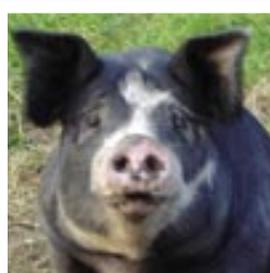


WISCONSIN LOCAL FOOD MARKETING GUIDE



A Producer's Guide to Marketing Locally Grown Food



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INTRODUCTION

Putting a Face and a Place to Food: Local Food Brings Resurgence of New Agriculturalists

From farmers' markets to community supported agriculture, from artisan cheeses to branded meats, Wisconsin's original entrepreneurs—its farmers—are reinvigorating agriculture in the state. These progressive farmers are transforming the landscape and culture of agriculture. Their influence is affecting how food is grown and how new food systems will be built.

In the past, more people had a connection to the land as producing food was a necessity of life. Communities created festivals around the planting and harvesting seasons, beseeching good crops and bountiful harvests. Their lives and the lives of their neighbors were intimately connected to the harvest yields produced from their efforts.

In the past century, as rural populations gravitated toward urban centers, many of the connections people traditionally had with the land became strained and even broken. Today, the average U.S. citizen is three generations removed from production agriculture. Without the direct connection to growing food themselves, consumers have begun expressing an interest in knowing where and how their food is produced and grown. This desire to make a food connection has linked food producers and consumers.

Local food production is a groundswell sweeping across the state's countryside and inside urban areas, creating opportunities for Wisconsin farmers. New customers are streaming to farmers' markets, seeking not only farm-fresh produce but also a connection to the land on which it is grown. Consumers are increasingly looking for food diversity. They are awakening to and rediscovering the bounty grown in Wisconsin. From garden vegetables to apple

trees; from bees to meat products; from dining creations sourcing local foods to simple, home-cooked meals, a new food landscape is appearing on Wisconsin's tables. As Wisconsin witnesses and participates in this expansion of local food production, a resurgence of textures and flavors is resurfacing to benefit both producers and consumers.

The timing has never been better to enter the local food production systems in Wisconsin. Increased consumer demand, interest in preparing healthy meals, information availability, and expertise willingly shared with new producers have changed the dynamics so that small- and large-scale farmers, alike, can thrive in the marketplace.

The range of local agricultural products available has expanded as farmers have responded to the public's interest to the food appearing on their plates. As consumers' desire to reconnect to the land drives their buying choices, farmers are presented not only with new opportunities to meet that demand, but also an opportunity to tell the stories of their farms, lifestyles, and philosophies.

These expanding markets provide potential for new and existing producers. The scope of Wisconsin's production diversity covers many areas, and each new producer brings a unique set of skills and perspective to the table.

The *Wisconsin Local Food Marketing Guide* is intended as a resource for farmers and producers. It will acquaint you with some of the opportunities you can use to market your food products. You will learn from those who pioneered innovative production and marketing

Selling Local Foods

- Consumers have a growing interest in the food on their plate; they want to know where and how their food is produced and grown.
- Selling your products should be compatible with your personal philosophy and sense of stewardship.
- Local food production establishes a sense of community.



Photo courtesy Marcus Hasheider

New growers need to find a place in the market to match their land, facilities, abilities, and scale of production.

Richard de Wilde, Harmony Valley Farm



Photo courtesy Department of Tourism

approaches. Understanding what's involved in local food marketing will better prepare you for success.

Why Sell Food Products Locally?

There are many reasons for wanting to produce food products for sale locally. Let's explore some of them.

Satisfying Experience

Producing food, no matter the size of your farm, can be a satisfying experience that involves your entire family, farm workers, and even customers. The cycle from seedbed preparation to harvest provides life lessons for all involved. Working the soil with your hands is a fulfilling experience that keeps you connected to the land in ways others cannot. This guide shares ways in which you can encourage consumers to connect to your land through what you sell.

Sense of Community

Local food production establishes a sense of community or enhances what's already established. With a sense of purpose and mission to provide wholesome and nutritious foods, you will be able to share your sense of stewardship with your customers and help them reestablish connections they may be seeking. Your first steps in achieving this goal starts with this local food marketing guide.

Compatible Philosophy

Selling your food products locally may be compatible with your philosophy and vision of how you choose to live your life. It may have much to do with how you look at food issues and diets.

Market Opportunity

Consumers are the driving force of the local food movement. As they continue to demand a stronger connection to and awareness of the food they buy and consume, more opportunities to market food locally will appear.



CHAPTER 1

Getting Started

How do you get started in local food marketing? What do you need to consider? Like any business venture, establishing the entire concept and developing the initial steps may seem overwhelming. If you decide to sell your farm products directly to consumers, you are responsible for finding people to buy your product and then negotiate the sale. You are responsible for the preparation, packaging, price-setting, and perhaps even delivery of your product. You must learn a whole new set of skills and be proficient at them for your business to succeed. It also takes a specific set of skills to sell your products to a retailer or a wholesaler. While you do not deal directly with the end consumer, you do have to meet your buyers' requirements for packaging, product quality and consistency, verification of production standards, storage, shipping, and liability coverage.

The good news about local food marketing is that you don't have to start from scratch to learn the business. This guide provides information on many valuable resources available to help you get started, develop a plan, and define your goals. There are people who have already developed local food marketing systems that work. Some are profiled in this guide and others are listed in local food directories. Some are speaking at workshops or displaying at events around the state. Those who have paved the way can provide answers to questions and give encouragement.

Most have had to ask themselves many questions along the way while developing and guiding their business. Several important initial considerations include selecting a market, developing a timeline, and creating a business plan and budget. These are not the only things to consider, but they are a start.

Selecting a Market

Choosing a local food marketing strategy that works for you depends on your personal

preferences, the amount of product you produce, and your ability to work with state inspections, customer contact, food preparation, and risk. The exercises below are a great start for thinking about what kinds of marketing might suit you. Yet, don't let these be the only considerations. If there's one defining feature of the local food movement, it's creativity. You just might find a new way to do things that matches your preferences.

Which Markets Suit Your Personal Preferences

Do you like working closely with people and having a lot of public contact? If so, consider opportunities where you can work directly with the consumer such as at a farmers' market or agritourism. If not, consider working with restaurants, grocers, or distributors.

Can you live with inspections and regulations? If so, consider sales of processed products where food safety regulation and licensing are required. You can then sell these value-added products through agritourism, restaurants, grocery stores, food service, and even farm stands.

Would you be satisfied with wholesale prices or do you seek a premium price? You can receive secure wholesale prices through distributors or institutional food service. Achieve premium pricing through an on-farm store, CSAs, farmers' markets, Pick Your Own, restaurants, or grocery stores.

Can you live with paperwork, meetings, participating in organizations? If so, consider cooperative or collaborative marketing organizations, working with restaurants, grocery stores, food service, farmers' markets, or an on-farm store. If not, consider small-scale sales from farm premises, farm stand, or Pick Your Own.

Market Types

There are many options for marketing your food locally. Some of the most visible local food sales are direct from farmer to customer, but there's more than direct marketing. There are growing opportunities to connect to a local food system in other ways.

