, roadside stands and other direct routes. The USDA's research also found that the smallest farms concentrated on direct channels, while medium-to-larger farms were more likely to use a mixture of market channel types.

Now, more than ever, it's clear that there is no *single* local food market, but rather *several different* local food market channels. Together, they offer a variety of opportunities for local foods farmers.

### 1. Defining Local

Our research shows that buyers' definition of "locally-sourced" is highly variable. It ranges from within the county to within the state, region or bio-region. For larger organizations, supply that comes from closer than the major commercial areas of Florida and California can even be considered relatively local. The figure most often used is "within 100 miles," but the answer varies by individual buyer and by type of buyer.

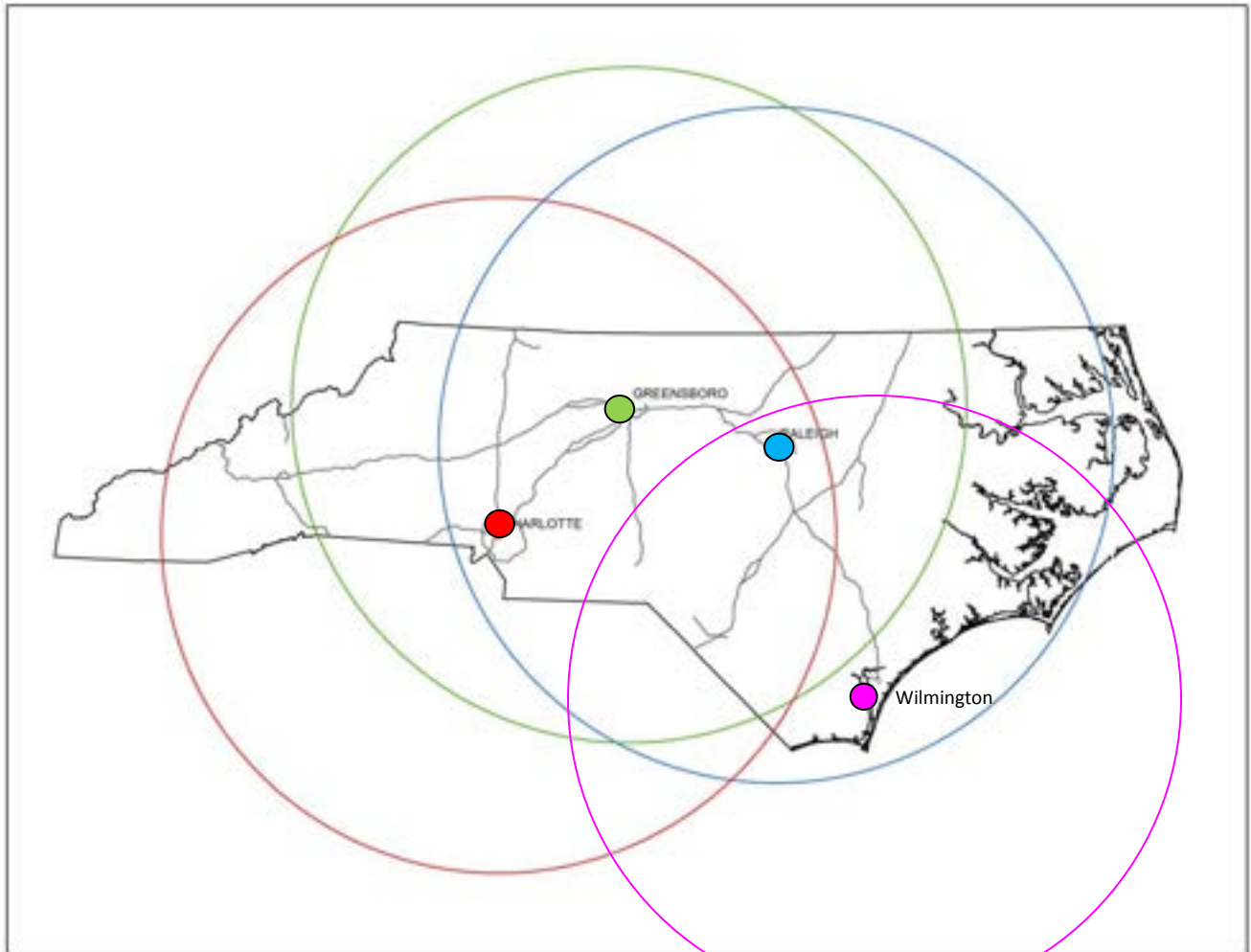
In our survey, most of the regional and national grocery chains (e.g. Whole Foods, Farm Fresh, Ingles, Lowes) defined "local" as within the state and also from adjacent states, when their store or warehouse locations are close to the state's borders. In addition, Appalachian Sustainable Agriculture Project (ASAP) certifies sellers through its "Appalachian Grown" brand which spans the states of the southern Appalachian Mountains. Ingles grocery is certified by ASAP. Co-op or specialty groceries, on the other hand, commented that "closer is better."

Small specialty distributors such as Piedmont Local Food, Feast Down East, and Bread Riot tend to define local on a smaller scale, such as within a county or a group of bordering counties. The definition of local also varies depending upon product and availability; for instance, most vendors noted that seafood from anywhere in NC is considered local. Dawn Stachler, co-owner of the Little Hen restaurant in Holly Springs, in Wake County, said that she and her husband, chef Regan Stachler, source "as close as we can, but it depends on the product: we get meat from Orange and Chatham counties." Like the Stachlers, some restaurants and other buyers – where there is a high demand for local products – are in a position to source nearby farmers. For example, Angelina Koulizakis, owner and chef at Angelina's Kitchen in Pittsboro, noted "We are in a unique situation to have so many farmers so close by." Ricky Spero of Mint Market, an online marketplace for local food based in Durham, NC, said the most important factor determining the farmers they work with is whether the farm is "within driving distance to our chefs."

Similarly, larger wholesaler/distributors often define local by distance to their distribution centers. This is also true when infrastructure is needed to prepare and package the product, such as in the case of meat. Jennifer Curtis of Farmhand Foods says that the farmer suppliers of the company’s local, pasture-raised beef and pork farmers “must be a reasonable distance from one of the meat processors we work with across the state.”

Definitions of local by wholesalers and food service suppliers vary from 150 miles to the region, and beyond. In most cases, the definition of “local” is not a limitation you will face as a farmer, as you can see from the map below.

**Defining “Local” in North Carolina: Illustration of 150 miles from state’s largest metro centers.**



This discussion of how local products are defined is included to guide you in your quest to find vendors – not to dissuade you from approaching a vendor. If you have a product that a vendor is seeking, ask the buyer if you fit their definition.

## 2. How does “Local” Add Value to Farm Products?

While there are several geographic definitions of the term “local,” the appeal of the concept is universal. Buyers and consumers see local products as fresher and higher in quality. Too, buying local is a way to support farmers who live nearby, farmers who are neighbors. For some buyers there is a third reason as well. Buying local allows them to support family farms who are keeping agricultural traditions alive. In addition, buyers may be interested in supporting farms which use organic production methods or other environmentally-friendly products that can be made economically sustainable by reducing transportation costs.

While consumer interest creates demand for local farm products, buyers also play an essential role. The hundreds of restaurant chefs, business owners, co-op directors, retail managers, and nonprofit leaders – by becoming local foods buyers – create the networks that make the local farm products market possible.

H. B. Kincaid, produce director of Carlie C’s IGA in Dunn, summed up the situation:

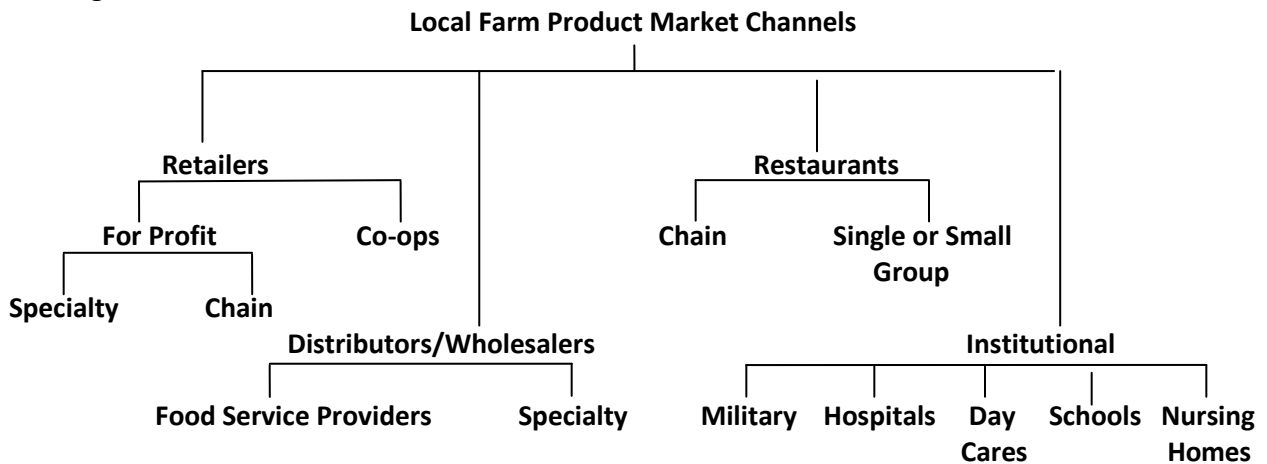
**“People want local!”**

Owners Joyce and Carlie C. McLamb own a meat processing plant and 15 grocery stores that specialize in local country hams, sausage, BBQ sauce and “Green Gold” collards.



## 3. Market Channels for Local Foods

We surveyed buyers representing a variety of buyer types or market channels to help farmers find a good fit.





To make your efforts to branch out more rewarding, focus on one or two market channels. This marketing diversification strategy can speed up the learning curve and reduces risk.

### **A. Retailers**

Local foods are seen more and more on store shelves. This includes national and regional supermarket chains, specialty groceries, co-op markets and natural foods stores. Retailers are responding to their customers' interest in local foods, especially on the produce aisle, but increasingly throughout their stores. The added value to the consumer is in freshness, more diverse varieties, and the satisfaction of buying good products from local farmers. While natural foods retailers and co-ops have purchased a diverse array of items for some time, larger retailers such as grocery chains are also beginning to add more local produce, as well as value-added, processed items to their local product line. For example, Lowe's Foods is now selling Charlie's Soap, a line of cleaning products made in Rockingham County.

Farmers selling to retailers of any kind must understand and supply "retail quality" – that is, products which are as appealing to consumers as those already on the shelves. As well as quality specifications, farmers should also be able to provide delivery to stores and/or warehouses. Retail buyers offer the significant advantage of purchasing in volume and a steady, predictable market during the year. Many retail buyers are nimble enough to take advantage of high value crops (such as sweet corn) and purchase large quantities during the seasonal window.

**To sell to retailers, you must provide quality products that are as appealing to consumers as those already on the shelves.**

For-profit groceries – whether individual stores, regional chains or national chains – can purchase in volume. Regional grocery chain Lowe's Foods, based in Winston Salem, purchased an estimated 25% of its produce within the state between May and September 2012. Ingles Markets, based in Black Mountain, purchased about 25% of its produce year-around during 2012 and also expanded its value-added items from local suppliers. Some national chains, such as Whole Foods, source locally and regionally for each store and region.

Co-ops and other community-based stores purchase the broadest range of products – produce, meat, dairy, eggs, honey, nuts, value-added goods, flowers, plants, and crafts – and are important buyers in their communities. Co-ops and other natural foods stores are also important buyers of local organic items, both certified and uncertified. In addition to buying directly from local farmers, co-ops and natural food are important customers of wholesalers who specialize in local products, such as Eastern Carolina Organics in piedmont and eastern North Carolina.

### **B. Restaurants**

Restaurants are often seen as the most important type of local buyer, and the restaurants which participated in this project were very enthusiastic about local foods. Yet as a group, restaurants differ widely from other market channels, and these differences are relevant to the

opportunities they provide to farmers. Differences include the restaurant's philosophy, size, menu, previous commitments with suppliers, and the formality of each restaurant's structure and relationship with each farmer.

**Philosophy:** Some restaurants have used local foods to create or recreate their identity. For these businesses, partnering with local farmers is a high priority, and they've taken the lead in developing the opportunities for farmers. Some of these restaurants plan their menus weekly, but changes can occur nightly based on availability of the foods being grown in their 'backyard'. Others are simply not interested, as they have other goals. Some restaurants are just beginning to realize the demand behind the "local foods" movement and would appreciate being contacted by a farmer. In such cases, it is especially important to maintain a professional relationship to "open the door" and keep it open.

**Size:** Restaurant size includes the number of seats, the size of the kitchen, amount of storage space, and the number of meals served per week. In general, the larger the restaurant, the larger the amount of food needed per week, which means reliance on large distributors to provide the quantities needed week in and week out; the smaller the restaurant, the more it can adapt to a combination of farmer-supplied and distributor-supplied items. Alternatively, though, a large restaurant may be more able to absorb large crops during a harvest window.

**Menu:** Any menu can be adapted to feature local ingredients, though the restaurant that features summer tomatoes as a stand-alone dish will buy many more tomatoes than a meat-and-potatoes place that uses tomatoes only for salads. Some chefs keep the same basic menu, with the addition of a few changing specials. Other chefs will change the menu every two or three weeks. The smallest restaurants have more ability to change with the seasons and local crops. This flexibility offers both opportunity and challenge for the farmer.

**Previous Commitments:** Many restaurants told us that they don't need additional suppliers, but others are always looking for products they cannot find locally or farmers who can offer "season extender" products.

**Formality:** While an informal purchasing system may be easier to access, it can also be unpredictable. Farmers can use this to their advantage through weekly updates of available crops to chef/buyers and through the use of written invoices.

It's important to note that restaurant chefs may purchase directly from farmers as well as from wholesale distributors who sell local food. For example, in piedmont and eastern NC, Eastern Carolina Organics has a big following among chefs who don't or can't manage the logistics of buying from many individual farmers.

Farmers who sell to restaurants will be most successful if they can supply a product that is consistently flavorful. Restaurants may offer flexibility in the amounts purchased, in delivery times and days, and in the range of products bought. They may be able to purchase smaller amounts of high-value seasonal foods (such as berries). Prices offered will be higher than

**While prices paid by restaurants may be higher than wholesale, selling to restaurants requires better communication skills, more time, and more flexibility.**

wholesale. The disadvantage is that farmers have to build a partnership with each restaurant buyer, making communication a higher priority. They must also be prepared to adapt to changes in time lines, and – often – to deliver less product to more buyers.

Lastly, the best-established “local foods” restaurants may already be well-supplied and not need new regular suppliers. To get a foot in the door, new local foods farmers may need to begin as back-up or part-time suppliers. It will also be advantageous to start making contacts at restaurants which are just developing an interest in local foods.

### **C. Wholesalers / Distributors**

Wholesalers and distributors purchase items and then distribute them to retailers, restaurants, institutions (e.g. schools, hospitals, prisons) and other customers. The companies that generally supply only restaurants and institutions are called Food Service companies (see below). Wholesalers often specialize in either one type of product, such as produce, or in one type of customer, such as chain restaurants.

A successful wholesaler must deliver what is needed, where it is needed, at the expected quality and quantity, on time, seven days a week, 365 days a year. Wholesalers rely on an extensive supply chain that is intricately managed by the time of year and market demands. Wholesale scale can be very large, with crops obtained from many sources, aggregated, and distributed to many different places. North Carolina farmers are already part of the national supply chain for some crops, such as sweet potatoes, melons, cabbage, collards, berries, and other vegetables and fruits. These crops may or may not be labeled as “local,” even when sold in NC, once they join the larger supply.

