



Small Farmer Success Story

Bulletin No. 4 - July 1999

Success of the New North Florida Cooperative: A Progress Report on Producer Direct Sales to School Districts

A group of local, limited-resource growers in the northern Florida area, along with the U.S. Department of Agriculture's Agricultural Marketing Service (AMS) and Natural Resources Conservation Service (NRCS), the West Florida Resource Conservation and Development Council (WFRDC), and the Small Farmer Outreach Training and Technical Assistance Project of Florida A&M University, are working together with the goal of bettering the farmers' financial situations through innovative marketing.

The New North Florida Cooperative (Cooperative) sold produce to a school district for its school lunch program. The first year of the pilot project resulted in encouraging progress for the New North Florida Cooperative. This group of small farmers faced numerous barriers and difficulties, including weather, credit, government regulations, social attitudes, and preexisting preferences. They showed it was possible to form a cooperative of small farmers and profit from new marketing opportunities. The successes and learning experiences of the first year of the pilot project will enable the Cooperative to improve its production and marketing in the future.

Successes During the First Year of the Pilot Project

- ▶ **Innovative Partnership for Assistance:** The cooperative effort of USDA, WFRDC, and Florida A&M University was designed to provide small farmers with much-needed assistance. AMS, NRCS, WFRDC, and Florida A&M each have particular expertise and resources. The success of the pilot project was the result of the collaborative efforts of the agencies and organizations involved in this small farm outreach project.
- ▶ **Organization:** The Cooperative refined its internal organization during the first year of the pilot project. The roles of participants were established to enable small farmers to concentrate on what they do best, farm. The responsibilities of the management team were clearly defined, which eliminated many potential misunderstandings. The organization of operating procedures for handling fresh fruit and vegetables was modified so that the Cooperative could more efficiently provide high-quality products in a timely manner.
- ▶ **Equipment:** The first year of the pilot project resulted in dramatic improvements in postharvest handling. The Cooperative built a packing/processing shed and bought a refrigeration system, cutting machine, and washing sinks. These investments improved the efficiency of postharvest handling, improved the quality of leafy greens sold to local schools, and alleviated labor demands on the participants.
- ▶ **Market Development:** This was one of the most important successes during the first year of the pilot project. Overcoming real and perceived barriers, the management team opened many doors of opportunity.
- ▶ **Delivery Record:** The Cooperative made eight separate deliveries of leafy greens and five separate deliveries of fruit during the 1997/98 school year. The products sold were high-quality, fresh fruits and vegetables delivered in a timely manner.
- ▶ **Income for Small Farmers:** The Cooperative diligently followed its mission statement by facilitating the flow of profit from a value-added business operation to and within the community. The Cooperative provided its participants with immediate payment upon pickup of harvested fruit and vegetables.



- ▶ **Teamwork Effort:** A major success of the pilot project is that a group of small farmers is working together for a better future. The Cooperative has enabled small farmers to band together and effectively strive for a better life on the farm. This was only possible because of the firm commitment of field staff of AMS, NRCS, WFRCCD, and Florida A&M.
- ▶ **Product Trials:** The Cooperative provided one major produce variety, leafy greens, and experimented with other produce items. Experimenting with fresh strawberries was essential in breaking into new market opportunities with other local school districts.
- ▶ **Proven Reputation with Government Agencies:** The Cooperative has proven itself to USDA, the U.S. Department of Defense (DoD), Florida A&M, and the Florida Department of Agriculture as a successful business. With an excellent record of delivering fresh, healthful produce to local school districts, the Cooperative dispelled initial doubts.
- ▶ **Demonstration Project:** The Cooperative, working with Florida A&M, developed a demonstration project targeted at small farmers. The Cooperative established 1 acre of trellised muscadine grapes that will provide a continual, long-term return. This demonstration project has shown local farmers an alternative agriculture opportunity and the potential of long-term planning.
- ▶ **Community Awareness:** The Cooperative lists as one of its successes the effort to educate the local community about its business and progress. This form of outreach to local small farmers and others in the community shows the innovative thinking that drives the management team. As word of the Cooperative's success has spread, many professors and outreach specialists from land-grant universities across the Southeast have made it a point to attend Cooperative field day events.
- ▶ **Benefits to Children:** One success that should not be overlooked is the improved diet of children in local schools. The increase of fresh, healthful, better tasting, better textured fruit and vegetables has improved the meals of the school children. The produce has increased the number of school lunch participants and reduced the amount of after-meal waste.
- ▶ **Positive Business Reputation:** The success that will carry the Cooperative into a better future is the development of a good business reputation. A steady

history of professionalism, courtesy, purpose, seriousness, accountability, commitment, and a strong delivery record speak well of the Cooperative as a reputable business.