Direct Marketing is selling your farm products directly to the consumers for their use. Products are not sold for resale. It allows for a direct connection at the point of sale for the producer and the consumer. Farmers' markets, community supported agriculture (CSA) farms, agritourism, Pick Your Own, and on-farm stores are all forms of direct marketing.

Direct Marketing

Benefits

- Better product price as the middle portion of the distribution system is eliminated
- Consumer connection at point of sale
- Direct feedback from customers when introducing new varieties or products

Challenges

- Time consuming
- Must have good customer relationship skills

Success in direct marketing comes from producing a high-quality product where the consumers feel they are getting a better product for their money than if they buy elsewhere. Value is created when a product meets, or exceeds, the customers' expectations.

Intermediate Marketing is selling your product to a specific buyer for resale. This can be restaurants that use food to make a menu item, grocery stores that sell to the consumer, and even institutions like schools and hospitals. You can also sell to wholesalers and distributors.

Intermediate Marketing

Benefits

- Brand exposure at multiple locations
- Potential to reach more consumers
- Consistent orders from buyers
- Larger volume can increase efficiency

Challenges

- Owners and buyers change
- Price received is usually lower than for direct marketing
- Seasonal supply can be a challenge to relationships with certain buyers

Developing a Timeline

Producing food hinges on the growing cycle. This allows producers to develop a timeline that aligns with their products. From ordering, planting, and harvesting your produce, or developing your livestock-raising schedule, your business will be on a calendar basis. It may involve multiple plantings scheduled at intervals so you can offer a steady supply of produce throughout the growing season. It may also involve establishing weekly deliveries or a timetable for developing a weekly routine of picking, washing, packing, and selling. It involves deciding on the species of livestock, the facilities, and production aspects of bringing the animals to market.

Creating a Business Plan and Budget

Marketing produce, meats, or value-added farm products is a business and, like any other startup business, it takes an investment of time and money to ensure success. Finding your place in the market depends on your land base, scale of production, and managerial abilities.

Developing a business plan helps you define your business, provides you with direction to make sound decisions, helps you set goals, and provides a means to measure progress. A business plan increases your chance of success.

Business plans do not need to be extensive, but must answer several questions that enable you to focus your efforts. Developing and writing your plan forces you to examine the resources you have available and the ones you need. You can also evaluate the capital investment and additional materials required.

Having a sound business plan with cost and income projections supports a knowledgeable case for a loan, should you need to raise startup funds. It also points you in the right direction for future growth opportunities.

Resources for Business Planning/ Budgets/Funding Sources

Business Assistance in Wisconsin

www.datcp.state.wi.us

Go to Marketing Agriculture and click on “Resources for Wisconsin Businesses” and “Got Moo-la?” booklet Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP)

A comprehensive listing of resources provided as a tool to help small businesses develop and grow using money, information, and technical assistance.

Business Planning for Any Value-Added Agricultural Business

Division of Agriculture Development

Phone: 608-224-5100

DATCP

Business Planning for Fresh Produce Growers

John Hendrickson

Phone: 608-265-3704 Email jhendric@wisc.edu

Center for Integrated Agricultural Systems (CIAS)

University of Wisconsin–Madison

Budget Projection for Vegetable Production

www.extension.iastate.edu/Publications/pm2017.pdf

Iowa State University Extension

This enterprise budgeting tool can help vegetable growers estimate the costs and revenue associated with producing a product.

Enterprise Budgets

www.cias.wisc.edu/

Scroll over Economics and Click on Enterprise Budgets CIAS

Enterprise budgeting tools for dairy sheep, dairy goats, poultry, and specialty foods.

Farmer-Led Case Study on Financial Success Comparison

www.cias.wisc.edu/crops-and-livestock/report-helps-fresh-market-vegetable-growers-understand-and-share-finances/
CIAS

“Grower to Grower: Creating a Livelihood on a Fresh Market Vegetable Farm”

Funding Sources for Farmers

attra.ncat.org/guide/

Appropriate Transfer of Technology for Rural Areas

Building Better Rural Places Guide is an important resource for local food producers and related nonprofits. It lists federal funding programs for agriculture and rural communities.

Additional Resources for Getting Started

Wisconsin School for Beginning

Fresh Market Vegetable Growers

Contact: John Hendrickson

Phone: 608-265-3704 Email jhendric@wisc.edu

Center for Integrated Agricultural Systems

University of Wisconsin–Madison

Includes workshops for beginning and advanced fresh produce growers focusing on vegetables and flowers.

Wisconsin School for Beginning

Dairy and Livestock Farmers

Contact: Dick Cates

Phone: 608-265-6437 Email rlcates@wisc.edu

Center for Integrated Agricultural Systems

University of Wisconsin–Madison

A training and mentoring program emphasizing business planning and pasture-based farm management. Distance learning centers are located in Phillips, Reedsburg, Spooner, and Wausau.

Business Plan Basics

A business plan is as important for an established business as it is for startups. A business plan should have a realistic view of your expectations and long-term objectives. The process of developing a plan forces you to clearly understand what you want to achieve and how and when you can do it. This process includes evaluating, discussing, researching, and analyzing aspects of your proposed business and may ultimately determine the financial feasibility of your ideas.

Purpose of a Business Plan

- Helps clarify your objectives
- Develops a structure for your business
- Aids financial discussions with lenders or investors
- Provides a benchmark for comparing actual performance with initial goals

Before Writing a Comprehensive Business Plan

- Define your target audience
- Determine requirements to reach goals
- Decide the likely length of the plan
- Identify the main issues to be addressed

Business Plan Outline

- Introduction
- Summary
- Mission, Vision, and Objectives
- Business Status
- Product/Service Offerings
- Target Markets
- Marketing/Sales Strategies and Projections
- Operational/Manufacturing Plans
- Management
- Financial Projections
- Appendices

Your business plan should be realistic about expectations and long-term objectives. By using an outline such as the one above, you will be able to write each section concisely yet comprehensively. One key is to address only those matters of real substance and major significance within the main sections of the plan. See the list of resources on this page to obtain more specific information on business planning, developing budgets, and funding sources.

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CHAPTER 2

Direct Marketing: Producer to Consumer

FARMERS' MARKETS

Farmers' markets provide a good point of entry to try direct marketing. You set your own price and sell what you have available. A mutual education process takes place at the market. Customers connect your face and your farm to the food they are buying. In turn, you learn about customer preferences and build a good reputation.

Farmers' markets are a valuable part of the local food system and are growing as more communities embrace them. Most communities have open-air markets, however sometimes the markets are inside a building. Farmers who are successful at markets have several things in common: they bring high-quality products and emphasize the freshness and quality of the food to their customers. They also set a price that allows them to make a profit, yet appeals to consumers.

Farmers' markets and market management vary from place to place. Farmers' market participants usually do their organizational work over the winter. If you want to join a farmers' market, you should contact the market organization or the market manager well in advance of the growing season. Each market may have requirements for its vendors that you must meet before you can join, or at least before you can sell, at the market. The following features of farmers' markets may help you evaluate whether your local markets are a good match for you.