The concept of buying local – with its intrinsic seasonality, variability, and geographic limitations – runs counter to the regional and national logistics of the wholesale distribution business. Depending on the size and mission of the company, this requires locally-sourced products be kept, tracked and distributed separately. To this point, relatively few companies have initiated such a logistical shift. This is changing as the market grows and customers demand local goods. Exception sare wholesalers who source only from North Carolina – organizations such as Eastern Carolina Organics, a produce company, and Farmhand Foods, which distributes pasture-raised beef and pork.

**The key to success in selling to wholesalers is greater volume of a smaller range of crops, focusing on quantity and packaging as well as quality.**

Farmers selling to wholesalers and distributors will be more successful if they focus on greater volume of a smaller range of crops, paying special attention to consistent quality and packaging specifications. As well as providing the quantity and quality needed, farmers must also master

exacting packing requirements. Packing requirements are exacting, because the farmer is packing for the wholesalers' customers (retailers and/or restaurants). If these requirements can be met, there are advantages in being able to sell in volume steadily during a season.

Food Service Providers are distributors who sell only to restaurants and to institutions (schools and hospitals, prisons, colleges and universities). "Food service" spans the range of all food that is prepared and served in public, from elite restaurants to the hot dog stand at a baseball park to the elementary school cafeteria.

The priorities of a food service provider are determined by their clients. Food service companies supplying university dining rooms have been on the cutting edge of incorporating local foods, because university communities demand it. A broader range of food service customers are now inquiring about local foods options. One service provider based in North Carolina noted that even chain restaurants are becoming more interested in local foods. Farmers selling to food service companies must prioritize food safety, as well as on the crops and quantity needed. The timelines are exacting, and farmers will need to communicate effectively about crop status and availability.

Specialty Distributors are businesses, co-ops, or nonprofits created to distribute 100% local products direct to households and other customers. Selling to households distinguishes them from wholesalers / distributors / food service companies. Another difference is that they are usually smaller than other distributors, with revenues of less than \$500,000 per year. Specialty distributors supply a diverse range of food products, primarily produce but also some cheeses, nuts, meat, and value-added goods, all packaged in a weekly box that is delivered to the home or to a pickup location, somewhat akin to the Consumer-Supported Agriculture (CSA) model. These are among the most nimble of buyers, often able to accommodate smaller volumes and a wider variety of items than others. Specialty distributors are particularly interested in fruits and other specialty items which are valued by their customers, so they welcome farmers who are "adventurous," willing to try new production systems, crops, and varieties. Some operate only during the growing season while others run year-around by adding "shoulder season" crops and value-added products for gift boxes.

Specialty distributors also include businesses and organizations which use the internet to connect farmers with buyers. Two of these are Durham-based Mint Market and PiedmontLocalFood.com (See Appendix 18), which connects farmers and chefs via an online ordering system. Another is the new Durham Locally Grown, which will launch in spring 2013 as a "virtual farmers market" with pickup similar to a CSA.

Specialty distributors are probably the most accessible types of buyers, especially for small-scale or part-time farmers, and they provide more training in business, computer, and production skills. Yet like other distributors, these organizations expect a consistent level of quality goods and a high degree of reliability on the part of their farmers. The primary disadvantage of this channel lies in the small size of some of these organizations.

#### **D. Government: the NC Farm to School Program**

The North Carolina Farm to School Program has been supplying school cafeterias across our state with the, locally-grown produce since 1997. However, it is so distinct from the other market channels that it is not discussed here at length. For more information, see Appendix 2.

**Any and all of these market channels may be a good fit for farmers wishing to develop or expand into the local farm products market. The idea is to match your current interests and skills, knowing that as the farm business grows, you can access other channels and buyers.**

## Summary of Market Channels' Advantages and Disadvantages

Priorities	Advantages	Disadvantages
<b>I. Retail</b>		
Best match for farmers with experience and adequate scale	Opportunity for growth in variety of products	Variation in level of buyers' interest
Produce is primary, but also meat, dairy, eggs, value-added, etc.	Farmers spend less time marketing	Variation in ability to work with small farmers
Must be able to supply quality products that meet existing retail standards	Volume per transaction	
Must provide volume and quality that is agreed to, on time	May be reliable buyer	
Consistently high quality, appearance, sometimes grading	Potentially year-round	
<b>I-A. Grocery Chains</b>		
"Local" is a drawing card that can differentiate grocery chains	Will buy higher volume per transaction	Challenge to connect with the best person in large chains; be persistent
Liability insurance often required; GAP certification may be required	May be able to sell to a group of stores or entire chain	Delivery logistics (warehouse or multiple stores)
	Volume may be seasonal	
<b>I-B. Co-ops and Natural Foods Stores</b>		
	Buys consistently through the year	Limited number in NC
	Motivated to purchase local; accessible to farmers	Transportation

## Summary of Market Channels' Advantages and Disadvantages (continued)

Priorities	Advantages	Disadvantages
<b>II. Wholesalers / Distributors (All)</b>		
<p>Consistent and high quality</p> <p>Must provide agreed-upon volume and quality</p> <p>Must deliver on time</p>	<p>Higher volume per transaction</p> <p>Farmers spend less time marketing</p> <p>Reliable buyer, year-around</p> <p>Opportunity for growth</p>	<p>High expectations for quality</p> <p>High volumes often required</p>
<b>II-A. Wholesalers</b>		
<p>Must be able to supply products to match wholesalers' customers interests</p> <p>Require GAP certification and liability insurance</p> <p>Best match for farmers with experience &amp; scale</p>	<p>Ability to specialize in one or a few crops</p>	<p>Often specific production protocols</p> <p>Exacting packaging specifications</p>
<b>II-B. Food Service Providers</b>		
<p>Best match for farmers with experience and adequate scale</p> <p>Food safety is a priority, so require GAP certification and liability insurance</p>	<p>Sell to a variety of buyers</p> <p>Increasingly interested in local food</p> <p>Ability to specialize in one or a few crops</p>	<p>Complex and diverse market channel</p> <p>Can be difficult to access</p>
<b>II-C. Specialty Distributors</b>		
<p>Sell only local crops/products, and have lots of demand, so easy access for local farmers</p> <p>Value diverse &amp; unusual products, including value-added products</p> <p>Work with novice farmers &amp; small/medium scale</p>	<p>Provide hands-on training for farmers</p> <p>Variety in volume/crop/product</p>	<p>Computer skills often needed; training is provided</p>

### Summary of Market Channels' Advantages and Disadvantages (continued)

Priorities	Advantages	Disadvantages
<b>III. Restaurants</b>		
Seek foods that to show off their menu and reputation as a restaurant	May buy smaller quantities	Farmers must initiate contact and build a partnership with each buyer
Consistent taste, premium quality	May have informal requirements and schedules	Depending on the number of buyers, requires more time & travel
Some chefs really enjoy partnership with small farmers	Interested in specialty and experimental crops and varieties; open to working with farmers in partnership	Restaurants may change ownership, focus, chefs, menu and needs for the products
Consistent flavor more important than appearance	Prices closer to farmers market	Larger number of individual transactions and buyers
		More record keeping

## Part II. How to Sell to the Local Foods Market

Whether selling to retail buyers is new to you or you're already involved and want to expand your sales to retail buyers, it is critical to do your homework. That includes considering your answers to the questions below, and conducting a best-practices audit of your production and marketing plan.

**Key: Do Your Homework.**

### 1) Assess Yourself

**Assess your farming practices.** Preparing a description of your farm and your farming experiences can help you to select a crop or product to sell locally, and to choose the right market channel for that crop or product. You can also use this to assess whether you are a good match for a vendor and to "sell" yourself to that vendor. Some buyers of local farm products are interested in your farming practices. For instance, Pittsboro co-op grocer Chatham



Marketplace asks for specific information such as: How long you have farmed; Size of farm; Size of production area (in acres or square feet); Distance from market; Soil conservation practices; Irrigation practices; Current inspections, licenses or certifications (USDA organic and/or GAP); and Practices or characteristics unique to your farm that you believe add value to what you produce. See Appendix 3 for the entire form.

**Many buyers look for “sustainable” business practices; Some will visit your farm.**



Some of these are tough questions, but they can help you think through your strengths and your options.

**Assess your interests.** What crops/varieties can you grow well? What do you enjoy growing the most? What crops have market value? Are you interested in experimental or niche crops? Are you already or are you planning to become a full-time, professional farmer? Buyers want to support professional farmers, those who are farming for a living.

**Assess your personal and business skills, resources and time** available to decide what market channel is best for you.

- Do you enjoy face-to-face communication? Selling local differs from selling commodities in that it requires personal and in-person relationships. This is minimized through selling through a distributor.
- Are you flexible? Then you might be most suited for selling to restaurants and dealing with chefs, where needs might change weekly and communication is paramount. If you

prefer to have a buyer tell you what crops/products are needed for a longer term to be delivered on a regular basis, then you might be better suited working through a wholesaler.

- Are you dependable? Buyers must be able to count on you to deliver the type, quality, and quantity of product agreed upon. If there are any changes, you must apprise your buyers promptly.
- Are you courteous and professional? Buyers want farmers who meet their needs regarding product, handling, delivery, boxes, etc., and who have an appreciation of their business and availability. They appreciate farmers who are nice and yet persistent at staying in touch.
- Do you have a fairly high tolerance for risk? And are you persistent? Selling in this market is essentially different from growing a commodities crop, as there is no ready market to sell through at the last minute. You have to create relationships with buyers and commitments from those buyers up front. This requires persistence, as does finding a replacement, should any of your buyers go out of business or simply end the relationship.
- Do you have farming experience and the ability to plan ahead? Deep knowledge of the product will help impress buyers to establish initial relationships, as well as contribute to your long-term success. The ability to plan ahead and know crop timing and yield is critical. Asked about obstacles to working with local farmers, one vendor said “Estimating crop volume and getting commitments; our menu is posted three days before items are picked, so we rely on this skill.”
- Communication and responsiveness are essential. What buyers need and want is regular updates on crop status, expected quality, expected quantity, and timing (beginning and ending of crop availability). In-person updates are sufficient for many buyers but written communication is often preferred; it is easier to keep track of emails than phone messages – especially in a busy restaurant. Written invoices protect both the farmer and the buyer.

**Pay attention to how you will present yourself to buyers.** Think about how to provide information about yourself to prospective buyers. This can be simple with a one-page introduction sheet with your name, contact information, crops which can be provided, other interests, or just a business card. Have something to hand to buyers so they will remember you. Be clean and professional-looking when you first approach buyers (and later when you deliver your products).

**Assess your capital needs.** Will you need access to capital for additions to farm infrastructure (such as greenhouses, fencing, and irrigation) or for operating costs? Create a business pro forma and talk to farm credit agencies.

**Obtain references.** Ask current or past customers for references. This can be a folder of letters from several individuals, or a collection of quotes on a single page, but be sure to have contact information for each reference.

## **2) Identify local buyers.**

Finding local foods buyers can be a challenge. The market is decentralized and fluid. The best way to start is to look for indications of the presence of local products and talk to the buyers who actively market local products about how they acquire their products. Buyers identify local products in a variety of ways. Vendors as diverse as Tidal Creek Cooperative Food Market and wholesale/distributor Eastern Carolina Organics label their products as local and identify the individual farm sources. In restaurants such as The Marketplace in Asheville, local dishes are marked with a diamond on the menu.

Talk with other farmers who share your interests. You may also get ideas from the Cooperative Extension Service. Each Extension Center has an agent designated to work with local foods projects and some are highly engaged with the local foods community and local foods organizations. Several of the Specialty Distributor organizations, including Piedmont Local Food, Madison Farms, and Pilot Mountain Pride have been developed through partnerships with Extension and with local economic development agencies. The new Toe River Aggregation Center and Training Organization (TRACTOR) is partnering with Extension centers in Mitchell and Yancey counties.

Contact the managers of any local farmers markets nearby. Manager may know of restaurant chefs or other local foods buyers. And, friendly restaurant chefs who are not able to buy from you may still give you some ideas of other chefs who share an interest in local foods.

Visit community kitchens for creating value-added products to find potential buyers and products to create from your crops (see Appendix 4).

Search the Web for directories of local food buyers, such as those listed in Appendix 5. For example, see the Got to be NC program, the marketing partner for Goodness Grows in North Carolina (<http://www.gottobenc.com/>) or Local Harvest (<http://www.localharvest.org/>).. NCSU's Center for Environmental Farming has a list of organizations participating in the 10% Campaign, who have committed to spending 10% of their food dollars on products from North Carolina (see <http://www.ncsu.edu/project/nc10percent/partners.php>). Many of these list local foods sellers as well as local foods buyers, so they are potentially useful as a marketing venue when you are ready to market. The web is also useful for obtaining background information on buyers of interest, prior to approaching them.

Use the internet and social media to find buyers and then to connect with clients. An excellent "how to" on this subject is available online on YouTube (for example, <http://www.youtube.com/watch?v=nY7eTcVZGOQ>).

## Summary: Finding Local Buyers

Market Channel	How to Find	Who / How to Contact?	Best Time
<b>Retail</b>			
<b>Grocery, Co-op or Natural Foods Stores</b>	Visit stores in your area; look for items labeled 'Local.' Find website and the contact information for target stores. Check level of interest in local.	PHONE (or visit) produce manager or store manager (value-added or other). Can also start with customer service for general inquiries. Ask for general instructions or make a phone or in person appointment. Find the person most interested in local farm product. Be nice but persistent.	Tues, Wed, Thurs, late morning or early afternoons. Mornings are often delivery times.
<b>Wholesale, Distribution, Food Service</b>			
<b>Wholesale</b>	1) Ask retailer for suggestions; 2) Visit wholesalers' offices, often at state farmers' markets & ask for appointment; OR 3) Online directory of local foods providers. Read websites of specific companies.	PHONE best for initial contact. Ask who handles local farmer accounts (usually VP, account manager or owner). Make appointment. Be persistent but patient. These professionals stay busy.	Tues, Wed, Thurs 2pm or later; avoid the mornings
<b>Specialty Distributor</b>	There are at least 10 of these in N.C. Ask Extension office or use online directories. Then go to the website and gather all the information that you can, including the work / delivery schedule.	EMAIL is usually the best way to make initial contact. These organizations have limited staff and hours. Ask for the Crop or Farmer Coordinator for an appointment.	Many have a set delivery day for farmers (Tues/Wed). Best to ask.
<b>Food Service</b>	1) Ask restaurants for food service companies interested in local foods; 2) Check state farmers' market for offices & make appointment; or 3) Try online directory of local foods providers. Read websites of specific companies.	PHONE to ask who works with local farmers. If no designated employee, seek most interested in local farm products. Be persistent but patient. These professionals stay busy.	Tues, Wed, Thurs 2 p.m. or later afternoon.

### Finding Local Buyers (continued)

<b>Market Channel</b>	<b>How to Find</b>	<b>Who / How to Contact?</b>	<b>Best Time</b>
<b>Restaurant</b>			
<b>Restaurant</b>	Ask Extension agents or farmers market managers. Look for advertising in local papers or restaurant guides. Ask other farmers or friends to identify likely restaurants. Visit their websites to learn more about their interest in local foods, meal times, name or chef and owner, and farms they currently work with.	PHONE is usually the best way to contact restaurants. Speak to the chef or to the owner. Expect to leave a message and have that person call you back or make an appointment to stop by the restaurant. Timing of contact is especially important with restaurants.	Tuesday, Wednesday or Thursday early afternoons, but it depends on meals served. For breakfast and lunch restaurants, try mid to late afternoon. For dinner-only restaurants, try late mornings through early afternoons. For lunch and dinner restaurants, try 2-4 p.m.

### 3) Identify products buyers are already buying locally.

The answers to this question may surprise you, and it's best to be surprised *before* you've grown a crop or raised a generation of piglets. Talk to potential buyers BEFORE you choose your crop/product and market channel (restaurant, grocery store, foodservice, etc.). Buyers can be very specific about what they are looking for, and the more specific the answers you get, the better. For instance, you may be accustomed to thinking in terms of "Big Boy" tomatoes, but Jim Ray, Vice President of Ingles Markets, is also looking for heirloom varieties.