Learning Experiences During the First Year of the Pilot Project

During the first year of the pilot-project, the Cooperative demonstrated progress in building a strong, long-term business. While some difficulties were encountered, the Cooperative and management team viewed each difficulty as a challenge that could be overcome. The solutions to these problems improved the efficiency of the Cooperative and will make it a better business in the long run.

- ▶ **Weather:** To provide leafy greens to schools in September and October, the plants have to be started and grown in the summer. Florida summers are extremely hot and can be very dry. These are not conditions favorable to leafy greens, a cold-weather crop. Several plantings withered under the heat and dry conditions. To meet its delivery schedule, the Cooperative had to purchase leafy greens from growers in Georgia. It will meet the challenges next summer by installing drip irrigation and improving production techniques.
- ▶ **Strawberry Production:** Strawberry production was new to the Cooperative and its participants. There were a few problems that resulted in the strawberry trial not being as profitable as many had hoped. The Cooperative did not have frost protection equipment, which resulted in substantial freezing damage to the berries and flowers during an extreme cold spell in March 1998.

Difficulties were also experienced with the postharvest handling of the fresh, ripe strawberries. The schools needed sweet, ripe strawberries for their salad bars and desserts. The delicate condition of ripe strawberries and some postharvest handling mistakes caused loss of fruit. These difficulties have motivated the Cooperative to improve production and postharvest handling techniques next year.
- ▶ **Equipment:** At the start of the school year, the Cooperative did not have a cutting machine or refrigeration capability. The management team knew that it would eventually have to make these



improvements, but at the time, there were no funds available. The Cooperative started the school year without refrigeration, relying on cool night temperatures before delivery dates. Immediately before one delivery date, unusually warm weather resulted in the loss of over 1,000 pounds of cut and bagged, leafy greens. The loss underlined the necessity for refrigeration. It caused the management team to quickly purchase a refrigeration system, which resulted in greater success for the remainder of the school year.

The second equipment-related learning experience was the realization that the cut size of the leafy greens, 2 inches square, did not meet the specifications of some local schools. The size of cut was acceptable for the Gadsden County schools but not for Jackson County schools. To solve this problem, the Cooperative is looking to purchase another machine that will provide a finer size cut of leafy greens. Although this will require an additional equipment investment, it will enable the Cooperative to market two lines of cut, leafy greens, the *Country Cut* and the *Fine Cut*.

- ▶ **Efficiency:** The learning experiences in the fall of 1997 showed the management team that the efficiency of the operation had to be improved. The improvements in equipment and organization greatly increased efficiency and productivity.
- ▶ **Cooperative Effort of Small Farmers:** Some initial growing pains were experienced as the growers learned to work together. Several participants left the Cooperative because of their preference to operate independently or for other economic or scheduling reasons. Another difficulty was unrealistic expectations of financial return. This created tension in the new Cooperative as it established itself as a business. The management team worked hard to combat these problems. Although some growers left the Cooperative in disappointment, additional participants have joined, and most are positive about the prospect of a better future on their family farms.

This bulletin is the fourth in a series of four targeted to inform small farmers across the country of the potential of innovative marketing enterprises. The other bulletins describing the experiences of the New North Florida Cooperative are:

- ▶ Small Farmer Success Story: Marketing Fresh Produce to Local Schools
- ▶ Small Farmer Success Story: Cultivating Schools as Customers in a Local Market
- ▶ Small Farmer Success Story: Acquiring Capital and Establishing a Credit History

A full report on the Cooperative can be obtained at USDA, AMS, T&M, MTA, Room 1207-S, 1400 Independence Ave., SW., Washington, DC 20250; telephone 202-720-8326; fax 202-690-3616; or e-mail dan.schofer@usda.gov.

Information on farmer direct marketing and farmers markets is available on the Internet at www.ams.usda.gov/marketing.htm.

This bulletin was made possible by the joint efforts of Dan Schofer (AMS), Glyen Holmes (NRCS), Vonda Richardson (Florida A&M University), and Charles Connerly (WFRDCD).

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call 202-720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.