Features of Farmers' Markets

Location

Location is extremely important for the success of any farmers' market. When you are deciding

whether to join a farmers' market, consider these points about its location:

- Market highly visible from streets and walkways
- Vendor access to telephones, electrical outlets, water, bathrooms
- Adequate parking for customers or good public transportation
- Other businesses nearby that sell products similar to what might be sold at the farmers' market
- Market area is clean and easy to keep clear of litter and other debris
- The distance of market from your farm

Farmers' Markets

Advantages

- Good entry point for farmers who want to try direct marketing
- Set your own prices
- Help customers connect you and your farm to the food they buy
- Learn customer preferences and build reputation
- Good avenue to introduce new products and gauge customer reaction

Challenges

- Product might not sell out completely
- Need to be present at market regardless of weather
- Customers' loyalty may be to market, not to you as an individual vendor
- Need to maintain good relationships with management and other vendors



Photo courtesy Department of Tourism

Small-Town Market

Advantages

- Often more personal
- More one-on-one contact
- Can build reputation quickly
- Less likely to have waiting list

Challenges

- Fewer potential customers
- Potential smaller return on investment

Large-City Market

Advantages

- Potential for selling larger volumes of product
- Contact with numerous grocery and restaurant owners/managers
- Larger audience for your farm name, products, reputation

Challenges

- More travel and time involved
- Consistent attendance to develop/maintain customer recognition
- May be a waiting list to get in

Market Characteristics

Every market across the state and the nation has characteristics which can impact your product sales. Helpful information to consider when selecting a farmers' market:

- Amount of foot traffic during the market and estimated number of consumers
- Estimated sales for an average vendor
- Time and day of the market
- How your products will complement those of other vendors

Market Rules and Regulations

Specific rules of operation for farmers' markets vary. It is important the market have a clear set of rules and a process for enforcement of the rules, to ensure all vendors are treated equally and fairly.

Topics covered by typical farmers' market rules:

- A membership fee, stall fee, or other way that vendors help support the market
- Restrictions regarding farm's distance from the market, production practices, and/or farm size
- Types of products allowed: produce, meats and dairy products, arts and crafts
- Vendors required to arrive, set up, and pack up to leave at certain times
- Vendors required to display certain information such as farm name, licensing, and prices
- Restrictions on individual vendor's displays and advertising
- Requirements that vendors be present a certain percentage of market days and restrictions on arriving late or leaving early
- Policy for vendors who cannot attend a farmers' market day; how far in advance must they notify the manager, and are there penalties for non-attendance
- Space limitations for each vendor; everyone may get the same size space or there may be an extra fee for a larger space
- How spaces are allotted for the season; on a first-come first-serve basis, a lottery system, or priority to vendors with more seniority
- Market participation in nutrition programs or food recovery programs

Check with the market manager about farmers' market rules and state or local regulations that apply to what you want to sell. Some markets also provide access to rules and regulations online.

Insurance Coverages

Farmers' markets sometimes carry liability insurance that covers accidents that may happen during the market. Some farmers' markets might offer broad liability coverage to vendors and charge higher fees to pay for it. Farmers might be required to carry their own product liability insurance or might choose to do that even if the market doesn't require it. For more detailed information on liability insurance see page 115.

Starting a Farmers' Market

Like any business enterprise, starting a farmers' market requires planning and lots of work to succeed. If there is no farmers' market close to you, consider starting one. Farmers' markets have been established by local governments, farmer groups, civic organizations, community service agencies, university extension educational programs, and private citizens. Coordinating special events around market day may be helpful in drawing customers. Farmers' markets can succeed if those involved are dedicated to making it work. For more detailed information on starting a farmers' market, see the following resources.

Resources for Farmers' Markets

Starting a Farmers' Market

www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELDEV3022129&acct=wdmgeninfo

U.S. Department of Agriculture (USDA), Agricultural Marketing Service (AMS)

Step-by-step general guidelines for developing marketing and operational strategies prior to initiating a farmers' market.

www.ams.usda.gov

Click on "Wholesale and Farmers Markets" and look under "Grant Programs"

USDA-AMS

The Farmers' Market Promotion Program is available "to expand or promote local farmers markets, roadside stands, and similar agricultural ventures."

Understanding Farmers Market Rules

www.flaginc.org/topics/pubs/arts/FarmersMarket.pdf

Farmers' Legal Action Group, Inc. 2006

Article for farmers to understand their responsibilities and rights as vendors at the farmers market.

Developing a Sense of Community

www.pps.org

Project for Public Spaces (PPS)

This nonprofit organization hosts training sessions for market managers, offers grants, and hosts a listserv for farmers' market managers.

Membership Organization

www.FarmersMarketCoalition.org

Farmers Market Coalition

A nonprofit membership organization serving as an information center for farmers' markets.

Steps to Starting a Farmers' Market

- Determine market characteristics such as variety of vendors, community involvement, easy access for customers.
- Create a sponsoring organization by assembling stakeholders to discuss governing body, mission, goals, rules, regulations.
- Identify location with ready access for vendors and customers.
- Create simple, easy-to-read market signage to provide key information.
- Designate market manager to oversee operations.
- Identify and recruit farmers, participants.
- Establish bylaws; define responsibilities and membership.
- Adopt and enforce rules and regulations that benefit all vendors.
- Establish food safety guidelines for prepared foods.
- Create vendor stall arrangements, establish vendor mix.
- Develop a budget including expenses for insurance, permits, advertising, salaries.
- Determine fee structure for vendors (fees are primary source of income for a market).

Source: How to Start a Farmers Market, Velma Lakins
Agricultural Marketing Service, USDA

Locating Farmers' Markets

www.SavorWisconsin.com

Wisconsin Department of Agriculture, Trade & Consumer Protection, University of Wisconsin-Extension, and the Wisconsin Apple Growers Association

Wisconsin has more than 200 farmers' markets. Savor Wisconsin provides a comprehensive online directory helping you locate markets, along with food producers, food events, and farms.

www.FarmFreshAtlas.org

Farm Fresh Atlas™ is a trademark of Research, Education, Action and Policy on Food Group, Inc.

These guides include a list of farmers' markets, farms, restaurants, stores, and other businesses that sell local food and use sustainable production and business practices.

www.ams.usda.gov/farmersmarkets

USDA-AMS

This website provides information about starting markets, funding, and resource publications.

State Regulations on Food Safety and Labeling

Wisconsin Department of Agriculture, Trade & Consumer Protection (DATCP), Division of Food Safety

Phone: 608-224-4700 Email: food@datcp.state.wi.us

Information about farmers' market rules and regulations, including food safety guidelines.

Farmers can be authorized by the state to be a Wisconsin Farmers Market Nutrition Program (FMNP) vendor.



Photo courtesy Gary N-ski

PROFILE

Chequamegon FEAST ChequamegonFeast.googlepages.com

A grassroots coalition of agencies and individuals working together to support a healthy food system.