There are two schools of thought when choosing a crop or product: take on something rare or be the best at a major crop. Martha Campagna of Down East Connect, said they "need products not often grown," and are looking for local suppliers who are "flexible and able to take some risks." Specialty distributor Pilot Mountain Pride is looking for farmers "who are entrepreneurial and open to new ideas." Asked about difficulties working with local farmers, buyers specifically referred to "the limited number of products available." "We want more variation in crop supply. We want growers to choose more unusual crop;" "finding non-traditional and unusual crops which may be difficult to grow." Addressing this need helps farmers and buyers avoid another obstacle several mentioned: seasonality and "a glut of all the same thing at the same time."

Either way, the guidance offered by Dick McKellogg of Lowes Foods holds: "My advice is to pick something and do it well. Quality is the way to make more money." Once you move beyond the farmer's market to other retail venues, quality can be defined more strictly. One

vendor mentioned this issue as the largest obstacle to selling local farm products: “Growers have to get used to quality standards for retail.” Buyers need “a more polished product than the farmers market.”

Ninety-five percent of respondents said they currently buy fresh produce from local farms – both fruits and vegetables. Fruits include those normally-associated with North Carolina (such as apples, berries, figs, watermelons, cantaloupe, peaches, and tomatoes - both field-grown and hot house) to the more exotic (such as Kiwi fruit). Vegetables currently purchased locally range from cold-weather crops (such as greens, broccoli, root vegetables, cabbage and collards) to warm-weather crops (such as squash, sweet corn, cucumbers, squash, peppers and green beans).

Fresh “produce” also includes plants such as mums and other bedding plants, as well as poinsettias and Christmas trees. When considering new product, don’t be afraid to “think big” (or small, as the case may be). Manna restaurant in Wilmington estimates about 75% of its food sales are locally-sourced, and notes that this includes “a lot of herbs.”

Two-thirds of respondents currently purchase animal products from local farms. This includes meat, eggs, seafood and fish (such as catfish, trout and roe). Such products – which are often featured in the “center of the plate” at a restaurant – are highly valued.

In addition to produce and meats/seafood, consider processed foods such as baked goods, cheese, noodles, jellies, processed fresh vegetables, seafood, and snack foods. Fifty percent of respondents report buying processed items from local farms. Specialty groceries and chains such as Whole Foods, Ingles and Lowes currently sell locally-produced cheeses, as do most food co-ops. Be creative. Many restaurants and coops offer beer made from local hops and locally roasted coffee.

Consider value-added products. Thirteen percent of respondents reported purchasing non-food items (such as gifts, flowers, and soap) from local farms. Buyers looking for value-added farm products range from food service management company Bon Appetit to specialty groceries to wholesale/ distributors. In addition to its sales of produce, meat and processed foods, Down East Connect sells craft items such as bonnets.

#### **4) Identify products buyers are seeking.**

What locally-farmed products are buyers looking for that they are not already able to buy or buy in sufficient quantity? While some respondents cited a need for more of “anything,” and “everything,” others specifically listed items they would like to buy. Fresh produce listed included fruits such as melons, heirloom apples, plums, pears, figs, nectarines, raspberries and other berries, as well as vegetables such as green beans and red and yellow bell peppers.

Buyers are looking for more specialty crops: mushrooms, truffles, celery, garlic, herbs (such as fennel, dandelion and anise), mushrooms (such as shitake) and pecans.

As the local foods market matures, buyers are emphasizing the need for local farm products year-round, called “shoulder-season” or “season-extending” crops. Cool-weather crops needed include asparagus, broccoli, cauliflower, carrots, Brussels sprouts, cabbage, cauliflower, spinach and other greens, salad mix, “baby vegetables,” carrots, celery, onions, fingerling and russet potatoes. Other such crops which grow well in North Carolina include asparagus, lettuce, frisee, greens (New Zealand spinach, kale, endive, kohlrabi), root vegetables (onions and leeks) and gourds. Some buyers are offering farmers support for extending their seasons: “We are going to sell year round for the first time,” said Jane Steigerwald of Wilmington’s Feast Down East, “and will be working with farmers on season-extending practices.”

Animal products of interest include eggs, cheese (especially goat cheese) and dairy in general. Poultry (chicken and turkey) is in high demand. Chicken was listed as needed by 20% of respondents, but was noted as problematic for both farmers and buyers, according to several respondents. Chefs noted that their diners think of chicken as an inexpensive food, yet local small-scale processing is very expensive. Moreover, the supply of local poultry and meat is limited by processing capacity and infrastructure. (For a list of meat processors in North Carolina, see <http://www.ncchoices.com/content/6413> . Beef and pork are more available and more economically promising. Farmhand Foods of Durham buys cattle and pigs and sells local, humanely raised beef and pork and is looking for more beef farmers. Restaurants are interested in beef with caveats – they want grass-fed beef that is affordable.

### **Buyers are looking for value-added products.**

Leila Nesson Woolfrum, Operations Manager for Co-op Grocery Company Shops Market of Burlington, NC, is looking for locally-made “real-meal foods,” such as frozen vegetables, processed potatoes, and granola. Bare Essentials Market mentioned a “greens chips” product line that has done well for their market. A spokesperson for specialty distributor Piedmont Local Foods of Reidsville said that value-added items such as artisan breads and products for gift baskets are especially welcome in fall and winter, a time when local produce is limited and difficult to obtain.

Buyers are interested in products grown by alternative process or with alternative ingredients, such as organically or GMO-free (those that do not contain genetically-modified foods). Gluten-free was also mentioned as desirable.

## Part III. Advice from Buyers

### 1) Build a partnership with buyers.

When producing products to be sold through the local market, it is important to build long-term personal relationships with buyers. While more than half of interviewed respondents also bought local farm products from distributors, *all* respondents – from single specialty markets to grocery chains, from restaurants to wholesale/distributors – purchase products *directly* from farmers. The number of farmers each vendor bought from ranged from 8 to over 100, with an average of 30. The logistics involved with working with this many farmers makes it imperative that relationships are good and that communication is strong.

Working with someone else’s timeline is a key difference between these market channels and selling at farmers markets. From the farmers’ point-of-view, this is a practical matter, but it is equally important to buyers. Asked about communication, several chefs responded in terms of timeliness. One vendor mentioned this as one of his largest obstacles in working with local farmers: “Our company orders produce 7 days ahead so farmers can't show up that day and expect me to buy.” For the same reason, another vendor asked for information on when a supply of a crop will be ending, saying, “We need communication on when crops will end and often don't get that; we need a long lead time to plan.”

Other buyers see timeliness as an opportunity to move more local farm product: “We like to tell people what is coming up so they will get excited.” “I like to tease about what is coming.” Chefs may plan menus as much as ten days ahead. Companies who sell farmers’ products through websites “expect farmers to keep their lists current. If it's on the website, it must be available for purchase.”

#### Bottom Line

To sell locally beyond the farmer’s market, you must be flexible enough to produce what buyers are looking for and grow it in a manner that fits buyers’ requirements. However, the **WHAT** is the first part of the equation for success. According to Terry Mattingly, General Manager of Ward’s Fruit and Produce, a wholesale/ distributor out of Raleigh, “It's not just that farmers grow an item that we want to sell, it's how much ownership they have of the quality and how much passion they have for the product.” Once you have selected your product(s) and have samples in-hand, you must demonstrate that passion through building long-term relationships with buyers and through quality assurance. These factors, and others which will help you succeed, are discussed below.

Successful farmers need a flexibility that goes beyond growing the specific products that are in demand. Martha Campagna of Down East Connect described this as “a willingness to learn and be committed to a new organization, to work together for a common goal.” Similarly, Capri



Brixey, Board Chair of Rowan County's Bread Riot said simply that they were looking for a "willingness to work with the mission and organization." Moreover, several buyers reported that it is imperative that farmers learn each buyer's system. Lowe's Foods noted that working with local farmers requires extra logistics for the company, but said, in the same way, "small producers have to learn a complex system."

But buyers can be flexible too, as noted by Billy Mellon, owner of restaurant Manna in Wilmington: "We are a small restaurant with a flexible menu and can accommodate a surge of any crop" – once a good relationship is established.

Flexibility, a good relationship and frequent communication can turn failure into success and success into greater opportunity.

This concept is well illustrated by a story told in The University of Kentucky's Market Ready Training Manual:

"David Cleverdon, whose Caledonia, IL, Kinnikinnick Farm specializes in Italian produce varieties for the Chicago market, tells how a relationship and communication with a chef led to what is now one of his farm's signature products.

*"One week we were having a crop failure—we were growing a salad mix. So we began separating out the lettuces from arugula from Asian mustards that we were growing. And I got a call from Mary Ellen Diaz (the chef) saying, 'Hey—the plates are coming back clean.' She used to watch the plates coming back in from the dining room to see what people were eating. And the salad plates were coming back clean—and all we had on them were now just lettuces, a mix of lettuces.*

*"That's when it hit us. This is Chicago—it has a milder palate—and we weren't putting the hot greens in the mix. And so all of a sudden we had a product which is just a mix of baby lettuces which has been our mainstay product ever since... all because of the conversation and relationship with the chef.'*

"For Cleverdon, whose business selling to chefs increased fourfold between 2006 and 2009, building those relationships with good communication was foundational to growing the farm's market. 'We knew we had to build our business in our market based on relationships,' he says."

## Initial Contact and Follow-up

For an initial contact, only 18% of buyers prefer an in-person contact, and most of these were grocers who have produce managers. Buyers largely prefer contact through telephone (74%) and email (54%). In-person updates also work for those organizations which have a weekly delivery system; this is a good time for crop managers to get updates from their farmer suppliers.

While 1/3 of respondents listed multiple venues for preferred contact, another third listed only email, underscoring the importance of having access to the internet. Not surprisingly, an online-only distributor requires initial application through its website. However, email access is also critical to working with many other vendors. Piedmont Local Food mentioned farmer's lack of access to computer as a major obstacle to dealing with local farmers. Sandhills Farm to Table requires email access of all its suppliers. A restaurant buyer noted, "We are busy and having things in writing [such as via email] is much preferred."

### **Contact: Bottom Line**

- 1) Plan ahead.
- 2) Call or email first
- 3) Be persistent.

For the first contact, most buyers with multiple outlets (for example, grocers) recommended contacting the local store manager or the store's produce manager. Several distributors said they were planning to assign a specific individual as their local foods contact.

After the initial contact, buyers often schedule a face-to-face appointment to assess samples, price list, and descriptions of the farm and its growing practices. Michal Aquaro, district manager of food service provider Bon Appétit, said "a number of ways will work, but farmers must build a relationship with the chef."

Timing is also important. When possible, it is best to contact buyers in winter, when they are making plans for the coming year.

## Trial Period and On-going Commitment

While some buyers maintain only a week-to-week relationship with individual farms, most prefer an on-going commitment. Three respondents said they have a formal trial period prior to assuming a long-term commitment, but the definition of the trial period varies. One buyer defined the trial simply as "one year" while another said "new farmers start as backup suppliers and provide niche products" and the third explained "We start with one crop in one season, make more formal plans if successful."

Many buyers don't have a formal trial period, but said that farmers definitely have to prove themselves, starting small and gradually getting more opportunities. The trial model adopted by grocery chain Whole Foods and others allows farmers to work with one or two stores and demonstrate quality and delivery before scaling up.

Asked about the largest obstacle in working with local farmers, one respondent said "Farmers have to be able to sustain a long term commitment." Some buyers are willing to give farmers a lot of support to obtain that commitment. Specialty distributors and locally-based organizations and distributors like Down East Connect and Feast Down East (both of Wilmington), Piedmont Local Food (out of Reidsville), Sandhills Farm to Table Cooperative (Whispering Pines), Eastern Carolina Organics (now in Durham), Madison Farms (Madison County) and the Produce Box of Raleigh exist to help local farmers enter this market. The same is generally true of co-op and natural foods stores. Steve Wyatt, store manager of Bare Essentials Natural Market in Boone, said, "We give lots of guidance; lots of give and take."

As Jay Pierce, chef of Lucky 32 Southern Kitchen in Greensboro, said, "I can provide a service to local farmers; they have so many variables to contend with. It's all about relationships." Chefs, restaurant managers, and distributors know "it takes time to nurture relationships with farmers." They are willing to give that time, but farmers need to keep in mind that their buyers are busy and respect that.

Smaller buyers, too, note the pressures of time constraints. Dawn Stachler, owner of Holly Springs' Little Hen restaurant, said, "We work with many small farmers and as small businesses we have similar challenges such as time pressures... We are learning together." When approaching buyers for the first time, be honest about your qualifications as well as your aspirations. Are you or have you been a full-time farmer? Do you engage in sustainable farming practices such as soil conservation and/or organic farming? Ask buyers what makes a good fit for them. Kathryn Waple, Produce and Meat Manager of specialty grocer Tidal Creek Cooperative Food Market of Wilmington said, "We want to support full-time farmers. When farms are not certified organic, we look for knowledge and practice of National Organic Program standards as well as a demonstrated stewardship of the land."

### **For Long-Term Success**

Build a strong relationship with each vendor.

Buyers may partner with farmers to market their products, employing articles and videos about local suppliers on buyers' websites, vendor advertising featuring individual farms, in-store events and vendor-supplied signs for retailers. Thirty-three percent of respondents – primarily restaurants and specialty distributors – feature individual farms on the websites. Almost ¼ of respondents (primarily grocers and smaller distributors) sponsor in-store events, including demonstrations of products. The North Carolina Farm to School Program and specialty

distributor the Produce Box of Raleigh feature individual farms and their products in their newsletters and through other educational materials.

Buyers are also beginning to partner with farmers to plan production of specific crops that will be beneficial for both parties. “Local farmers are doing a good job of working with us and meeting our requirements,” said Darren Stroupe, produce manager for Asheville’s French Broad Food Co-op. “We are starting to work with a couple of farmers planning further ahead on specific crops and varieties.”

Frequency of contact is important to buyers. Kevin O’Connell, produce coordinator for specialty distributor The Produce Box, said that his organization appreciates farmers keeping him updated on crop status. Matt Felling, produce manager of Deep Roots Market, said he needs communication about when items will be available and at what volume.

Asked how often buyers wanted their regular local farm suppliers to contact them, 80% responded “as needed,” and all but one of the rest said “weekly or bi-weekly.” Only the NC Farm to School program, which operates strictly on a bid system, required quarterly contact.

*“Make it easy for us to order, be persistent. Stay in touch. I love weekly emails with updates.”*  
- Tony Smith, manager of Asheville’s Green Sage Restaurant

### **Professionalism**

Developing a good long-term relationship can be summed up in one word: Professionalism. Buyers want farmers who are serious about farming; not gardeners: not hobby farmers, not backyard gardeners, but *professional* farmers. They want long-term relationships with farmers who understand which are your “primary” or most important accounts and make serving those accounts their priority. For example, if your retail buyer is expecting a delivery from you, don’t leave that buyer short to take extra goods to the farmers market for a higher price. As expressed by Dick McKellogg, Produce Director of Lowes Foods, “I am looking for a commitment to farming as a profession rather than a hobby.”

Building a professional relationship benefits both buyer and farmer. Bon Appetit’s Michael Aquaro tells this story on the company’s website (<http://www.bamco.com/people/name/mike-aquaro>):

*“When we first started working with Patrick at Harris-Robinette Farms [Pinetops, NC], he was raising and processing his grass fed beef full time, while also working part time to help take care of his family. The relationship began with a handshake and the understanding that we wanted to work with him and we were fully aware that there may be supply hiccups related to sourcing from a small farm and that we were perfectly willing to continue to work through the bumpy parts. With our support, he was able to expand the farm with confidence*

*and no longer has to work off the farm. We take care of each other. If he needs some chef volunteers for an event, the staff is always willing to jump in. If we need him to adjust our order, he's happy to comply."*

This must be reflected in dealings with buyers as well as on the farm. Several respondents complained that some farmers would not honor their commitment to the vendor when they could get a better price at the farmers market.

