



Small Farmer Success Story

Bulletin No. 2 - July 1999

Cultivating Schools as Customers in a Local Market: The New North Florida Cooperative

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. These farmers joined together to form the New North Florida Cooperative (Cooperative).

The Cooperative overcame many barriers while developing a new market, including dealing with existing preferences of potential customers. School food service directors, who have established suppliers that they have dealt with for years, had to be persuaded to deal with a newly formed cooperative of small farmers. Issues such as a potential change in quality or problems with delivery were of concern to the directors. As a new business, the Cooperative had to demonstrate its ability to provide customers with high-quality products, prompt deliveries, a fair price, and courteous, professional service. By providing these goods and services, the Cooperative established itself as a viable and trustworthy enterprise and created additional options for the local food service directors.

From the beginning, the Cooperative recognized the economic opportunity in providing local school districts with agricultural products. The challenge in tapping this potential was developing a plan to break into the market. As it set out to cultivate customers in the local market, the management team knew that this point in the Cooperative's short history would mean either success or failure.

The management team developed a plan to approach the local markets. Just as it had approached lending institutions for business loans, the management team put itself in the position of the prospective customer--food service directors of local school districts. Without references and prior experience to prove its reliability and capability, the management team decided on the following attributes and business practices that the Cooperative would have to convey and follow to be successful:

1. Professionalism and courtesy;
2. Purpose and seriousness;
3. Accountability and commitment;
4. Sample products; and
5. Certification as a Department of Defense (DoD) vendor and participation in the Direct Vendor Delivery (DVD) Program (contact person, Linda Stanhope, 1-800-795-5772).

Professionalism and courtesy were deemed very important in all business dealings. Vendors and suppliers who do not pay attention to this aspect of business risk losing customers to their competitors. The Cooperative's management team called to make an appointment with the Food Service Director of the Gadsden County School District. Calling for an appointment demonstrated that the management team respected the potential customer's time and busy schedule. Because of the courtesy shown by the Cooperative, the Food Service Director was happy to meet with the management team and hear their sales pitch. The Cooperative chose its most articulate member to be its primary spokesperson.



The Cooperative explained its history and purpose, discussed its proposed business plan, and listened closely to its potential customer's needs. Beginning with this meeting, the management team strived to ensure that all of its interactions with the Food Service Director were professional and courteous. These attributes were important in establishing a strong relationship between the Cooperative and the Gadsden County School District, in establishing this marketing opportunity, and in creating expanded marketing opportunities.

Demonstrating its purpose and seriousness was also very critical in creating a relationship of trust with its potential customer. Included among a food service director's responsibilities are providing healthful, nutritious meals to thousands of children daily, controlling costs, establishing menu schedules, and following Federal guidelines. A food service director needs vendors who are committed to providing a high-quality product in the quantity ordered at the agreed-upon time, and at a reasonable price. The management team worked diligently to convey its serious commitment to meeting its customer's needs, and its resolve and commitment alleviated many of the initial apprehensions the food service directors had regarding conducting business with a new cooperative of small farmers.

Accountability of a vendor or supplier is extremely important to a food service director, who understands that things can and will occasionally go wrong. Food service directors need to be able to get in touch with the vendor quickly when there is a problem. Similarly, they need to be notified in advance if a delivery will be late or missed completely, so substitutions and adjustments can be made. The responsibility and accountability of the Cooperative have enabled it to develop a lasting, successful working relationship with the Gadsden County Food Service Director.

Providing free samples of a product is a marketing tool commonly used by many businesses to develop awareness and familiarity. The Cooperative decided that delivering a free sample would demonstrate its ability to provide the quantities of high-quality product required. The Cooperative provided **3,000** pounds of washed, chopped, and bagged leafy greens as a free sample. The Cooperative purposely provided such a large quantity to clearly

illustrate that a cooperative of limited-resource producers could successfully supply a school lunch program with local agricultural products in an acceptable manner. This reinforced the Cooperative's image as a professional, courteous, serious, and accountable business that could satisfy the needs of local food service directors.

The Cooperative was interested in establishing a long-term relationship with the Gadsden County schools. The management team realized that if it was going to conduct business with food service directors on a regular basis, certification as an official DoD vendor was needed. The management team contacted the Defense Subsistence Office in Jacksonville, FL, and a representative of that office assisted them with the necessary paperwork. DoD checked its records to ensure the Cooperative had not been barred from government supply at any level, including municipal, county, State, and Federal. DoD considers the Cooperative's chopping of the leafy greens to be processing. DoD required an inspection of the processing facilities, during which the management team learned of the innovative DVD program, which is part of the School Lunch Program. The goal of the DVD program is to make greater quantities and more varieties of healthful, fresh fruit and vegetables available to school children. The DVD program facilitates the provision of Federal funding designated for school lunches to school districts for deliveries of fresh produce. This is welcome assistance to food service directors. The management team was pleased to learn that Federal funds would save local school districts money and also make purchasing fresh produce from the Cooperative a very appealing option.