Mobile Farmer's Market

Joy Schelble, Nutrition Educator
Joy.schelble@ces.uwex.edu

Connecting communities with local producers and nutrition information.

FEAST's Mobile Farmer's Market project is designed to create greater access to fresh, locally grown produce in Ashland and Bayfield Counties, and Red Cliff and Bad River Tribal Communities. The mobile markets bring produce from local producers to 10 communities that do not have an established farmers' market. The mobile market encourages the use of Women, Infants, and Children Farmers Market Nutrition Program (WIC-FMNP) and Seniors Farmers Market Nutrition Program (SFMN) vouchers. All proceeds from sales go directly to farmers.

The mobile market's education and outreach focus teaches customers how to purchase, prepare, and store food. Market days feature local producers on-site for information and conversation as well as family activities to create a "fun" atmosphere and enjoyable experience.

Nutrition and Food Recovery Programs

Farmers' markets across the United States can participate in federal programs created to provide fresh, nutritious, unprocessed foods (such as fruits, vegetables, and herbs) to people who are nutritionally at risk. The two main programs are the Women, Infants, and Children Farmers Market Nutrition Program (WIC-FMNP) and the Senior Farmers Market Nutrition Program (SFMNP). The Food and Nutrition Service of the U.S. Department of Agriculture (USDA) is the federal agency in charge of these programs.

People eligible for these programs receive checks (coupons/vouchers) they can use to buy fresh, raw fruits, vegetables, and herbs from farmers who have been authorized (directly or through their participation in an authorized farmers' market) by the state to accept these checks. Some farmers' markets have installed Electronic Benefits Transfer (EBT) technology to serve customers who participate in the Food Stamp Program. People who use the program also receive nutrition education, often through an arrangement with the local WIC agency. The education is designed to encourage program participants to improve and expand their diets by adding fresh fruits and vegetables and to advise them in preparing the foods they buy through the Farmers Market Nutrition Program.

Some farmers' markets have arrangements with local food pantries that take unsold produce at the end of the market day. Vendor participation in these food recovery programs is usually voluntary. Many food pantries are affiliated with America's Second Harvest, a nationwide food recovery and distribution network.

Resources for Nutrition and Food Recovery Programs

www.dhfs.state.wi.us/wic/Fmnp/fmnp/home.htm
 Wisconsin Department of Health and Family Services
 Women, Infants, and Children—Farmers Market Nutrition Program (WIC-FMNP)

www.uwex.edu/ces/flp/cfs
 UW—Extension, Wisconsin Food Security Consortium
Provides up-to-date county- and state-level information about food security, economic well-being, and the availability and use of public and private programs.

www.sharewi.org
 SHARE *A nonprofit food-buying club that helps over 7,000 families save money on food every month. The organization is incorporating locally grown produce in its food offerings.*

www.SecondHarvestWi.org
 America's Second Harvest of Wisconsin
The state's largest food bank, serves eastern Wisconsin.

PROFILE

Lodi Valley Farmers' Market

Lyn Lorenz, Market Coordinator
LodiFarmersMarket@centurytel.net

Community service is one focus of the Lodi Valley Farmers' Market. Civic-mindedness and weekly events have helped build a successful market. Lyn Lorenz, market coordinator, tells how the market—now thriving in this small rural community—was organized.

“The original focus and purpose of our market was to help those of our neighbors and seniors who are in need, who cannot afford fresh produce, or are unable to attend the market for various reasons,” Lyn Lorenz says. “Our partnership with the Lodi Valley Food Pantry has been a healthy one for all involved. Families in need are served easily from the large coolers in our market barn the morning after our market is held. The remaining produce is then dropped off at the several senior apartments. It’s rewarding to be able to give back to those who have supported this community for so long.” Lorenz continues by answering questions about the Lodi Valley Farmers' Market.

How did your market start?

In 2001, a group of Lodi residents felt there was a need for a farmers' market where people could buy wholesome, locally grown food at a fair price.

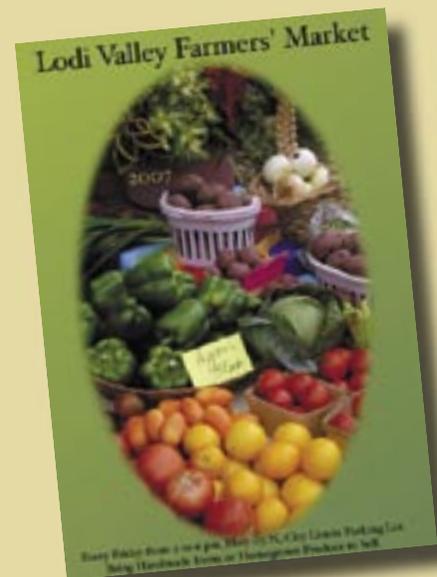
How did you choose the market day?

The decision to hold a Friday market was a relatively easy one.

The Dane County Farmers' Market held on Saturday is only 30 minutes from us. Waunakee has a Wednesday market 20 miles southeast, and Portage a Thursday market just 20 miles north. We are very close to the Lake Wisconsin vacation area, Devil's Lake State Park, and the free Merrimac Ferry tourist attraction, which all pointed to a very busy Friday afternoon in Lodi. We've seen license plates from five states in the market parking lot. The original hope of bringing in a broad clientele has been successful. Also, many of our vendors participate in other area markets so Friday is a good fit for Lodi.

How do you promote the market with growers?

We send out about 125 invitations and have had more than 100 vendors participate in one or more markets throughout the season.



The attractive annual market poster is welcomed in businesses, schools, and churches in the area. Local newspaper articles promote the market and grower invitations are sent each season.



An educational and informational emphasis has included the host of the “Wisconsin Gardener” TV program, who answers questions and visits with vendors and buyers.

The original focus and purpose of our market was to help those of our neighbors and seniors who are in need, who cannot afford fresh produce, or are unable to attend the market for various reasons.

Lyn Lorenz, Lodi Valley Farmers' Market



Families, food, and entertainment go hand-in-hand.

Our local newspaper has supported us from the beginning. Peg Zaemisch, former managing editor, was the market’s founder. Her support, articles, and columns helped promote the market idea. The newspaper also sponsors our annual market poster, which is a collaboration between Gary N-ski, a freelance Lodi photographer, and Carlyn Malzhan, a local designer. The posters are artistic and welcome in businesses, schools, and churches around Lodi and in the area.

Our market really blossomed during its first eight years, nurtured by enthusiastic volunteers. The community has supported this market by shopping locally. We would not have the vendor attendance we have if it were not for our customer base.

Lyn Lorenz, Lodi Valley Farmers’ Market



Do you hold special events?

Each week we offer a specific theme to attract more customers. Sometimes we have what we call “Garden GiveAways.” One Mother’s Day market offered small pots of daisies to any mother, courtesy of two vendors. Other days we have an educational and informational emphasis. We’ve had guests like Shelly Ryan from the “Wisconsin Gardener” show on Wisconsin Public Television answering questions and visiting with the vendors and buyers. We try to keep the ideas and themes fresh, but also bring back

favorites, such as the Madison Children’s Museum’s traveling garden cart for our young visitors. Community residents get involved, too. Our “Super Sassy Salsa Contest” has had strong participation by salsa makers of all ages. Organizations such as the Chamber of Commerce, the city and township, the school district, and the Lodi development organization are all current or past supporters of the market’s finances.