When asked about their expectations, buyers listed:

- **Integrity:** Ethical, honest and transparent. Without these attributes, the farmer/vendor relationship won't last long. "Farmers must grow what they are selling." "I had some imposters early on, but it was easy to spot because everything was too uniform."
- **Reliability, dependability:** "Farmers willing to deal with quality problems" and "who are willing to make corrections."
- **Consistency:** "Consistent quality and consistent grading brings the best price." "Farmers must produce a quality and quantity for us to get a consistent supply." "I need a regular supply from farmers who can guarantee a certain amount for a certain number of weeks." "Consistent meat products are hard to get."
- **Timeliness and Predictability:** "Farmers must deliver the items ordered, in the quantities they promise, on time." This is especially important for chefs and for the distributors who serve them. Several chefs underlined this: "I need to know when a crop is coming in 4 weeks before it is available so I can get it onto the menu. Most farmers are not used to this time line." "We plan our menu 10 days ahead; we like to tell people what is coming up so they will get excited." "I like to tease about what is coming."

For a case study of a successful farm selling locally, see Appendix 12. For a checklist of best business practices, see Appendix 15.

**KEY: *"People who learn how to work together will last. Be nice!"***  
**-Tony Smith, manager of Asheville's Green Sage Restaurant**

### Quality and Quality Assurance

Asked which characteristics are most valued in local farm suppliers, "quality" was the second-most listed factor (after communication). Buyers defined quality as "flavor or taste," "product

consistency,” field ripe” and “grown to specifications.” Buyers characterized quality required as “must be top-notch” and “better than a home garden.” Asked about the challenges of working with local farmers, ten percent of buyers mentioned consistency of quality. One retail buyer noted “Growers have to get used to quality standards for retail,” while another said “understanding of quality needs is improving.” When problems involving quality do occur, farmers must be willing to deal with them. It is essential to understand each buyer’s individual quality requirements – for consistency of appearance, size and flavor.

While only one respondent characterized its quality assurance requirements as a “guarantee” provided by farmers, most produce is inspected upon delivery. According to Heather Barnes, NCDA Marketing Specialist for NC Farm to School Program, school child nutrition directors have 24 hours after receipt to complain. If a complaint is made, farmer may replace or forfeit payment. Similarly, specialty distributor Pilot Mountain Pride explained that after produce is washed, graded and packed at the facility, records are adjusted if it doesn't meet standards. As one respondent noted, vendor inspection at delivery helps farmers understand expectations over time.

### **Safety**

Consumer safety is an important factor in quality assurance, and one that is not sufficiently understood or emphasized by farmers, according to one specialty distributor, who said “Farmers don't understand good growing practices and food safety.” While it is not possible to eliminate all potential food safety hazards associated with fresh produce (which may be eaten raw), risk reduction is essential.

For processed foods, many buyers require the use of a certified commercial kitchen or have a certified kitchen at home. If you are new to selling produce and or meat/eggs through retail channels, or have workers who are not accustomed to selling to this market, basic food safety education is critical. Meat must be processed in a federal or state inspected slaughterhouse. Farmers wanting to sell value-added meat products will need a meat handler’s license from the state.

Thirty percent of respondents require certification in Good Agricultural Practices (GAP) or Good Manufacturing Practices (GMP). GAP auditing and certification covers food safety programs at the farm level. As one respondent noted, “Food safety is paramount. There are several ways to get this done.” Organic products must be certified or – for one vendor – attested to by an affidavit stating that the farm “follows organic standards.” Some buyers require farmers to show they are moving toward GAP or organic certification. Others require “the same attention to detail,” but don’t require GAP certification.

The North Carolina Farm to School Program noted that it can use any auditors required by major retailers and that it also requires a point of sale (OS) audit before produce leaves the

farm. Several other buyers responded that they visit the farms of their supplies, looking for sustainable production practices, producer and product safety practices and packing conditions.

According to the USDA, the GAP/GHP program utilizes federal and state Departments of Agriculture auditors to verify that a participant has implemented a documented food safety program that meets the FDA's guidelines. The audit process begins when a grower contacts a 3rd party auditor, like the North Carolina Department of Agriculture, to request GAPs certification. Cooperative Extension describes the process:

*“On the day of the auditor’s visit, the auditor will review the grower’s food safety plan before the inspection begins. The auditor will assess whether the grower has implemented all items outlined in the food safety plan. The auditor then uses a “matrix” where areas of potential concern are assigned a value and points are awarded for compliance. GAPs certification requires that 80 percent of the possible points are awarded. The inspection includes the physical assessment of each field or facility being considered for certification. The auditor will observe harvesting operations and may question the harvest crew to ensure that they have a working knowledge of the food safety plan.”*

NCSU and NC Cooperative Extension created a video of a mock GAP audit conducted in Wilson, available for viewing online at <http://ncfreshproducesafety.ncsu.edu/featured-resources/mock-third-party-audit-for-gaps-certification>. For additional information on GAP practices for producers of produce, see Appendices 19-22.

While not all buyers require audits and certification, many are considering the requirement for the future, and all encourage farmers to have a food safety system clearly in place and to make their qualifications and certifications clear. Several respondents stated that the cost of certification was a concern. Said one, “We worry that this is cost prohibitive to small, diverse farms.” Pilot Mountain Pride has helped area farmers obtain GAP certification, and now has 130 GAP-certified farmers. The cost was covered by a grant from North Carolina’s Tobacco Trust fund via Surrey Community College. Some of the farmers working with Down East Connect out of Wilmington have received training through the NC Cooperative Extension.

North Carolina’s “Fresh Produce Safety” offers a training curriculum in GAP (<http://ncfreshproducesafety.ncsu.edu/>). The tiered educational program consists of nine training modules. The section for Growers contains information on Farmers Market Resources, Production Considerations, Worker Health and Safety, Water Safety and Testing, and a wide range of Reference Materials. These include many articles on safe handling and packaging of produce, as well as an article by NC Cooperative Extension agent Debbie Roos which describes laws relevant to any farmers who sell meat, poultry or eggs in the state. Many materials are available in both English and Spanish.

The site also offers two online videos which are also available as DVDs (in English and Spanish). The first, “Bridging the Gaps from the Farm to the Table,” provides an overview of fresh

produce safety handling guidelines, highlighting some N.C. production areas. The 10-minute NCSU/NCDA video can be purchased for group viewing for \$15 at [http://www.cals.ncsu.edu/agcomm/video\\_sales.html](http://www.cals.ncsu.edu/agcomm/video_sales.html) viewed which can be viewed online at <http://ncfreshproducesafety.ncsu.edu/trainers/training-manuals> . Another video is available to educate farm workers and children on hand-washing hygiene.

While not all respondents require food safety certifications such as GAP, most displayed a strong interest in the practices being used at local farms, inquiring into water sources, soil conservation, and chemical use. This includes how soil and water are handled and protected. For example, buyers may want to see or be assured that farmers' practices do not inadvertently increase other risks to the food supply or the environment, such as improper use and disposal of pesticides, antimicrobials, antibiotics, hormones, etc. As explained by Martha Campagna, Project Manager of Down East Connect, one of the most important things is to "be transparent and clear about practices - especially pesticide use." Pest control was mentioned by several respondents, who stated they prefer "low spray or no spray." While few respondents required certified organic products, 30% said that sustainable and organic principles were a priority when selecting suppliers of local farm products. One chef admitted, "I visit farms and know exactly the production methods."

Some buyers state these expectations when asked, while others lay out such requirements up front. According to its website, food service management company Bon Appetit works with farmers who:

- Buy directly from farmers who use sustainable farming practices;
- Support farmers who do not use pesticides, hormones and antibiotics; and
- Support farmers who grow heirloom vegetables, rather than genetically modified produce.

Buyers of locally-raised meats had particular concerns, from how the livestock is raised to how the meat is handled and processed. Farmhand Foods, for example, distributes pasture-raised beef and pork grown by NC farmers. There is a precise protocol for how the animals are raised and how the pastures are managed. Says Jennifer Curtis, "Farmers must follow a pasture management protocol exactly. Pasture management creates the quality meat we sell: consistent weight gain without fat." Farmhand is also interested in humane practices and requires Animal Welfare Approved certification for its pork farmers.

Meat and other processed foods must be certified appropriately. Meat must be processed in a USDA or state-inspected facility. Meat sellers must have a meat handler's certificate. Value-added items, such as jellies and jams, juices, and baked goods must be made in an inspected/certified kitchen." See Appendix 4 for the list of these kitchens.



## 2) Getting the Details Right

### Instructions and Training

While most buyers don't have written instructions for farmers who want to sell their products in the local market, approximately 25% of respondents (of all types) do provide this invaluable aid. See samples in Appendices 7-13.

Piedmont Local Food and others provide in-person training. Once again, internet access is important, because most buyers who provide instructions do so via the World Wide Web and/or email. Thirty percent of respondents say they work with farmers individually. As Bryan Cave of specialty distributor Pilot Mountain Pride noted, "Some folks work better one on one than with written instructions."

### Packaging and Labeling

Packaging is the best way to maintain the highest quality and to preserve the integrity of the product.

Wholesalers and distributors listed "getting the packaging correct" as a challenge when working with local farmers. Packaging should be selected to fit the needs of buyers: box sizes, amounts per box and amounts per bunch. Consider how the package relates to the use of your products. For restaurants – where food will be cleaned and prepared on site – a variety of strategies will work.

For specialty distributors, who will be repackaging items, it may be important to have the same size, stackable boxes. For wholesalers – who will be delivering the farmers' packages directly to their own retail or restaurant buyers – the packaging requirements must be precisely met, since those packages will be used by the distributors' own customers.

**Packaging should be selected to fit the needs of buyers. Consider how the package relates to the use of your products.**

Packaging and labeling both affect quality control, lot traceability, ease of handling and sales volume. The bottom line with both labeling and packaging is to consult the individual vendors to meet their specific preferences and requirements. Cleaning, labeling and packaging to specifications may involve extra time and this should be factored in when pricing products.

For all buyers, containers should be labeled with product and farm name to ensure traceability. Otherwise, requirements often vary by type of vendor. Most respondents representing restaurants and those who serve restaurants said they negotiate packaging between the chef and the farmer. More specifically, one respondent commented, "Farmers should use bags approved by the health department," while another said "I like efficient use of boxes."

Requirements by wholesalers are more specific. Packaging and labeling are worked out relative to each crop, but the over-riding theme is “suppliers must be able to pack to commercial specifications. Buyers are looking for packages appropriate to the crops, clean and stackable, in standard weights and equal bunch sizes. Several noted that they help farmers with this and a grocer noted, “We show farmers the way produce looks in the store.” Many vendors provide training in packaging and some offer materials.

For retailers, “presentation and appearance of produce is very important, but it’s *not* like the farmers market.” One co-op manager told a story about a new farmer who brought in a box of sweet corn. She noticed the number of corn worms which were in the corn and said that the store could not accept it. The farmer said that the presence of corn worms was considered a plus at the farmers market, as proof that his corn was not sprayed.



For all circumstances, either follow the specifications or choose appropriate packaging. Excessive packing is both expensive (reducing your profit margin or the affordability of your product) and environmentally harmful.

### Pricing

Asked about the main obstacle in working with local farmers, grocers listed pricing: “Farmers expect to be paid the price they see on the shelf, they don’t understand wholesale versus retail pricing.” While farmers often realize a price premium through selling products locally, understanding that there is a difference between the farmers’ and buyers’ sales price is important. “The main issue is understanding pricing and the wholesale relationship; I offer a guaranteed sale paid at delivery; farmers complain that it’s lower than the restaurant and don’t understand the advantage.” The price of meat was specifically mentioned.

Cooperatives may offer a middle road: As one co-op manager said, “We adjust wholesale price to give farmers more than distributors and to give local organic farmers a higher price.” Retailers, both grocers and co-ops, talk about the importance that farmers realize the value that is inherent in this market relationship, the value that is reflected in the predictable wholesale price. A sample price list is included in Appendix 16.

### **Supply and Storage**

Supply is a matter of *scale* and *consistency* of both quantity and quality. Large-scale buyers, including restaurants, have to have a steady supply of quality goods. For instance, Green Sage Restaurant of Asheville uses 60 pounds of sweet potatoes per week year round, so it needs a supplier who can provide this. Other buyers who choose local make it a priority when local supplies are available and then shift back to reliance on major distributors and wholesalers when local items are not accessible.

Providing a consistent supply of the same product throughout the year may require larger-scale production or simply additional storage, depending upon the product/crop. Some buyers seek a product year-round but don’t have storage capacity on-site, requiring the farmer to store the supply.

Fewer than 10 percent of respondents require a minimum quantity of a specific product. However, that requirement is defined in many different ways, from specifying “one acre” of a crop to “20 head of beef per year.” The most important factor is to deliver what’s been agreed upon. As one respondent put it, “I want something in writing ahead of time – especially for fruits.”

Small-scale farmers face special challenges. While some respondents do not specify minimum product quantities, they did note that they tend to work with larger-scale farmers who can provide a steady stream of products. Several buyers noted that smaller scale suppliers are more affected by weather problems and damage to crops and products: “Any delays or breaks in the schedule are a problem,” noted Barry Paul, produce development specialist of Farm Fresh Supermarkets.

On the other hand, some buyers - restaurants featuring local foods, specialty distributors and on-line farmers’ markets - are designed to work with small-scale farmers. “We work with what we get,” explained Dawn Stachler of Little Hen Restaurant. Specialty distributors such as Sandhills Farm To Table Cooperative, Farm Fresh Supermarkets and Down East Connect are more willing to work with smaller-scale farmers. “Many of our farmers are very small; we work with any amount.” Grocers Whole Foods and Ingles stated that their suppliers of local foods/products can supply from just one store up to the whole chain. “We want to help local farmers grow,” said Ingles Market Vice President Jim Ray.

**Key: Deliver what's been agreed upon.**

Supply is also a function of shelf-life and several buyers mentioned the problem of fresh food spoilage. While one respondent stated, "We accept the fact that organic has a shorter shelf life," several noted that it is vital that farmers help to ensure shelf-life by harvesting produce using cool-packing or hydro-cooling to avoid field heat. Careful handling is especially important when the product is heirloom varieties of vegetables, as these were developed for flavor rather than how well they stand up to rough handling and longer harvest-to-shelf times.

### **Delivery**

Retailers (restaurants and groceries) and wholesale/distributors require delivery. Factor in the cost of delivering small amounts to fairly far-flung buyers when budgeting prices, costs and time. Some restaurants will pick up or coordinate delivery according to the farmers' market schedule if arrangement was made ahead of time. At-store delivery requirements range from "any time" to a specific time on a specific day. Distributors and wholesalers generally require delivery to a warehouse, with most buyers willing to work with farmers to suit the farmer's schedule, as long as they knew when to expect a delivery and delivery is *reliable*.

### **Bidding, Invoicing and Payment Terms**

Only one respondent has a bid process for suppliers: "NC Farm to School program submits a bid that covers all the crops we need; bids are open quarterly." See Appendix 2 for more information on this program. Most buyers prefer to pay from an invoice, but for smaller orders, 25% of respondents will pay COD, especially on smaller orders. These tend to be smaller buyers, such restaurants and food cooperatives. Over 50% of buyers require an invoice (at least for larger orders) and all but two of these pay in less than 30 days (many in 7 to 14).

A sample of an invoice and a bill of lading is included in Appendix 16.