The Cooperative established a solid reputation by working with the Gadsden County Food Service Director and meeting her needs. Whenever leafy greens were part of the school lunch menu, the Cooperative did its best to provide the necessary amounts of high-quality fresh fruit and vegetables on time. As the school year progressed and the Cooperative successfully and professionally fulfilled its commitment, the working relationship between the Cooperative and the Food Service Director continued to develop.

Because of this successful business relationship, word-of-mouth advertising has made the Cooperative a reputable vendor throughout the region and has opened additional



opportunities in other school districts. While the Cooperative will continue to work with the Gadsden County Schools as its primary customer, the positive reputation that the Cooperative built has led to additional fruit and vegetable sales to other local school districts, including Jackson, Leon, and Walton County schools. With future improvements in organization and equipment, the Cooperative is looking to expand to meet the fresh produce needs of these other local school districts as well as continuing to satisfy the Gadsden County School District.

Preliminary Vending Experiences During the 1997/98 School Year

The mission statement of the New North Florida Cooperative states the importance of facilitating the flow of profit from the value-added business operation to and within the local community. All of the details mentioned above were essential to the successful sales of agricultural products to local schools. The end result of these efforts is an impressive record of sales over the 1997/98 school year.

The Cooperative's main product was cut, leafy greens. Extreme heat and dry conditions destroyed or stunted several plantings of the leafy greens during the summer. These difficulties decreased the amount of leafy greens that were available in the early fall. As the weather became more suitable for leafy green production, the deliveries and quantities of sales increased. A steady supply of leafy greens allowed the Cooperative to provide deliveries of large quantities and develop a regular schedule in the spring.

Tables 1-3 illustrate the planting and delivery schedules for the products sold to the school during the 1997/98 school year.

In addition to leafy greens, the Cooperative was intent on expanding the number of produce items available to local schools. This strategy was designed to increase the profit of small farmers and expand future market opportunities. Participants planted watermelons in the summer, and the Cooperative brokered the sales of melons to the Gadsden County School District. The melons were used as part of school breakfasts and as desserts for lunches.

Table 1. Delivery Schedule for Leafy Greens in Fall 1997

Variety	Amount (lbs.)	Planted	Harvest	Delivery
Turnip Greens	385	9/01	9/21	9/24
Turnip Greens	150	9/01	11/09	11/12
Turnip Greens	1,945	9/01	11/14	11/17
Turnip Greens	631	9/01	12/05	12/08

Table 2. Delivery Schedule for Leafy Greens in Spring 1998

Variety	Amount (lbs.)	Planted	Harvest	Delivery
Collards	1,527	11/10	1/17	1/21
Collards	1,352	11/10	2/28	3/03
Collards	1,527	11/10	3/09	3/12
Collards	1,256	11/10	3/19	3/21

Table 3. Delivery Schedule for Fruit Over 1997-98 School Year

Variety	Amount (flats)	Planted	Harvest	Delivery
Watermelon	100(#)	6/01/97	9/27/97	9/29/97
Strawberries	50	10/01/97	4/12/98	4/13/98
Strawberries	64	10/01/97	4/26/98	4/27/98
Strawberries	15	10/01/97	5/03/98	5/04/98
Strawberries	50	10/01/97	5/03/98	5/04/98

The Cooperative further expanded its produce availability with fresh, ripe strawberries. The timing of the strawberry harvest worked to the advantage of the Cooperative because it complemented the end of the availability of leafy greens.

The 1997/98 school year was one of substantial progress in organization, equipment purchases, and market development. In addition, the Cooperative established a solid sales record. The Cooperative and its participants were pleased with their progress and are optimistic about increased opportunities in the 1998/99 school year.

This bulletin is the second 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: Acquiring Capital and Establishing a Credit History



► Small Farmer Success Story: Successes of the New North Florida Cooperative

A full report on the Cooperative can be obtained at USDA, AMS, T&M, MTA, Room 1207-5, 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), Glynn Holmes (NRCS), Vonda Richardson (Florida A&M University), and Charles Connerly (WTRC/DCC).

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