What lies ahead?

Our original, ongoing theme at the market has been “Good Food for Good People.” We have focused Earth Week events around a sustainable theme, asking residents to evaluate their own carbon footprints and have promoted the market’s food and goods as “less traveled.” Although many of our weekly seasonal vendors come from outside of Lodi, we are encouraging more local participation at the market. However, our market really blossomed during its first eight years, nurtured by enthusiastic volunteers. The community has supported this market by shopping locally. We would not have the vendor attendance we have if it were not for our customer base.



Special events held each week attract customers. Vendor attendance is strong because of a strong customer base. Lodi Valley Farmers’ Market organizers have found music enhances market day activities.

Photos courtesy Gary N-ski

PROFILE

Dane County Farmers' Market

Larry Johnson, Market Manager
www.dcfm.org

Providing a clean, fun, and safe atmosphere in which to buy locally grown food and specialty products has made the Dane County Farmers' Market a success. While it has the advantage of a large urban population from which to draw, its success can be replicated in smaller cities, villages, and towns, as well.

The Dane County Farmers' Market has been so successful that your odds of winning the state lottery are almost better than finding new vendor space at the market site. Every Saturday and Wednesday during three seasons, from April through November, crowds of people come to downtown Madison's Capitol Square to survey and procure some of the freshest Wisconsin produce the state has to offer. During the winter months, the market moves indoors and continues every Saturday except the last one in December.

"The success of the Dane County Farmers' Market continues because it's the largest producer-only farmers' market in the country," says Larry Johnson, one of seven individuals who has served as market manager. "All items behind the tables are produced by the vendors. No re-sale items are allowed."

The Dane County Farmers' Market began in 1972 and keeps the producer-only theme that has made the market unique. Roughly half the market's 300 vendors attend every Saturday. Others attend with specialty products that may only be available at specific times. So sought-after are the vendor spots that there is a minimum three-year waiting list for those who want to sell on the Square. You'll find the season's best offerings of vegetables, flowers, and specialty products at the market and all produced within Wisconsin's borders. Meat, cheese, baked goods, preserves, honey, candy, and maple syrup are a few of the many products offered for sale.

The contact between customer and producer can create a special bond through the weekly visits by the consumer seeking the vendors of their favorite products. This bond is a trust that can be cultivated in small farmers' markets, as well. The key ingredients are good produce fairly priced and a willingness to meet your customer in their own setting.



The largest producer-only farmers' market in the United States offers Wisconsin-grown products.

Our market thrives in the heart of the activities on the Square. Our vendors line the outside edge of the State Capitol grounds. There usually are other activities occurring at the same time as the farmers' market because the interior of the State Capitol [outer ring] is used for nonprofit, political, and public information booths, and for various entertainment activities.

Larry Johnson,
Dane County Farmers' Market



Photos courtesy Marcus Hasheider

Large-City Markets

One advantage of large-city markets is the potential for selling large volumes of product. Vendors have found that it is one of the best forms of advertising for their farm's products. Grocers and restaurant managers frequently shop the markets, too, leading to further sales opportunities.

"Our market thrives in the heart of the activities on the Square," Johnson notes. "Our vendors line the outside edge of the State Capitol grounds. There usually are other activities occurring at the same time as the farmers' market because the interior of the State Capitol [outer ring] is used for nonprofit, political, and public information booths, and for various entertainment activities." The central location of the market makes it easily accessible by bike, bus, car, and walking. This market provides a safe venue for families with young children and for elderly shoppers.

The Dane County Farmers' Market is a nonprofit corporation with nine elected vendors who serve on the board of directors. They have developed a guide book that outlines and details the responsibilities of vendors to each other, to the market location, and to the public. By granting membership to a vendor, the board can maintain quality control over the enterprise by policing operational and product legitimacy issues if they surface.

The size of the Dane County Farmers' Market requires help from many volunteers to keep it running smoothly. Small-town farmers' markets can benefit from having volunteers help, as well.

Larry Johnson, Dane County Farmers' Market

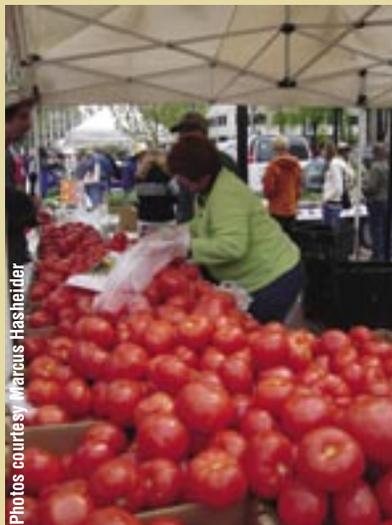
"Volunteers are an important part of the market," Johnson says. "They help with the Information Booth on Saturdays by answering questions, greeting visitors, and distributing free

literature. They also help with the Winter Market Breakfast which is a full breakfast where the main ingredients are vendors' products. We have the Friends of the Dane County Farmers' Market, a small group that supports the market's educational and out reach activities. Volunteers assist with food tastings, school program planning and presentations, market tours, and distribution of Food Share program information."

The size of the Dane County Farmers' Market requires help from many volunteers to keep it running smoothly. Small-town farmers' markets can benefit from having volunteer help, as well. Making visitors feel welcome to the market area can be a key to its success.

"Organizers of new markets should try to recruit volunteers early in the process of developing a farmers' market," Johnson recommends. "In some cases the market group may want to work with a local Chamber of Commerce, a historical society, a neighborhood organization where they site the market, to get their help. Local organizations or businesses may help provide tables and chairs for visitors to the market. In our case, vendors provide their own setup materials, such as tables, chairs, tents, or whatever else they feel necessary—within reason—for their comfort and safety."

Trash and refuse generated from selling at a farmers' market is a potential problem. All vendors must clean up their sales areas completely before leaving and haul their waste home. Customers are provided access to trash containers. The market started a recycling program and encourages customers and vendors to bring cloth bags or plastic bags for reuse.



Photos courtesy Marcus Hasheider

PROFILE

Cates Family Farm

Dick & Kim Cates

www.CatesFamilyFarm.com

Direct marketing their beef products has become a specialty of the Cates family. They grass-finish steers from spring through fall and market to more than 200 customers, including households, restaurants, and retail stores.

“There’s no doubt that people want to make a connection with farms and farmers,” Dick Cates says. “It’s on an unprecedented scale and the opportunity for succeeding by offering a quality product is wide open.”

Cates believes there are several reasons for this renewed interest in local foods, including people being tired of losing control, losing contact, and losing a relationship with food production. “I think people are reacting to that and taking back some control by re-establishing relationships and connections with place and the people who raise their food.”