**When making a delivery, bring two copies of your invoice, including the following information: Your name, business name, contact information, date of delivery, product and quantity delivered, price and payment terms. If you are paid on the spot, write "Paid," your initials and the date next to it on both copies. Leave one copy with the buyer and keep one copy for your records. If you are not paid at that time, leave one copy with the buyer and note the expected time of payment on your copy.**

## Insurance

Liability insurance is a key to protecting a farm-based business. While half of our survey respondents do not require farmers supplying local products to carry insurance, those that do not said that they presume that most of their suppliers do carry their own insurance and/or that they (the buyers) carry insurance themselves. Those who do require that their local farm suppliers carry insurance require liability insurance; several buyers gave a figure of \$1-to-2 million in coverage. This depends upon the scale of the farmer and also the crops which are being purchased. Certain crops, such as mushrooms and juices, may require a higher level of insurance. Buyers who require supplier liability coverage fell into every category of our study, from small restaurants to grocers and distributors.

For a more thorough discussion of Insurance Coverage Options for Fresh Produce Growers, see Appendix 17. For a sample insurance certificate, see Appendix 16.

## Other Requirements

Some buyers, such as Sandhills Farm to Table Cooperative and Piedmont Local Food have membership requirements. Bon Appetit suppliers must qualify with its Farm to Fork program (see <http://bamco.com/sustainable-food-service/farm-to-fork>). Piedmont Local Food requires its farmer/suppliers to attend food coalition meetings every two months, while Farmhand Foods requires attendance on an annual basis. Others (French Broad Food Co-op) require assurances or certificates of organic practices, or – like Whole Foods - require organic certification if the food is represented as organic.

## Part IV. Marketing: Strategies to Increase Your Sales

Once you have selected your product, given it a trial run, created a relationship with a buyer or buyers, and gotten the details of production and deliver down, it is time to turn your attention to enhance your marketing and sales. Conducting your own farm/brand marketing campaign (independently of buyers) and coordinating with others can increase sales and make you more attractive to vendors. According to Matt Felling of Greensboro's co-op Deep Roots Market, "when farmers can do their own marketing, it helps them sell through us and through multiple channels." This can be accomplished in a number of ways, including partnering with your buyer.

Strategies to increase your market include:

- Work with your media outlets (for example, newspaper, magazines, television, websites, and blogs) to tell your story. "Profiles of area farmers can further help rebuild the

connection between consumers and the people who grow their food; and a seasonal produce chart, regional calendar of events, and area map can help maintain that connection throughout the year.” (ASAP)

- Use social media (Facebook, etc.) to promote your brand and products.
- Provide buyers and potential buyers with information about your farm and products.
- Team up with a cooperative or distributor who will represent you to the public and market your products. For example, one specialty distributor sold \$425,000 to its subscribers in 2011, with farmers receiving 70% of food dollars spent.
- Attend a retailers’ open house event to introduce your products.
- Contact your local cooperative extension agents to identify produce auctions, independent food distributors, Farm To School activities, organized farmer groups, and other types of assistance.
- Seek newly-developing food businesses that are looking for crops and products to purchase. For example, herb growers may sell to bakers, salsa popsicle makers.
- Develop value-added products based on your crops. Many buyers require these items be prepared in a certified commercial kitchen and there are now several such facilities now open across the state (See Appendix 4). These organizations are often called “business incubators” as they provide space and equipment for farmers and for others developing food products and businesses. Each of these facilities charges a fee for use and requires training to use the facility and equipment.

### **Community Kitchens**

**Visit community kitchens to find potential buyers and value-added products to create from your crops.**

- Find out about resources provided by business incubators (for example, Greensboro’s Nussbaum Center for Entrepreneurship Inc., and Orange County’s two farm to fork related incubators: the PLANT @ Breeze Farm Enterprise Incubator, a new farmer training program, and the Piedmont Food & Ag Processing Center, a food business incubator).
- Working in the larger community to increase the market for local foods will also help increase your sales in the long run. A list of suggestions is provided in Appendix 14.

## **Appendix 1. Acronyms**

AWA - Animal Welfare Approval

CSA – Consumer Supported Agriculture

FDA – U.S. Food and Drug Administration

GAP - Good Agricultural Practices

GHP - Good Handling Practices

GMO – Genetically-modified

GMP - Good Manufacturing Practices

NCSU – North Carolina State University

POS – point of sale

## **Appendix 2. The NCDA North Carolina Farm to School Program**

The NCDA North Carolina Farm to School Program is a collaboration of the state's Marketing and Food Distribution Divisions to invite groups of farmers to supply school districts with fresh produce. The NCDA works with an Advisory Board to select crops that schools would like to purchase during the school year (August to June) and select trial products for the year. NCDA then facilitates the bidding process to supply each quarter's crop needs, and the Advisory Council selects the bid winner (generally the bid with the lowest price).

The farmer group that wins the bid will work together to pack and prepare the orders to be picked up at three sites, trucked to NCDA warehouses, and then sorted into orders which are then delivered on a 23-week schedule using NCDA Food Distribution trucks. To assure quality, there is now a point of sale inspection at the farms before the produce is picked up.

Participating school districts can then order as they wish during the school year. Districts vary in how their bid processes work and what their bid thresholds are; for example, schools may be able to purchase blueberries directly from a farmer if the value is below a threshold. In 2012, 85 school districts participated in the program.

Heather Barnes, NCDA Marketing Specialist, said, "smaller farmers may not find it financially worthwhile" to work with the NC Farm to School Program, which requires farmers who participate to be GAP-certified (USDA Good Agricultural Practices) and have \$2 million of liability insurance. They must also be members of the NC Farm to School Cooperative, which is a group of farmers who join together to submit bids that will cover all the crops of interest.

There are some built-in limitations to the program: (1) Funding levels for child nutrition programs may be too low to support purchase of fresh produce; (2) Federal requirements now increase the fruit and vegetable amounts for each meal and specify appropriate methods of preparation (such as no sweet potato fries); and (3) School kitchen capacity and staff may not be sufficient to deal with fresh produce, including refrigeration, storage, and preparation areas and time.

For more information about grower participation, contact Tommy Fleetwood in NCDA Marketing at 252-331-5773. For more information about the NCDA-Child Nutrition partnership, contact Heather Barnes, also in Marketing, at 919-707-3127.



### Appendix 3. Chatham Marketplace Co-op: Become a Supplier

Producer Name (required)

Date questionnaire completed (required)

Farm or Business name

Address

County

Phone

Email (required)

Zip Code

Fax

Farm address (if different from above)

Size of Farm

Size of current production area, in acres or square feet

How long have you farmed there?

Distance from Pittsboro

What products would you like to sell to the co-op? Please check all that apply

- produce (fresh fruits, vegetables, flowers, mushrooms)  dairy/eggs (cheese, milk, yogurt)  Meats (processed, frozen or fresh)  Processed goods (baked, jams, jellies, salsas, teas, etc.)  Other

If other, please specify

Is your farm certified USDA Organic?

- yes  no

If yes, please provide copy of your application for Organic certification. Although it may seem redundant, we would still request that you complete this questionnaire as it will help Chatham Marketplace get to know you better than we could by merely reading your certification application.

When would you be able to begin providing your products to CM?

Employees: What percentage of work (approximately) is done by others than family members?

Are your employees (please check all that apply)

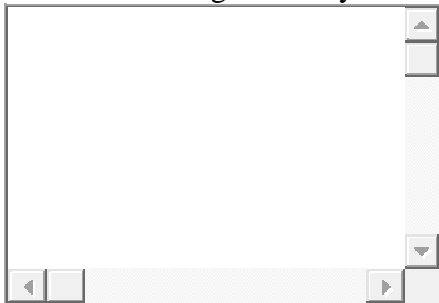
- full time  part time  seasonal  migrant  interns

In a sentence or two, would you please describe working conditions for your employees?

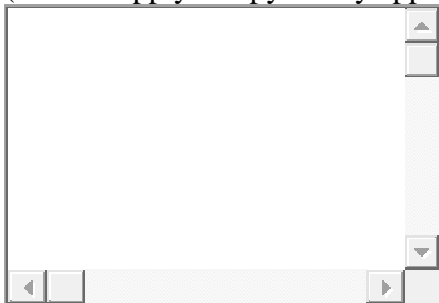
What soil conservation practices do you use?

An empty text input field with a light gray background and a thin black border. It features a vertical scrollbar on the right side and a horizontal scrollbar at the bottom, both with standard arrow and track icons.

What sort of irrigation do you use?

An empty text input field with a light gray background and a thin black border. It features a vertical scrollbar on the right side and a horizontal scrollbar at the bottom, both with standard arrow and track icons.

Please list any inspections, licenses or certifications that you do have with expiration dates.  
(Please supply a copy of any application documents listed.)

An empty text input field with a light gray background and a thin black border. It features a vertical scrollbar on the right side and a horizontal scrollbar at the bottom, both with standard arrow and track icons.

Describe any practices or characteristics unique to your farm that you believe add value to what you produce.

Are there any things you want us to know about your farm?

Source: <http://chathammarketplace.coop/departments/become-a-supplier> [accessed 11/8/12]

### Appendix 4. Commercial Kitchens List (2011)

Name and Date Opened	Description	Location and Contact	Website
Anson Kitchen (2010)	Commercial processing for community	514 N Washington St. Wadesboro, Anson Co. (704) 272-5457	<a href="http://ansonkitchen.org">ansonkitchen.org</a> ; <a href="http://www.nvbd.org/kitchen.htm">http://www.nvbd.org/kitchen.htm</a>
Blue Ridge Food Ventures (2005) LLC Advantage West	Regional value-added food processing center	Asheville, Buncombe Co. Mary Lou Surgi 828-348-0128	<a href="http://www.advantagewest.com/content.cfm/content_id/144/section/food">http://www.advantagewest.com/content.cfm/content_id/144/section/food</a>
Burgaw Incubator Kitchen at the Historic Depot (2009, 2011)	Commercial community kitchen aggregation facility	Burgaw, Pender Co. (910)259-2151 or 910-547-0669 Gailyn Gagliardi	<a href="http://townofburgaw.com/historic-depot/incubator-kitchen/">http://townofburgaw.com/historic-depot/incubator-kitchen/</a>
Eastern Carolina Food Ventures Ag Processing Center (2010)	Aggregation & regional value-added processing center	Warsaw, Duplin Co. Lynn Davis 910-290-0525; Teresa Davis 910-271-1750; or (910) 293-2001	<a href="http://www.jamessprunt.edu/kitchen.html">www.jamessprunt.edu/kitchen.html</a>
Madison County Cooperative Extension Community Kitchen (2006)	Commercial processing and aggregation kitchen for community	Marshall, Madison Co. (828) 649-2411	<a href="http://www.madisonfarms.org/">http://www.madisonfarms.org/</a>
Piedmont Food & Agriculture Processing Center (2011)	Regional value-added food processing center	Hillsborough, Orange Co. (919) 245-2336	<a href="http://www.orangecountyfarms.org/pfap/index.asp">http://www.orangecountyfarms.org/pfap/index.asp</a>
Rockingham Community Kitchen (2006)	Commercial processing kitchen for community	Madison, Wentworth, Rockingham Co. (336) 342-7853 Rockingham County Extension	<a href="http://www.rockinghamkitchen.org">www.rockinghamkitchen.org</a>
Stecoah Valley Food Ventures (2005)	Commercial processing kitchen for community	Robbinsville, Graham Co. (828) 479-1466	<a href="http://www.stecoahvalleycenter.com/">http://www.stecoahvalleycenter.com/</a>
The Cookery (2011)	Commercial processing kitchen - membership required	Durham, Durham Co. (919) 908-8974	<a href="http://www.durhamcookery.com/">http://www.durhamcookery.com/</a>

## Appendix 5. Directories of Local Foods Buyers and Sellers

The following is a list of web-based directories of companies that sell local foods, are possible buyers for local foods farmers, and are opportunities for farmers to list their own crops and products. Please note that they are not necessarily complete or up-to-date.

1. Appalachian Sustainable Agriculture Project (ASAP) provides a listing for western North Carolina and bordering counties in other states. <http://www.buyappalachian.org/>
2. Carolina Farm Stewardship Association (CFSA) has just completed a new “Local Foods Finder” for North and South Carolina. <http://localfood.carolinafarmstewards.org/browse.php>
3. The Center for Environmental Farming at NC State University, the home of the 10% Campaign, lists Campaign partners. <http://www.ncsu.edu/project/nc10percent/partners.php>
4. Goodness Grows in North Carolina - the General Store - lists items by county and crop/agricultural sector, and includes information on member farms, businesses, and retailers. <http://www.ncagr.gov/markets/gginc/store/index.htm>
5. Got to Be NC [www.gottobenc.com](http://www.gottobenc.com) is a rich listing of food companies in North Carolina.
6. NC Specialty Foods: <http://www.ncagr.gov/markets/specfoods/index.html>

### **National**

1. Eat Well Guide has about 25,000 listings including almost 1,500 in NC. (607 farmers, 211 farmers markets, 196 restaurants, 149 stores, etc). The default is alphabetic by town, but there are advanced search options that can more closely link categories with a location. This site can also give a list based on a trip, with starting and ending addresses. [www.eatwellguide.org](http://www.eatwellguide.org)
2. Local Harvest by Slow Food is easy to use, has a clear map function and links to online stores. [www.localharvest.org](http://www.localharvest.org)

## Appendix 6. Web Resources

For further information on specific subjects/geographies, we recommend the following:

### **Communication & Relationship Building**

➤ **Think like a chef or restaurant manager**

Chefs Collaborative <http://chefscollaborative.org>

NC Restaurant & Lodging Association [www.ncrla.biz](http://www.ncrla.biz)

National Restaurant Association [www.restaurant.org](http://www.restaurant.org)

Growing Small Farms <http://growingsmallfarms.ces.ncsu.edu/growingsmallfarms-marketingrestaurants/>

➤ **Think like a wholesale food buyer**

Sysco [www.sysco.com](http://www.sysco.com)

U.S. Food Service <http://usfoodservice.com>

Gordon Food Service [www.gfs.com](http://www.gfs.com)

➤ **Think like a grocer**

NC Retail Grocers Association [www.retailfoodsafety.org/state/nc/rail-grocers-association/](http://www.retailfoodsafety.org/state/nc/rail-grocers-association/)

Growing Small Farms <http://growingsmallfarms.ces.ncsu.edu/growingsmallfarms-marketingretailers/>

National Grocers Association [www.nationalgrocers.org](http://www.nationalgrocers.org)

Supermarket News <http://supermarketnews.com>

IGA (Independent Grocers Alliance) [www.iga.com](http://www.iga.com)

National Cooperative Grocers Association [www.ncga.coop](http://www.ncga.coop)

### **Marketing**

Feast Down East <http://www.feastdowneast.org/findachef.html>

Growing Small Farms <http://growingsmallfarms.ces.ncsu.edu/>

Growing Small Farms <http://growingsmallfarms.ces.ncsu.edu/growingsmallfarms-marketing/>

Appalachian Sustainable Agriculture Project <http://www.asapconnections.org/index.php>

### **Packaging**

The Packer [www.thepacker.com](http://www.thepacker.com)

Produce Market Guide [www.producemarketguide.com](http://www.producemarketguide.com)

ServSafe Essentials- FDA trainings available [www.servsafe.com](http://www.servsafe.com)

Center for Innovative Food Technology <http://ciftinnovation.org>

Cold Chain Technologies [www.coldchaintech.com](http://www.coldchaintech.com)

Packaging Digest: Materials, Equipment & News [www.packagingdigest.com](http://www.packagingdigest.com)

NC Dept of Health and Human Services <http://publichealth.nc.org>

### **Labeling**

U.S. Food Labeling Guide III [www.foodinstitute.com/labeling.cfm](http://www.foodinstitute.com/labeling.cfm)

Resource for labels, table tents, etc [www.usalabelexpress.com](http://www.usalabelexpress.com) and [www.onlinelabels.com](http://www.onlinelabels.com)

USDA <http://www.ers.usda.gov/topics/food-safety/labeling-information-policy.aspx>

UPC Codes (see next page for more information) [www.gs1us.org](http://www.gs1us.org)

### **Business Printing**

Business cards [www.vistaprint.com](http://www.vistaprint.com) and [www.123print.com](http://www.123print.com)

## **GAP Auditing and Certification**

Harvest Crew Audit Guidelines [full length], Primus Labs, July 2007.

<http://www.primuslabs.com/docs/guidelines/v0704Harvestcrewauditguidelines.pdf>

Ranch Audit Guidelines [full length], Primus Labs, April 2007.

<http://www.primuslabs.com/docs/guidelines/v0704ranchauditguidelines050107.pdf>

Guidance for Industry Guide to Minimize Microbial Food Safety Hazards For Fresh Fruits And Vegetables, US Food and Drug Administration, 1998.

<http://www.fda.gov/ohrms/dockets/98fr/97n0451.pdf>



## Appendix 7. What to Expect As A Farmer

### Source: Feast Down East

**Commit** – Be reliable and consistent in your selling relationships. Deliver what you say you will deliver; show them why buying local is so superior.

**Maintain communication** – Tell them what is going on at your farm, follow up on deliveries and find out what was appreciated or what can be improved. Some farmers find it's best to call every week [see timing below] and update chefs on what is currently available. It's all about building a relationship so that your clients call on you consistently!

**Schedule** – Find a delivery time that is efficient for you, but also works for the chef. Know their busy times and plan your visits and calls around them. Developing a schedule will ensure your chefs stay well stocked; it's important that they have a steady stream of fresh products during the week.

**Sell what you can deliver** – Know the kitchen's needs and plan accordingly. Chefs expect a certain quantity. Look at past invoices, if available, so you can reliably predict what you will be able to offer through the season. And if your product changes, call and ask if they still want it. Never assume.

**Sell your product** – Market yourself. Make personal visits to the kitchen and attend farmers' markets. Free samples are always a great opportunity for you to sell yourself and remain top of mind. Make suggestions to help chefs better use your product, especially if you offer something special or unusual; help them plan a menu around your produce. The easier you make their job, the more likely they will call on you again.

**Know your customers and their customers** – Eat at the restaurants and find out how your product is used. Ask to see a menu, or sample seasonal menus if available, and find ways to fit your products into them. (Many restaurants list menus on their website, if they have one.) To put it simply, when a need doesn't exist, it's your job to create one.

**Be professional** – It seems to be common sense but often goes unpracticed: be patient, diligent, on time, courteous, prepared, and call if you will be late.

**Billing** – Establish an account with your clients. It's more efficient for everyone involved.

**Specialize and Diversify** – Why should they buy from you? Determine your competitive advantage and tell your chefs about it. Talk with chefs, find out what they need in particular, then tell them how you can fill that void. Some growers find it works best to concentrate on one or two strong crops, others find it's better to offer a variety and be able to cover most of a chef's produce needs for a week.

<http://www.feastdowneast.org/findachef.html> Feast Down East accessed 10/2012

## **Appendix 8. Prospective Growers Protocol for Producers Interested in Joining Sandhills Farm to Table Cooperative**

Thanks for your interest in the Co-op.

Regional food systems are an idea whose time has come again and, given spikes in fuel worldwide, likely to become "the new normal."

Sandhills Farm to Table Co-op is looking to make connections and solve problems on a regional scale. We expect our market share to expand over the years. We seek community solutions. Our mottoes are "Neighbors Feeding Neighbors" and "We're All in This Together." Are you interested in working together to find community and regional solutions for our area's food needs and issues?

### **Products that can be offered through SF2T:**

- Product Categories include: Food, Pet Food and HABA [health and beauty aids]
- Ag products must be "local" meaning:
  - Ag products are grown in Moore County or the 8 contiguous counties
  - Ag products not grown in 9 counties, then a County contiguous to them
  - Ag products not available in either of the above (seafood), then closest source within NC
- Value added products
  - a. Made in the "local" area as defined for Ag products
  - b. Made by a vendor who agrees in writing to using local ingredients to the extent possible, and demonstrates this commitment in their actions.
  - c. Made from local ingredients, to the extent possible - recognized exceptions where ingredient cannot be local (coffee roasted locally), or is not currently available locally.

### **"How can I market my products through Sandhills Farms to Table Cooperative?"**

There are several ways: fresh produce through the Produce Boxes; through our mobile market (coming Spring/Summer '12); through our new online store.

- **Our signature Produce Boxes:** New producers usually start as a fill-in and backup, and may grow into principal suppliers over time. Niche or unusual items of sufficient quantity are also a good way to start. The farmers that built us the first year, of course, will be given some preference, but as we grow we see areas for expansion - several current niches exist now. For example, members would like some organic produce, and we'd like to highlight anyone transitioning to USDA certification. Or, there are crops we'd love to include in the box that no one is currently growing like plums, pears, fingerling potatoes.

- **Mobile Market:** Our new distribution system for meats, dairy, eggs & fragile goods will be our pre-order Mobile Market which is launching this season once appropriate licensure & logistics are in place. Much like the online store, the Co-op gathers orders from members, does all the paperwork and payments, and farmers/vendor will deliver to our Packing Facility. From there, we'll make rounds to gathering sites delivering these cold trail items ensuring rotation between as many sites as possible on a weekly basis over the season.
- **Online Store:** An offering of a wide variety of value-added products and produce unsuited for the Produce Box because they are too expensive or their quantities are too small. Also an outlet for flowers, soaps, transportable baked goods, jams, honeys, salsas, pickles and other value-added products. Members order from items listed in the Online Store, and the products are delivered along with the weekly Produce Boxes. Examples include bulk sales of product for consumer-member canning and preserving, or extra jars of jam, flowers or bread.

To take advantage of any or all three of these options, the first step is to become a member. You will own a share in the Co-op, and have representatives on the Board.

**To become a producer member of SF2T**, the best steps to follow are this simple protocol.

1) First and foremost, read our extensive **Frequently Asked Questions** on the Produce Box subscription program: [click here](#). There will be a test! (Just kidding of course, but it is surprising to us how few farmers and vendors approach us without a fundamental understanding of what we're trying to achieve here - on one hand, it simply looks like just another market, but on the other, it is actually a community "coming-together" over food needs, to solve problems and make connections on a small, regional scale. Farmers own a stake in their markets - and consumers do too, making it a "dynamic accommodation" - with, frankly, a tremendous amount of good will from both sides. The principle that informs our actions is "We're all in this together." It's a different model.)

2) It's important that farmer/producers have email, particularly those outside Moore County. Much communication happens that way. It's pretty hard to get everything done that needs doing without computer access and an email account.

3) If you like what you read online, the first step is to join online as grower member-owners (\$25). [Click here](#) and follow the link for New Members. Be sure to click the "I want to be a vendor box". **Do this at least four weeks minimum before you anticipate having product ready;** The earlier the better, even pre-harvest, given the furious rush of produce season.

4) \* Once you have joined as a member, send me an email: [Jan@sandhillsfarm2table.com](mailto:Jan@sandhillsfarm2table.com) letting me know that you've joined and what you would like to provide. That will help me look out for your membership among the hundreds. I will contact you directly, and we'll figure out where there might be possibilities. This is a collaborative effort. We work together. We want

you to succeed, and will do our part within the limits of our structures. Our Co-op endeavors to be as farmer-friendly as possible.

5) You can download our simple Grower's Form by [clicking here](#) and Producer's Policies by [clicking here](#). These must be filled in and in my hand before any product can be scheduled to be sold. We will create an online profile of your farm using this info, so be sure to detail what makes your farm and products unique; ie, multigenerational/historical farm, sustainable practices like crop rotation, covers crops, compost, etc., IPM, USDA organic certification, heritage breeds, pastured or grassfed, etc.

6) The Co-op also needs proof of liability insurance, in the minimum amount of one million dollars, with the Co-op named as "additional insured," verification to be provided to the Cooperative either by fax or regular postal mail. This too must be in hand before any product can be scheduled to be sold.

7) The farmer/producer member needs to then contact our bookkeeper to set up payment information such as billing address, farm/ taxID number, etc. We pay very promptly, usually the week after produce is delivered (for the Produce Box) and soon after for Market Days. We endeavor to set an industry standard for being farmer-friendly in invoicing. This too must be in hand before any product can be scheduled to be sold. We will connect you when you join.

8) We want to help you - *and* we have some inflexible deadlines. Once your produce/product approaches readiness, prompt and accessible communication with me will be critical. Several farmers missed out on orders when critical inquiries were not returned by the time decisions needed to be made. Please help us help you by returning calls promptly.

9) Produce and product quality must be top notch. Our mission statement says "to sell quality food at a quality price." Our consumer-members expect highest quality - not that there can't be a special place for smallish seconds or "canners," but they must be advertised as such, and it's not a good idea to surprise either me or the Produce Manager. Again, good communication can allow me time to educate members over an unexpected turn of events via the newsletter. No surprises! And it's always better to underestimate quantities than overestimate.

10) The Co-op includes produce in the weekly boxes at the previously agreed, quality retail prices (Fresh Market, Farmers Market, Harris Teeter.) Farmers generally receive 70% of the food value in the box. We will work out a price in advance of including it in the Produce Box. In the Online Store, farmers and vendors can set whatever price they like, just as with a Farmer's Market, with other often offering similar seasonal items at their own prices. The Co-op charges a percentage for generating orders from members, billing, handling, bookkeeping, as well as packing and delivery.

11) Produce will need to be delivered to our loading docks at the time specified. Again, when individuals are chronically late and hold up the entire packing line (including volunteers), this creates an understandable reluctance to reorder. Accurate counts are also needed.

12) With delivery, the farmer/producer will include an invoice from which our Produce Manager checks off deliveries and produce quality, and from which the farmer/producer gets paid. Again, we are farmer-friendly, and strive to pay by the next week after delivery. Often, there might be some discussion right there on the dock about what products might be offered in the future.

Jan Leitschuh - Farmer Relations  
Kelly Pritchard - Market Day and Online Store Coordinator  
Sandhills Farm to Table Cooperative.

If you have questions after reviewing this information, you may contact me at:  
[jan@sandhillsfarm2table.com](mailto:jan@sandhillsfarm2table.com)

Source: [https://coop.sandhillsfarm2table.com/get\\_involved/prospective\\_growers.php](https://coop.sandhillsfarm2table.com/get_involved/prospective_growers.php)  
accessed 2/11/2013

## Appendix 9. PiedmontLocalFood.com Farmer's Agreement

Farmers wishing to sell their products through PiedmontLocalFood.com must adhere to the following:

- **NO RESELLING OF PRODUCTS.** Farmers must grow what the farm lists to sell. No exceptions. Value-added products must be produced in an appropriately certified kitchen within a county where the PiedmontLocalFood.com offers services to the farmer community.
- Farmers must have access to a computer. Email must be checked daily in order to participate in this program. This is a crucial link between you and the chef/consumer.
- Farmers/Growers must present a copy of farm certification form from their Agriculture Extension Agent that lists all products you are growing on your farm.
- Prior to your first listing on PiedmontLocalFood.com, you must present, to have on file with Rockingham County Local Food Coalition, Inc. (hereinafter referred to as "Coalition"), a copy, if applicable, of your Organic Certification, Meat Handlers Certificate, Kitchen Certification for prepared foods, a signed W-9 form or any other necessary certifications. The products must meet all local, state and federal guidelines.
- It is highly recommended that all growers receive GAP (Good Agriculture Practices) training and certificate. \*This will be noted on website if farmer has training.
- Farmers/growers must arrive on time at the distribution sites with their products ready for shipment.
- Random farm visits will occur each season. The farm could be visited at anytime by the Coalition staff and/or board members. If questions arise concerning the authenticity of products grown, a farm visit will occur.
- Coalition board members have the right to pull products not deemed suitable to Coalition's objectives and signed agreements.
- Any farmer/grower may be removed from Coalition and PiedmontLocalFood.com if there are any infractions of rules/recommendations. In such instance, annual dues and other fees will be forfeited.
- Farmer/Growers will make efforts to raise food in the most sustainable manner.
- Amendments to this document may be made at anytime at the Board of Directors discretion.

I agree to abide by the guidelines above.

Print Farm Name \_\_\_\_\_

Signature \_\_\_\_\_

Print Name \_\_\_\_\_

Date \_\_\_\_\_

## Appendix 10. Eastern Carolina Organics “Grow With ECO”

Interested in becoming an ECO grower? We're always looking to speak with and possibly partner with new farms in our quest to build the local organic food movement. In particular, ECO is interested in building relations with Carolina growers who:

- Are certified organic or are willing to get certified
- Have experience in farming and can produce at least 1 acre of vegetables
- Have crop appropriate infrastructure, such as
  - Computer/Internet access
  - Irrigation
  - Post harvest washing, packing, and refrigeration
  - Transportation
  - Greenhouse

ECO's core growers work closely with our Production Coordinator to set crop plans for the year, based on market demand and farm resources. Our goal in coordinating production is to create a year-round supply of fresh local produce and reduce the overproduction of items that everyone grows. We have the unique opportunity to produce a year-round supply because of the multiple climates represented in North Carolina. We can often use products from any region at any time during the year, but we are very interested in establishing relationships based on mutual production goals. For more information, [contact Trace](#).

Source: <a href="http://www.easterncarolinaorganics.com/grow.php">http://www.easterncarolinaorganics.com/grow.php</a> Accessed on 10/18/12.
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## **Appendix 11. Eco Growers Marketing Agreement as of September 2012**

**Eastern Carolina Organics (ECO)** markets and distributes wholesale organic produce to retailers, restaurants and buying clubs as well as other produce wholesalers. ECO is farmer and employee owned with eighty percent of its sales returned directly to the growers. Customers get fresh organic veggies and fruits, along with the knowledge that they are enabling farmers to protect their family land, and farmers get access to wider distribution and marketing.

As a cooperatively-minded marketing and distribution service, ECO's success depends on each grower's commitment to superb quality, dependability, honesty and integrity in all of our associations and transactions.

### **General Policies**

1. In most cases, 80% of the final sales price is paid to the grower, while 20% is retained by ECO for all operating expenses. Growers are encouraged to provide information and feedback to ECO staff about setting prices for their products. ECO relies on this information plus market conditions to get the very best price back to the grower. Prices will vary depending on many factors including crop variety, available volume, harvest window and product quality.
2. ECO only works directly with individual producers of any given product. No farm can attempt to represent produce to ECO that is not grown on their own individual farm (i.e. neighbors' produce). An exception would be a farm that also has certification for organic handling. All cases of representing produce through an organic handling permit must be made plain before ECO markets the product. ECO may decide not to market the product for any reason.