Reducing carbon footprint is another reason for interest in finding local produce for the family table. “Only through collaboration and cooperation can we reduce our carbon footprint and have a chance to do our part to protect the planet,” he states. “It’s clear that our present dominant food system requires exorbitant energy for packaging and transporting food across the country and the world.”

Another reason, he says, is the increasing concern people place on what they consume and what the impact of their food is on their bodies and the environment. “By making these conscious choices, they can have some control over that,” he adds.

Cates Family Farm near Spring Green addresses those concerns by producing a quality product that finds its way to more than 200 customers each year. “We try to find a market for each kind of cut,” Cates notes. “We don’t have a large number of restaurants because oftentimes they want high-end cuts, and there are only so many you can get from an animal. We do have one restaurant that wants everything from tenderloin to soup bones. We have stores that want different products. Some want ground beef, some want sliced deli meat, and some want sausage or smoked meats. We try to match the markets with what we have available.”

Households are the most diverse customers because they generally want a package of mixed cuts. With households, Cates says they can move a large quantity of beef but he treats their



Market Opportunities for Farmers

For anyone wanting to get into direct marketing, they need to make themselves known at farmers’ markets first.

Dick Cates, Cates Family Farm



The Cates family welcomes many visitors every year, including this class from Growing Power in Milwaukee.

The market is expanding and we’re riding a huge wave right now. I don’t feel we’re competing with anyone else because there’s room for many more in this business.

Dick Cates, Cates Family Farm

Providing a comfortable environment for our animals is as important to us as it is to their well-being; for it adds an element of dignity to our profession of animal husbandry. To be acknowledged for our work by a reputable organization such as the Animal Welfare Institute is a meaningful embrace from a bigger world.

Dick Cates, Cates Family Farm



Photo courtesy Cates Family



Photo courtesy Lilliane Miller

Dick Cates explains his farm program to the staff of L'Etoile restaurant. Field trips are a great chance for everyone to learn more about local food and the farmers who produce it.

needs differently. “A family is coming to us with a food budget to get food for their family for six months,” he says. “We offer larger packages of beef for our households at a price savings because our food is part of their daily budget. So the pricing is different.”

As farmers return to traditional ways of raising their animals, markets are opening up for their products. “For anyone wanting to get into direct marketing, they need to make themselves known at farmers’ markets first,” Cates says. “There you have a predisposed buyer and lots of them. Even those who may not buy at that moment are interested and potentially are buyers. Farmers’ markets are a wonderful way to meet new customers—chefs, retail food buyers, and household customers. In time, word-of-mouth will be your best promotion, if you treat your customers well and have a good product.”

For growers wanting to enter the direct market, Cates offers some suggestions. “One key is to market as much of your beef ahead of the butchering time as possible,” he explains. “That way you can reduce freezer size and storage costs, and you’re not handling it into your freezer and then back out when you deliver it. Being able to deliver as you pick it up at your processors saves you a lot of work.”

Cates says that’s one of the skills you develop when coordinating your processing with delivery times. He believes a direct marketer needs to work *on* your business not *in* your business. “You have to stop working just on fences, your cattle, your equipment, because you need to work on your marketing. It’s better to figure out how to add value to your product and spend less on the traditional farming chores and tasks. Find help with the

traditional farm tasks if you are unable to do both well.”

That’s the route the Cates took when they started almost 20 years ago. “You need to build business relationship marketing,” he notes. “You also have to recognize that as a farm family, you have a unique story to tell. That’s what people are interested in learning. So your business relationship starts with talking with people to propel your business forward.”

Cates believes there is one more ingredient needed: “As long as you conduct honest business and do what you say you’ll do, offer to return the food if it’s not up to par, you can move ahead. The market is just expanding and we’re riding a huge wave right now. I don’t feel we’re competing with anyone else because there’s room for many more in this business.”

PROFILE

Fondy Food Center

Young Kim, Executive Director
www.FondyMarket.org

The Fondy Farmers Market is one of the largest producer-only markets in southeastern Wisconsin. It covers 38,000 square feet, features 30 local farmers, and is open five days a week during the growing season.

“The Fondy Food Center was created to ensure the continued supply of fresh vegetables into central city Milwaukee,” explains Young Kim, the center’s executive director. “Like many American cities, mainstream grocery stores have left certain areas of Milwaukee for the suburbs, but people here still need to eat, and with all the health problems we’re seeing these days, people need to eat more healthy foods.”

Bringing fresh produce into Milwaukee is only part of the plan. “We can bring tons of broccoli into the city,” observes Kim. “But people won’t buy it if they don’t know how to cook it.” To this end, the center has culinary education programs designed to spark a revival in the consumption of locally grown produce. “Taste the Season” is a live cooking demonstration program that introduces vegetables to neighborhood cooks with simple, one-pot recipes. The center also started the Girls Chef Academy, a 12-part curriculum aimed at middle school-aged girls.

Fondy works with local growers with its “GrowRight Program.” This program was designed to strengthen farmer relationships by providing education and marketing assistance. On-farm visits are made by marketing staff members to assess each farmer’s challenges and opportunities. During the growing season, restaurants, cafés, child care centers, and other large customers receive weekly wholesale pricelists by email. Fondy’s is one of only two Wisconsin markets to accept Wisconsin QUEST Foodstamp Cards, with 15 farmers now accepting food stamps using wireless handheld card readers.

With the assistance of Fondy Food Center’s innovative strategies, Milwaukee residents are getting the healthy foods they need, and Wisconsin farmers have access to a unique market.



The center has culinary education programs designed to spark a revival in the consumption of locally grown produce.

The Fondy Food Center was created to ensure the continued supply of fresh vegetables into central city Milwaukee.

Young Kim, Fondy Food Center



Fondy Farmers Market is Milwaukee’s largest. Fondy supports local growers with education and marketing assistance.

COMMUNITY SUPPORTED AGRICULTURE

Community Supported Agriculture (CSA) offers producers a system of supplying consumers with fresh, wholesome, nutritious products weekly at a predetermined site. Next to farmers' markets, CSA farms have developed into one of the fastest growing marketing systems today because of the benefits derived by both farmers and members.

What Is CSA?

Through CSAs, local households and farmers work together to share the responsibility of producing and delivering fresh food. Households support the farm by paying an annual fee in the winter or spring that entitles them to a "share" of the season's harvest. Once harvesting begins, members pick up a weekly box of fresh foods which may include produce, fruits, cheeses, eggs, meats, poultry, flowers, herbs, or preserves. Pick-up sites are often located at a member's house or at the farm. Most farms

create a newsletter that accompanies each delivery, with notes about farm activities, descriptions of what's in the delivery, cooking tips, and recipes. Many farms also create opportunities for their members and families to visit the farm and participate in farm events. The typical CSA season in Wisconsin runs from the end of May through mid-October. Farms offer a diversity of share options, including extended season shares, multiple share types and sizes, and special funds and payment plans to accommodate households on a tight budget. Courtesy: Madison Area Community Supported Agriculture Coalition (MACSAC)

What Is Involved?