### **Responsibilities of ECO Growers**

1. Growers are expected to follow the sales schedule and call or email their availability prior to the advertising of product. The schedule is as follows:
  - a. For the lists generated on Monday afternoon (for product delivered to the ECO warehouse on Wednesday and distributed Thursday/Friday) growers must call in or email their availability before noon on Monday.
  - b. For the lists generated on Friday morning (for product delivered to the ECO warehouse Monday and distributed Tuesday) growers must call in or email their availability before 9:00 Friday morning.
2. Growers are expected to understand how to pack produce for wholesale. This includes understanding the grading specifications for each product as well as using the correct or appropriate new box, bag, clamshell or other container for that particular product.
3. Growers are expected to pay for all additional costs associated with packaging and labeling including boxes and PLU stickers as determined by the grower and ECO staff, depending on particular customer & product needs. Growers may elect to purchase ECO branded PLU and box stickers directly from ECO or they may buy or make their own. When ordering their own PLU stickers the growers are responsible for determining the correct PLU number in advance.
  - a. PLU stickers *must* contain the following information – The correct PLU number, the name of the product preceded by the word “Organic” and the term “Produce



- of USA”. Additionally the PLU sticker *may* include the name of the farm and the name of the farm’s organic certifier.
- b. For growers making their own box labels, the label *must* contain the following information – Farm name, product (preceded by the word “Organic”), product pack size (ex. 12 count, 20 pounds, etc.), name of organic certifier and lot number.
  - c. For labels on individual retail clamshells or bags, the term “Produce of USA”, volume or weight of the individual pack *must* also appear.
4. Growers should follow post-harvest, packing, USDA grading and storage standards relating to appearance, freshness and handling. Any questions regarding these standards should be directed to the Quality Manager. ECO cannot sell product of a compromised quality, as it impedes ECO’s ability to continue to sell that product in future weeks for other farms. Therefore ECO staff reserve the right to reject any product that comes in that is judged unacceptable by these standards or for lack of communication prior to shipment. ECO is not responsible for any payment of such product and in most cases will send the product back to the farm, donate or compost the item(s), as agreed upon with the grower. Any expenses associated with grading or disposing of such product will be charged to the grower.
  5. ECO only pays growers for product that is sold and does not attempt to keep a running inventory of produce. However, depending on the season and the product, ECO may allow growers to deliver more product than is needed for one delivery for greater efficiency and profitability for the grower. If any of these consignment products develop quality problems that are not due to ECO mishandling, ECO is not responsible for payment of this product to growers. The grower always has the option of taking the product back for regarding at the time of their next delivery.
  6. Growers agree that ECO is not responsible to pay growers for free samples that they distribute in small quantities to customers, as this is important marketing for their products.
  7. ECO growers are responsible for maintaining their organic certificate (for certified organic growers) and providing annually updated documentation to ECO. If any discrepancies or changes arise regarding a farm’s organic certification, farmers are responsible for notifying ECO immediately to prevent misrepresentation of their product.
  8. ECO growers should make every effort to produce and deliver all farm products signed up for with the Production Manager after the various production planning sessions. Although a grower is not responsible for problems beyond their control, each grower’s production has an effect on the other growers and ECO’s relationship with customers as a whole.
  9. Growers should communicate regularly with ECO staff concerning the progress of crops and any issues relating to production. This includes a minimum three-week notice before harvest begins and a weekly (or bi-weekly) projection for dates and volumes of harvest and delivery. ECO cannot market items and volumes that are not included on the sales availability sheets, and therefore needs all growers to comply with the schedules of availability notification.
  10. ECO cannot guarantee production results or profit and therefore, growers must agree to release ECO from any and all liability for any issues that occur as a result of ECO’s advice or requirements regarding production.

**ECO Commitments and Services**

1. ECO will provide a central warehouse, refrigerated storage, and marketing and distribution services for quality organic produce grown by its members and other Carolina organic farmers.
2. ECO has a priority to serve its owner-investors first. Through annual production planning during the winter and close communication throughout the seasons, ECO will work to emphasize and optimize sales of owner-product. Although ECO makes every effort to maintain an open, democratic system for selling fresh produce and in most cases ECO can sell non-planned available produce, non-owner growers understand that the annual production planning is tailored to meet regional market demand by serving owner-growers first.
3. ECO uses its best effort through relationships and marketing to get the highest overall price for produce and uses sound business practices to keep ECO’s expenses as low as possible.
4. ECO accepts financial responsibility for any mistakes regarding handling of produce after growers’ delivery and delivery to customers.
5. When requested, ECO seeks to serve growers by recommending sources for and varieties of seeds, plants and certified organic amendments as well as to share production recommendations and quality standards among the network of growers.
6. When requested, ECO will provide growers with support/resources in dealing with individual organic certification issues and support growers in dealing with various certification agencies.
7. Through Purchase Orders and sales records, ECO performs financial accounting for all transactions between growers and ECO, between buyers and ECO, etc.
8. ECO strives to pay growers within 4-6 weeks of product delivery, minus all packaging charges and retained earnings.

**Response Protocol to Violations**

1. As approved by the Board of Managers in 2012, any violation to these agreements will result in a swift meeting of the Board, and a corresponding probationary period wherein the grower might be required to end their marketing relationship with ECO (depending on the seriousness of the situation), as determined by the Board.

*ECO is committed to serving the needs of its growers to the best of its ability and in the spirit of cooperation & sustainability.*

Unanimously approved by ECO’s owners, this agreement is to be signed by all growers marketing produce through ECO.

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Name	Farm	Date
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## Appendix 12. Case Study

### More grocers looking for local flavor

Friday, April 27, 2012, *The Business Journal*

[Cathy Dunn](#) had enjoyed plenty of success with a recipe for homemade biscuits she's used to supply her chain of Lexington restaurants.

So Dunn set her eyes on a new goal — getting her products onto the shelves of one of the nation's largest health foods grocers: Whole Foods Market. “The goal was to get into Whole Foods from Day 1,” said Dunn, owner of the Biscuit King restaurants.

After creating a “healthier” version of her biscuits, using unbleached flour and hormone-free buttermilk, Dunn walked into the Winston-Salem Whole Foods store on Miller Street with a cooler full of the 169-calorie product and made her pitch.

“I talked to their frozen food manager,” Dunn said. “He said ‘we’ve been looking for something like this. He called me back the next day.’”

About six months after initial conversations — and adding aluminum-free baking powder per Whole Foods' request — Dunn signed a vendor agreement to deliver dozens of “Cathy's Homemade Biscuits,” to the Winston-Salem store. Today, she delivers the biscuits about twice a week to eight Whole Foods stores across North Carolina and is set to launch the product throughout the chain's South region in the coming months.

Dunn's six-month odyssey — filled with paperwork, persistence and patience — is indicative of a trend in which Triad entrepreneurs are increasingly placing their products on the shelves of niche and mainstream grocery store chains. They are being aided by the chains' own growing desire to seek out greater selections of local foods, ranging from barbecue sauce to baked goods to locally grown produce. Many chains aren't just open to the prospect of local vendors; they are encouraging them by dedicating staff to working with them and, in some cases, even offering financial assistance.

During the past year alone, at least five local entrepreneurs have landed their products on the shelves of Matthews-based [Harris Teeter](#); Austin, Texas-based Whole Foods Inc.; Greensboro-based The [Fresh Market Inc.](#); and [Lowes Foods](#) of Winston-Salem.

Demand for local foods is certainly nothing new, but the trend has grown thanks to consumers who want to reinvest in local businesses and are willing to pay a premium for fresher, healthier products as concerns over everything from food safety to the obesity epidemic rise.

“The average American wants to support local communities and local businesses,” said [Phil Lempert](#), editor of the Supermarket Guru publication in Santa Monica, Calif. “We want to get away from the factory farming situation.”

For grocers, it's increasingly a way to differentiate themselves in local markets, said [David Livingston](#), a Wisconsin-based supermarket analyst. Companies recognize the psychological connection that consumers have with a product made by a person they know (or could know) as opposed to random company "XYZ," he said.

Local entrepreneurs' ease of entry into the market is aided further by the emergence of social media tools they can use to promote their brand and resources provided by business incubators such as the Nussbaum Center for Entrepreneurship Inc.

That said, the process of becoming a local vendor can be a laborious undertaking.

Vendors face the responsibility of manufacturing, marketing, packaging and delivering their product store to store. For example, Dunn's crew delivers biscuits by truck about two days a week to the Whole Foods stores and three Fresh Market stores and replenishes orders based on demand. Dunn said zigzagging across North Carolina to make deliveries is challenging and expensive due to higher gas prices, but "in business you've just got to do what it takes."

Even after all that effort, there's no guarantee for success: If there is demand, the product gets to stay. If there isn't, the store will stop carrying it.

"Everybody thinks that they can take their grandma's recipe for something, go into business and be a huge success," Lempert said. "The food industry is a much more complicated business than people realize. This is a full-time job; this is not a hobby."

## **Opening the doors**

To be clear, grocery store chains including Whole Foods, The Fresh Market and Lowes Foods have always worked with small local vendors, ranging from biscuit or salsa makers to local farmers, but company officials say there has been a concerted effort in recent years to actively search for local brands and make the process of getting on the shelves faster and easier.

Grocers are reaching out to vendors by holding open houses and hiring dedicated staff members to assist entrepreneurs with everything from pricing to product development.

"We used to have local vendors come to us, and they'd say 'hey, I have a great product,'" said Christopher van't Wout, local marketing coordinator for The Fresh Market. "Now we actively pursue and go out into communities and look for products that we can bring into our stores."

For example, The Fresh Market held a vendor open house last month at the O. Henry Hotel in Greensboro. Of the 100 local businesses that showed up, 10 have been signed on as vendors, van't Wout said.

"Two have immediately gone national," he said.

The Fresh Market is seeking out these local products because customers are demanding them.

“I think people like to buy local products; they want to reinvest in their community,” van’t Wout said. “If you spend a dollar in your home community, how much of that stays in that community against buying a big national brand?”

The effort to find local products is especially important for The Fresh Market, which is expanding with 16 stores this year.

“It’s easy to find great local products in North Carolina, but let’s find those great products in Rockville, Md., or in New Orleans or South Florida,” said [Marc Jones](#), The Fresh Market’s senior vice president of marketing and merchandising.

Like The Fresh Market, Whole Foods has also increasingly reached out to vendors by assigning specific staff members to hold office hours, review products and guide potential vendors through the process.

“There is a single person that they can communicate with,” [Stephen Corradini](#), Whole Foods’ vice president of purchasing, merchandising and distribution for the South region. “Stores are the vanguard of where we do our best local work.”

Additionally, Whole Foods has a program that provides producers with low-interest loans ranging from \$1,000 to \$100,000 for capital expenses such as equipment. Providing financial assistance has been critically important for vendors in the aftermath of the financial crisis that froze access to credit.

Though Whole Foods is approaching the \$10 million mark in terms of loans assigned to producers, Corradini expects the program to continue moving forward.

Even more mainstream grocery stores are increasingly offering support to local vendors. [Heather George](#), senior vice president of sales and merchandising for Lowes Foods, said in an email statement that the company “is investing more time in educating growers and producers” on ways that they can better prepare themselves for selling to Lowes Foods.

“We’ve held several meetings in different areas across the state this spring in preparation for the growing season,” she said. “We’ve identified growers who were sending all of their produce out of state, but we could sell it right here in North Carolina.”

Reach Katie Arcieri at (336) 370-2913 or [karcieri@bizjournals.com](mailto:karcieri@bizjournals.com).

## Becoming “retail ready”

Each grocery store company has a specific way of selecting vendors, but the following are some common guidelines.

**Step 1:** Initial contact. Vendors are free to walk into a store and pitch products to a manager on duty, but many grocery chains have assigned specific buyers and staff members to handle various product categories for perishable and nonperishable items. Some companies have dedicated staff members who hold office hours for vendors. After some initial feedback, entrepreneurs should be prepared to alter or eliminate an ingredient and in some cases change a concept altogether. Vendors can potentially expect a site visit from a grocery store representative and/or the local health department to assess risk factors related to production.

**Step 2.** Legal paperwork. Paperwork will generally require vendors to include legal information about liability insurance and how they handle recalls and price increases. Vendors with organic products must back up claims of organic certification. In some cases, vendor applications can be more than 30 pages long. Some local vendors recommend hiring a food consultant to assist with the paperwork.

**Step 3.** Food product labels. To get an item on the shelf, a vendor will need to obtain a bar code and list nutritional information, ingredients, a “best before” date and net weight on their product. The N.C. Department of Agriculture has assistance available for food label requirements. G.W. Stanley, domestic marketing manager with the state Department of Agriculture, can be reached at (919) 707-3148.

**Step 4:** Vendor agreements. Grocery store companies say finalizing a vendor agreement can range from two or three weeks to six months or more. If product packaging, marketing and labeling are already in place, a vendor has a greater chance of quickly moving through the process.

**Step 5.** Deliveries. Generally, a vendor is responsible for handling deliveries of their products to a single store. If a product garners enough demand, it has the potential to be carried in several stores. At that point, a grocery chain may recommend a preferred carrier to distribute the product to a central distribution hub. For example, Whole Foods has a distribution center in Morrisville, while Harris Teeter has distribution centers in Greensboro, Indian Trail, and a dairy facility in High Point.

Source: <http://www.bizjournals.com/triad/print-edition/2012/04/27/more-grocers-looking-for-local-flavor.html?page=all>

## **Appendix 13**

### **Down East Connect Farmer Packet: Best Practices and Protocol**



# Farmer Packet

Best Practices and Protocol



This packet is designed to outline the Farmers Fresh Market operating protocol and best practices for farmer profiles, inventory, and delivery. Further questions or clarifications should be forwarded to Project Manager Martha Campagna by email or phone.

Martha Campagna  
910-375-9672  
Martha@downeastconnect.com

## I. Website

You are responsible for managing your profile, pictures, descriptions and inventory. All is done online.

Farm Profile: Every farmer must create a profile before they can update their inventory and start selling products.

### Your profile MUST include the following:

- Farm Name
- Farm Location
- What products you sell
- Growing practices
- Use of pesticides/herbicides
- Treatment of animals/livestock
- Contact Information
- At least ONE picture



Inventory: When adding an item you are responsible for including the following details as depicted on form in picture below.

### Add item to farm inventory

Title

Category

Start Date / End Date

Active/Inactive  Active  Inactive

Description

Image Upload  No file chosen

---

#### Quantity Information

Unit of Measurement

Units Available

Minimum Order Quantity

Price per Unit \$

Attributes No attributes.

Bulk or Consumer Size  Bulk Size  Consumer Size  Both Size (Bulk & Consumer)

Farm profile

Farm Inventory

Farm Orders

Purchase History

Customer profile

Logout

Account type: farmer / Supplier

Your item description **MUST** include how your item was grown. List any herbicides or pesticides if any or specify if none were used. Describe treatment of animals and livestock (i.e. free range, grass fed, nightly cuddles). You **MUST** upload an item picture. Pictures too large in size will **NOT** upload and may cause site to freeze. Resize pictures taken from digital camera before uploading. If you need assistance in uploading or taking pictures, please contact Project Manager.

Why are pictures are so important? We have found that items without pictures do not sell as well as those who do. People are used to being able to hand pick their vegetables from the shelf at the grocery and they are relying on **YOU** to be as transparent as possible with your product to ensure they know what they are buying. You are responsible for getting the best product possible to the customer.

## II. Orders:

We currently operate on a twice a week delivery schedule. Selling through DEC commits you to both delivery days.

All orders are processed electronically. When a customer has placed an order for one or more of your products you will receive an email that looks like the sample one below. It will include the date of delivery, the order number, the name of the customer, the items ordered, quantity, price, processing fee and your total profit. Attached to the email will be a barcode in pdf form that you must download, print and attach to your items.

Order# 2234					Payment Status: Paid
Delivery on 06/14/2012					
<b>Farmer / Supplier Copy</b>					
Dear Wright's Family Farm ,					
Congratulations! Christine Hughes on the Farmers Fresh Market website has bought one or more products of yours.					
<b>Products Ordered</b>					
Item Name	Price	Unit	Quantity	Total	
zucchini squash	\$1.75	Bag	1	\$1.75	
chocolate pepper	\$2.00	1/2 pound	1	\$2.00	
				<b>Shipping Charge</b>	<b>\$0</b>
				<b>Total</b>	<b>\$3.75</b>
				<b>Processing Fee (20%)</b>	<b>\$0.75</b>
				<b>Profit</b>	<b>\$3.00</b>
<b>Customer Notes</b>					
None					
We look forward to selling more of your products.					

All items MUST be prepared and packaged according to our best practices with barcode attached (see section III) and delivered to the Cooperative Extension Office in Whiteville NO LATER than 10:30 AM on the morning of each delivery day.

Customers are required to place their orders before 12PM noon the day before each delivery day (Monday at 12PM for Tuesday deliveries and Wednesday at 12PM for Thursday deliveries). You will receive a reminder email each Monday and Wednesday afternoon listing which orders you will be responsible for delivering each day.

**III. Payment:** You keep 80% of every dollar sold. Down East Connect takes 20% to cover marketing, delivery, and website maintenance.

Checks are mailed weekly on a Friday to Thursday basis – all orders placed within the time frame will be included regardless of delivery day. A list of items included on each check will be sent via email

## IV. Best Practices for Packaging/Delivery

Barcodes – must be attached in xyz fashion

Lettuces/Greens

In CLOSED bags, no staples, washed and properly dried

Vegetables sold by the pound (squash, broccoli, etc)

In CLOSED bags, no staples

Fruits/delicates

In CLOSED containers – if product is at risk for smushing in bags, must be secured in protective container

Baked goods

Must be baked in certified kitchen – we must have copy of certification

Must be baked by YOU locally

Jam/pickles

Must be prepared in certified kitchen only by those who took acidified foods course

Meats

Must be inspected, properly labeled, brought in frozen

No Alcohol

Crafts/retail/handmade

Must be made locally by YOU !

## Appendix 14. Growing the Market for Local Foods

Working in the larger community to increase the market for local foods will also help increase your sales in the long run. We suggest:

- 1) Spread the word about the 10% Campaign, a statewide effort to encourage North Carolina's residents, restaurants and other outlets to purchase 10% of their foods from local sources.
- 2) Work with your local chamber of commerce and/or economic development office to identify and address the primary barriers to developing markets for local food.
- 3) Work with other local farmers and retailers of local food to create a local foods guide. This can be as simple as a single-page center-fold brochure to a glossy magazine such as Edible Piedmont (<http://www.ediblecommunities.com/piedmont/>). It can be print-only or online as well (see ApSustainable AP's Local Food Guide for Western NC <http://www.asapconnections.org/localfoodguide.html> ).
- 4) Engaging chefs and restaurants in a local food campaign provides visibility for locally grown food, allows chefs to participate in community education efforts (especially through cooking demonstrations in schools), and helps brand the participating restaurants, which can drive sales
- 5) Understand your local market. Consider conducting a local food assessment, as described in [Growing a Local Food Economy: A Guide to Getting Started](#).
- 6) Join a cooperative which supports local foods. For example, Sandhills Farm to Table (<https://coop.sandhillsfarm2table.com/> ) provides resources to engage consumers, including recipes, a cooking school, nutrition assessments, and seminars on preserving foods. In 2011, Sandhills Farm to Table served 1250 subscribing households.
- 7) Support Slow Food USA in North Carolina. The 9 chapters in NC have local food events and offer directories to restaurants that feature locally sourced food. [http://www.slowfoodusa.org/index.php/local\\_chapters/#North%20Carolina](http://www.slowfoodusa.org/index.php/local_chapters/#North%20Carolina)
- 8) Check out and share the state's 2010 [From Farm to Fork: A Guide to Building North Carolina's Sustainable Local Food Economy](#). <http://www.cefs.ncsu.edu/resources/stateactionguide2010.pdf>

## **Appendix 15**

### **Retail Ready Checklist for Sales to Grocers, Wholesalers and Food Distributors Best Practice Summary**

**Source: University of Kentucky Cooperative Extension**



**Retail Ready Checklist for Sales to Grocers, Wholesalers & Food Distributors  
Business Practice Summary**

**Dr. Tim Woods and Jim Mansfield  
Department of Agricultural Economics  
University of Kentucky**

**January 2010**

## **Retail Ready Checklist for Sales to Grocers, Wholesalers & Food Distributors**

This list of best practices summarizes interviews with over 70 chefs, retailers, and experienced growers. It examines a series of basic business-to-business functions, outlining ideal starting points grocer, wholesale, and foodservice buyers would like to see regarding grower preparedness. Specifics will vary across firms. Some will have well-developed standards and protocol for their suppliers. Others will be less formal. At the very least, these practices will help the grower/supplier communicate with potential buyers regarding their expectations for each business function.

### **Invoicing**

- ✓ I can provide a numbered invoice form with farm name, address, phone number, email address, and other contact information printed on it.
- ✓ The invoice form will have the date, product description, weight or quantity, price per unit and total price
- ✓ I understand the invoicing procedures and have discussed them with the buyer. I have made sure that my invoice statement or system meets their requirements, including electronic delivery if required.
- ✓ I am prepared to accept payment as agreed upon with the buyer (usually 14 days)
- ✓ For produce sales, I understand the applicable PACA and COOL rules
- ✓ I understand and can supply a Bill of Lading if using a third party to deliver the product to the retailer.

### **Pricing**

- ✓ I have researched current market prices for my product and am aware of the transportation costs I will incur to deliver my product(s).
- ✓ I have worked out the packing and packaging costs and any other post-harvest costs associated with producing my product(s) long term.
- ✓ I can discuss and provide a written description of my products attributes, benefits and label claims.
- ✓ I can give and estimate of how much volume of product I can provide and for how long I can provide it.
- ✓ I can quote the buyer a delivered price for the product.
- ✓ If appropriate I am prepared to quote a price per pound for each size, grade or cut of my product the buyer may be interested in.
- ✓ I have priced the product at a level where I can make a profit and be a stable supplier.

### **Marketing**

- ✓ I can provide a brief farm history and production description and well as photos if requested for promotional purposes.
- ✓ I am willing to host on farm visits to show my farming practices to current and prospective customers and their agents as requested for promotional and quality assurances purposes.
- ✓ I am available to promote my product(s) at food tradeshow and in-store product demonstrations.
- ✓ I can help with or provide literature that accurately describes farm production practices, my products attributes and the potential benefits to consumers.



### **Packaging**

- ✓ I understand the industry standard packaging for the product and am prepared to deliver that kind of package
- ✓ I have asked the buyer how he or she wants my product packaged.
- ✓ My product will be packaged appropriately to protect it's integrity, temperature and freedom from contamination
- ✓ My product will be packaged in a manner that allows storage on pallets, in racks
- ✓ I have access to industry standard packaging materials
- ✓ I have relationships developed with processors that a can produce the desired cuts or products from my meat or dairy production.
- ✓ I can produce and provide a product that consistently meets USDA or industry grading, sizing and quality standards

### **Supply**

- ✓ I am prepared to discuss all the potential products and forms of products that the buyer may be interested in purchasing from me.
- ✓ I can supply a consistent volume of product in the quantities acceptable to the buyer for a specified period of time.
- ✓ I understand the importance of advanced notice to the buyer about my products availability and any changes in quantity or quality.
- ✓ I have a plan to accomplish a steady production of my product.
- ✓ I have the buyers contact information such as direct phone numbers, email and understand the best way to reach them.

### **Labeling**

- ✓ I understand that labeling can help build my farm's identity and improve product presentation, therefore I have made an effort to provide an attractive label
- ✓ I understand the legal regulations for labeling my products including Country of Origin labeling, USDA inspection seals, label claims, weights and my business contact information
- ✓ I can PLU sticker or UPC label my products as required by the customer
- ✓ My packaging and labeling allows for product traceability or I can work with the buyer on product traceability procedures if requested
- ✓ I can verify all the label claims on my products label
- ✓ I have taken the opportunity to explain to buyers what terms like "grass-fed", "pasture raised", "natural", "anti-biotic free", and other phrases mean if I use those terms on my labels, literature or product packaging

### **Delivery**

- ✓ I understand the cost in time and fuel, etc. that is involved with product delivery
- ✓ I can arrange affordable transportation of my product(s) to the buyers requested delivery location(s) at an acceptable frequency
- ✓ I have asked the buyer about delivery procedures and can accommodate
- ✓ I have an invoicing system that allows me to leave an invoice with each delivery or provide a bill of laden and send an invoice via mail or e-mail
- ✓ I am willing to investigate delivery services in new areas to gain new clients

### **Insurance**

- ✓ I have verified with the buyer their company's vendor requirements for product liability, worker's compensation and other insurance policies and can show proof of proper coverage.
- ✓ I also have liability insurance coverage for my farm business activities

### **Quality Assurance**

- ✓ I can maintain the products integrity through out the production and distribution process in order to deliver a quality safe product with acceptable shelf life to the customer.
- ✓ I have procedures in place to verify the cold chain has not been broken and that proper temperatures for the product have been maintained.
- ✓ I have educated myself about safe food handling, proper temperatures and storage of our products including GAP certification.
- ✓ I am able to explain to my customers how our handling practices help to maximize the shelf life and the quality of the products they will receive from our farm.

### **Communication**

- ✓ I understand the importance of advanced notice to the buyer about my products availability and any changes in quantity or quality.
- ✓ I have the buyers contact information such as direct phone numbers, email and understand the best way to reach them.
- ✓ I understand wholesale food buyers have many demands on their time, therefore I make appointments in advance in order to meet with the buyer about my products
- ✓ I present a professional and clean personal appearance when making business calls to potential customers.

### **Satisfaction Guarantee**

- ✓ I have explained to the buyer how my product will be delivered and packaged, and have heard any concerns that they have with my product
- ✓ I am working on a relationship with the buyer that allows for honest dialogue about my product quality, and I am able to make production adjustments to improve final product quality if necessary
- ✓ I am prepared to stand by our products 100% including providing additional product in the event that I need to compensate a customer for a poor quality incident.

### **Consolidation**

- ✓ I am aware that some buyers may want to purchase my products from an independent wholesaler in order to improve their logistics and quality assurance procedures.
- ✓ I am building good relationships with my customers so that, if deliveries are delayed or mixed up, we can have an honest conversation about their concerns.

### **Summary**

These practices are offered as guidelines on expectations summarized over many firms. They are intended as reference points for self-examination of the farmers business practices to evaluate readiness for commercial markets and as a checklist for communicating on expectations held by specific buyers.

Expanded presentation, supporting resources, specific quotes and comments are available in individual Powerpoint modules from the authors at: <http://www.ca.uky.edu/agecon/>

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## **Appendix 16**

### **Sample Documents:**

**Price List, Bill of Lading, Certificate of Insurance and Invoice**

Source:

MarketReady©, Cooperative Extension Service, University of Kentucky College of Agriculture

## Sample Price List

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### Sparrow Arc Farm Produce List for September 15 2009

207 948 6105 - sparrowarcfarm@gmail.com

So coming up next week we're going to be harvesting all our winter squash. 25 different varieties, mostly heirlooms, about 3 acres. So get excited about squash cause they look beautiful. Please email or call in your orders before midnight Tuesday. Email is sparrowarcfarm@gmail.com, phone is 207 948 6105.

- \_\_\_ **NEW!** Lucious Pear \$2.00 a lb **CASE\$ \$1.50** a lb - Small pear, similar to Seckle, not fully ripe
- \_\_\_ **NEW!** Clapp's Favorite Pear \$2.00 a lb - Big, juicy, heirloom, zero grit pear, ready to go
- \_\_\_ **NEW!** Yuri Asian Pear \$2.00 a lb or **CASE\$ \$1.50** a lb - Baby pear of exceptional flavor, ripe
- \_\_\_ Mesclun \$12.00 a lb
- \_\_\_ Cooking Grade Arugula \$6.00 a lb - Really nice, just big
- \_\_\_ Mustard Braising Mix \$6.00 a lb
- \_\_\_ Osaka Purple Mustard \$3.00 a bunch
- \_\_\_ Mustard Braising Mix \$6.00 a lb
- \_\_\_ Baby Pac Choi Mix \$6.00 a lb
- \_\_\_ Collard Greens \$6.00 a lb - Really tender young collards
- \_\_\_ Toscano Kale \$6.00 a lb
- \_\_\_ Siberian Kale \$6.00 a lb
- \_\_\_ Winterbor Kale \$6.00 a lb
- \_\_\_ Sea Kale \$6.00 a lb
- \_\_\_ Purple Thai Peppers \$18.00 a lb - Pea sized super hot
- \_\_\_ Pedrone Peppers \$12.00 a lb - The spanish roulette pepper
- \_\_\_ Biscayne Peppercini \$7.00 a lb
- \_\_\_ Prairie Fire Baby Chile \$16.00 a lb
- \_\_\_ Cherry Bomb Peppers \$6.00 a lb - Mostly green ones
- \_\_\_ Cono di Toro Sweet Peppers \$4.00 a lb
- \_\_\_ Green Bell Peppers \$3.00 a lb
- \_\_\_ Fairy Tale Eggplant \$5.00 a lb
- \_\_\_ Black Bell Eggplant \$3.50 a lb
- \_\_\_ Mixed Eggplant \$4.00 a lb
- \_\_\_ Cornichons \$ 12.00 a lb - The real deal ultra-baby Parisienne pickle
- \_\_\_ Boothby Blonde Heirloom Cucumber \$3.00 a lb
- \_\_\_ Mixed Picklers \$2.50 a lb
- \_\_\_ Purple Sprouting Broccoli \$4.00 a lb or **CASE\$ \$3.50** a lb - Italian heirloom
- \_\_\_ Arrowhead Cabbage \$1.50 a lb or **CASE\$ \$1.25** a lb - Sweet & tender
- \_\_\_ Red Semi-Savoy Cabbage \$1.50 or **CASE\$ \$1.25** a lb
- \_\_\_ Samantha Savoy Cabbage \$1.50 a lb
- \_\_\_ Baby Fennel \$6.50 a lb or **CASE\$ \$5.00** a lb
- \_\_\_ Fennel \$3.00 a lb or **CASE\$ \$2.50** a lb - Full size & wicked pretty
- \_\_\_ Celery \$4.00 a lb - My first try at it, lil' small but intense flavor
- \_\_\_ **NEW!** Leeks \$4.00 a lb

Sample Bill of Lading

Smith Farm, LLC  
2471 Farmville Rd Prosperity, KY 00021  
875-462-1234 office  
875-222-1234 cell phone, Ralph  
875-222-1233 cell phone, Sam

Bill of Lading # 703

Buyer: John Brown Shipping Date 8-1-09 Ship to (Name): XYZ Store #1  
Address XYZ Co. Louisville Delivery Time before 10 AM Address 72 Hone Court  
Phone 800-222-1234 Delivery Date 8-2-09 Louisville, KY 40321

P.O. # 7926

Phone 1-606-777-1234

Item / ID #	Unit	Price per Unit	Total per Item
½ bu. Squash	150 bu		
Slicer Cucumber	50 bu		
Green Bell Pepper	100 bu		

Total

Trucking Co. Rapid Trucking Co.  
Trailer Tag # KY 1743  
Produce temperature 38°F  
Temperature to be maintained at 38°F  
Drivers Signature J. Miller  
Timeout: 1 PM

Receiver (Company) \_\_\_\_\_  
Signature \_\_\_\_\_  
Time & Date \_\_\_\_\_



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

PRODUCER XYZ INSURANCE AGENCY	THIS CERTIFICATION IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	INSURERS AFFORDING COVERAGE	NAIC #
INSURED  SUPPLIER NAME SUPPLIER ADDRESS	INSURER A: ACCEPTABLE INSURANCE COMPANY	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	

## COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR/ADD'L LTR/INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	XXX XXX XXX	XX XX XX	XX XX XX	EACH OCCURRENCE \$ 200000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50000 MED EXP (Any one person) \$ 5000 PERSONAL & ADV INJURY \$ 1000000 GENERAL AGGREGATE \$ 4000000 PRODUCTS - COMPROP AGG \$ 4000000 \$
	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	XXX XXX XXX	XX XX XX	XX XX XX	COMBINED SINGLE LIMIT (Ea accident) \$ 1000000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
	<b>EXCESS/UMBRELLA LIABILITY</b> <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE  <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 500000 E.L. DISEASE - EA EMPLOYEE \$ 500000 E.L. DISEASE - POLICY LIMIT \$ 500000
	<b>OTHER</b>				

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