There are four key ingredients in a successful CSA:

1. Expertise in growing or raising product
2. Customer service
3. Planning
4. Recordkeeping

Community Supported Agriculture Advantages

- Creates added value to products
- Funds available for purchase of seeds and planting
- Can produce a wide variety of vegetables and/or fruits
- Assists families in healthful eating

Challenges

- Labor- and time-intensive
- Sound planning needed for entire growing season
- Expertise in using equipment and/or managing workers

Expertise

Knowing how to grow vegetables and fruits successfully is the first step in developing a CSA. If you are a novice at farming, learning how to manage a CSA while learning how to grow the crops may be difficult. Experience can be gained by working with other established farmers or CSAs that will allow you to step into a more responsible role as your knowledge increases. Production knowledge, including timing of planting, succession planting, and post-harvest handling, is critical to satisfy the expectations and trust of your members. Gaining experience in growing produce and selling as a vendor at a farmers' market allows you to develop your production knowledge and develop a customer base for the future.

Customer Service

The sense of community the farmer establishes with the subscriber is at the heart of a successful CSA program. Customers join CSAs because they want fresh vegetables and because they want a real connection to the farm that grows their food. Part of the value you add to your products is communication with your CSA customers. This can be accomplished with weekly or monthly newsletters or by including recipes with weekly produce containers. Encouraging communication and feedback



Photo courtesy Harmony Valley

Packing a fruit box for CSA delivery.

from your members will help keep you informed about their concerns.

Planning

A successful CSA farmer must be able to plan an entire season's production before one seed is planted. Having an extensive knowledge of vegetables, varieties, and their rates of maturity will help you develop a system of timing and succession plantings to ensure a consistent harvest throughout the season. A well-organized approach will help you manage plantings for steady, season-long production so that customers receive the diverse, weekly box of produce they were told to expect when they joined the CSA. Planting too few vegetables is often more problematic than planting too many. Projections of how much of each variety to plant will depend on the customer base you have developed. Planning for and achieving a successful harvest will allow you an opportunity to expand your program in the future if you choose. Satisfied members are the best advertising a CSA can get. See additional information at the end of this section for resources on timing of planting and harvest.

Recordkeeping

Keeping detailed production and financial records is absolutely necessary to be successful. A CSA is a business and members are investing in your program because of the expected return on their money in the form of farm products. You are looking for a profit for your time and effort invested. Before setting a share price, you need to estimate all costs for the growing year, including your salary or profit margin. If your financial estimates are wrong, you may risk not recovering your costs or the ability to pay yourself for your time and effort. If your production estimates are wrong, you risk shortchanging your customers and losing their business. Consulting with other successful CSAs about their initial estimates may help you develop your original projections. Careful recordkeeping during your startup years is extremely valuable in helping you make estimates in future years.

Refer to the budget projection resources at the end of this section for detailed information on determining your cost of production.

Considerations for Starting and Operating a CSA

Members

Once you've decided to build a CSA, you'll need to decide how many members you want and then recruit them. If you already sell at a farmers' market you can talk to customers to learn if they would be interested in being a CSA member. At this stage, you will need to have membership share costs established and a preliminary list of the types of produce you plan to provide, as these will probably be some of their first questions.

Established CSA farmers suggest starting small, developing a solid member base, and learning as you grow. Generally, CSA farms serve about 20 to 30 households (harvest shares) per acre in production. For example, a 200-member farm would likely cultivate at least 8 acres a year (more when considering land in cover crops/fallow). These acres would be planted with at least 40 to 50 types of crops, including vegetables, berries, and herbs. At least five full-time seasonal workers would likely be required.

Size and Price of a Share

The size of a share and the price for each can vary from one region to another. Regular CSA memberships for the Madison area ranged from \$450 to \$550 per season in 2008. Source:

Madison Area Community Supported Agriculture Coalition.

A Wisconsin season typically runs for 18 to 20 weeks, starting the end of May. Each customer box is typically 5/9 of a bushel, and is estimated to feed a family of four. Pricing options may vary and half-shares are popular among small families or single people. Some CSAs offer a work share program for customers who commit to working a specified time at the farm and then receive a discount in return for their work. Others offer a discount if members pick up their share at the farm.

Harvesting and Post-Harvest Handling

Most CSA deliveries are weekly. You need a system to harvest, wash, store, and pack your produce and a clean place for storing and packing. Cold storage is necessary for vegetables that are harvested a few days before delivery. Post-harvest handling has a large impact on the quality and value of the products being sold. Developing

Vegetable	June	July	Aug	Sept	Oct
Beans, Green					
Beets					
Broccoli					
Brussels Sprouts					
Cabbage					
Carrots					
Cauliflower					
Celeriac					
Cucumbers					
Eggplants					
Fennel Bulb					
Fresh Herbs					
Garlic					
Kale & Collards					
Kohlrabi					
Leeks					
Lettuce					
Onions					
Peas, Snap					
Peppers					
Potatoes					
Radishes					
Rutabagas					
Spinach					
Squash, Summer					
Squash, Winter					
Swiss Chard					
Tomatoes					
Turnips					

*Dark shading indicates when we plan to distribute a vegetable frequently. Light shading shows when we plan to distribute an item less frequently.

Courtesy: Two Onion Farm

Two Onion Farm raises about 25 different vegetables and provides the information above to their CSA members to show the approximate time the farm expects to distribute the vegetables. In communicating to their members, the farm notes that each vegetable ripens in its own specific season and eating seasonally is a benefit of membership because each vegetable is at the peak of flavor and freshness.

specific standard operating procedures for post-harvest handling can ensure your customers receive a consistent product. For more information on post-harvest handling see the resources section on the following page.

Packaging

CSA farms use varied packaging methods for deliveries. Some use heavy-duty, waxed cardboard boxes or plastic crates that are collected and re-used. Others use light-weight cardboard boxes that are replaced as they wear out or are lost. Members may even be encouraged to use tote bags for pick-up at the drop site.

Delivery Locations and Schedules

Deliveries can be made to locations convenient for CSA members. Some CSAs allow pick-up of shares at the farm. Others collaborate with local food co-ops, churches, and offices to act as their drop-site host; some members may even be willing to open their home as a drop site for

others in their area. Drop-site hosts may receive produce or discounts for their time and effort. The time frame for pick-up is important to maintain freshness. A discussion with prospective members about their preferences helps establish an orderly and timely delivery schedule.

Product Mix

CSA farmers often consult their members about what kinds of produce they'd like to receive in their boxes. Starting with a basic product mix is wise. As you gain experience, you can try more novel ideas. One of the valuable aspects of CSA membership is the varied mix of uncommon fruits or vegetables that may be offered as well as information and recipes for using these foods.

Many opportunities are available for developing a unique product mix that can differentiate CSA farms. Some offer a weekly supply of salad greens or a special salad share. Others offer a winter frozen share, or storage crop share, that includes a variety of frozen or stored produce harvested from the previous season. Add-on shares can also include meats, eggs, cheese, and flowers.

CSA Supports Sustainability

CSA is a unique and sustainable movement of food production and consumerism that:

- Fosters mutual respect and support between those who eat the food (CSA members) and those who grow it (local farmers)
- Introduces new and exciting varieties of vegetables that may not be available or members might not otherwise buy at a grocery store, thus broadening health and palates
- Gives members an active and ecologically-friendly role in the production and distribution of quality produce
- Allows members the opportunity to visit and work on the farm, to become familiar with and connected to where and how their food is grown
- Gives members the enjoyment of locally available foods while learning about eating seasonally—this means having the freshest food possible, while sharing in the natural cycle of the seasons as a community
- Offers a fresher, more sustainable alternative in an age when food travels an average of 1,300 miles to reach our table

Courtesy: Tricia Bross, Luna Circle Farm

Resources for Community

Supported Agriculture

Wisconsin CSA Resources

www.macsac.org

Madison Area Community Supported Agriculture Coalition (MACSAC)

Promoting and supporting Community Supported Agriculture farms, and coordinating community and farmer education programs about the benefits of sustainably grown local foods.

www.SlowFoodWise.org/milcsa.htm

Milwaukee CSA Initiative

The Milwaukee CSA Initiative is dedicated to building a rural and urban network of healthy foods and sustainable agricultural practices, bringing farmers and the community closer together.

www.LocalHarvest.org/csa/

Local Harvest, Inc.

This website provides a list of CSA farms in Wisconsin.

Budget Projection for Vegetable Production

www.extension.iastate.edu/Publications/pm2017.pdf

Iowa State University Extension

This enterprise budgeting tool can help vegetable growers estimate the costs and revenue associated with producing a product.

Enterprise Budgets

www.cias.wisc.edu/

Scroll over Economics and Click on Enterprise Budgets Center for Integrated Agricultural Systems (CIAS)

Enterprise budgeting tools for dairy sheep, dairy goats, poultry, and specialty foods.

Market Vegetable Production Timetables

www.hort.wisc.edu/FreshVeg/Days%20to%20Harvest.pdf

University of Wisconsin–Madison

Information on average planting dates, days to maturity, and average harvest dates for fresh market vegetable production in Wisconsin.

Production Costs and Trends

www.cias.wisc.edu/crops-and-livestock/

[csa-more-for-your-money-than-fresh-vegetables/](#)
CIAS

“CSA: More for your money than fresh vegetables”

www.cias.wisc.edu/economics/

[managing-a-csa-farm-1production-labor-and-land/](#)
CIAS

“Managing a CSA Farm: Production-Labor-Land”

[www.cias.wisc.edu/farm-to-fork/managing-a-csa-farm-2-](http://www.cias.wisc.edu/farm-to-fork/managing-a-csa-farm-2-community-economics-marketing-and-training/)

[community-economics-marketing-and-training/](#)
CIAS

“Managing a CSA Farm: Community-Economics-Marketing-Training”

[www.cias.wisc.edu/economics/community-supported-](http://www.cias.wisc.edu/economics/community-supported-agriculture-farms-management-and-income/)

[agriculture-farms-management-and-income/](#)
CIAS

“CSA Farms: Management-Income”

www.nal.usda.gov/afsic/csa

National Agricultural Library

U.S. Department of Agriculture (USDA)

This website provides resource information about Community Supported Agriculture.

www.uwex.edu/ces/agmarkets/publications/documents/A3811-4.pdf

UW Cooperative Extension

“What is Community Supported Agriculture?”

Health Insurance Rebates

Eating healthy has caught the attention of insurance companies that view this approach as a means to lessen health problems and lower associated costs. A partnership between several health insurance companies and the Madison Area Community Supported Agriculture Coalition (MACSAC) includes a health insurance rebate program. Through MACSAC and participating insurance providers, CSA members may receive a \$100 to \$200 rebate on their health insurance by subscribing to one of MACSAC’s CSA farms.



A successful CSA farmer must be able to plan an entire season’s production before one seed is planted.

www.attra.org/attra-pub/csa.html

Appropriate Transfer of Technology for Rural Areas Community Supported Agriculture, Publication #IP289
This publication reports on the history of Community Supported Agriculture in the United States and discusses various models that have emerged.

Post-Harvest Handling Quality and Yields

PostHarvest.ucdavis.edu/Produce/Producefacts/index.shtml

University of California, Davis

Recommendations for maintaining post-harvest quality, and storage requirements of fruits and vegetables.

www.ams.usda.gov/AMS

U.S. Department of Agriculture

For information on USDA grading standards for quality control, Click on Grading, Certification and Verification, then on Standards.

[www.MichaelFieldsAgInst.org/news/](http://www.MichaelFieldsAgInst.org/news/newsrelease_postharvest_handling_resources.html)

[newsrelease_postharvest_handling_resources.html](#)

Michael Fields Agricultural Institute

Wholesale Success

Book produced by FamilyFarmed.org, this manual addresses selling, post-harvest handling, and packing produce.



Photo courtesy Marcus Hasheider

Luna Circle's stand at the Dane County Farmers' Market features vegetables, herbs, and certified organic vegetable plants.

Community Supported Agriculture Farms

The CSA model provides the opportunity for a direct relationship between farmers and communities. This connection between the farmer and the CSA members is based on a shared philosophy about food production and community.

Through our CSA we hope to encourage deeper connections with the land and with each other.

Tricia Bross, Luna Circle Farm

PROFILE

Luna Circle Farm

Tricia Bross

www.LunaCircleFarm.com

Creating and developing a market for farm products based on your personal philosophy can be an avenue to success. Luna Circle Farm's strong commitment to sustainable agriculture has led to a self-sustaining farm ecosystem that produces a wide variety of vegetables and herbs, as well as sales of vegetable plants.

"Our commitment to low-input, small-scale agriculture has remained constant throughout the years," says Tricia Bross. She has owned and developed Luna Circle Farm near Rio for the past 6 years. "I spent the previous 12 years in the Gays Mills area and really loved it. But as I developed my business, I found that I didn't like the four-hour commute to the Saturday Madison Farmers' Market, so I decided to move closer to that area," she explains.

"I grew up in Wisconsin but moved to New England and during a four-year period, I interned on several farms with different produce production systems. For anyone whose life situation allows them to do that, it's really a fantastic way to get a huge education on what you can do with your program.

"I knew from my experience as an apprentice in the East that we could handle 2 acres of produce before hiring other help. We did 1.75 acres for several years and then hired some help to expand the farm.

"I use a technique called holistic resource management. That's a process where you set your goals, but they're not just business goals, they encompass your entire lifestyle. I like to think of them as a quality-of-life viewpoint.

"I look at any big-purchase items and then compare it with my goals and ask if they will help meet these goals, which are a quality-of-life issue, and a certain environmental sense and a commitment of paying my workers as much as I can. Those things are all important to who I am as a person and it's important that the decisions I make be based on them.

"I didn't invest in a lot of equipment but I have two small tractors: one for plowing and tilling and one for cultivating. I do have different attachments to do different things but I try to do as much of my weeding as I can mechanically. Our rows are spaced for our equipment and not necessarily for people.

"If I were to offer a suggestion to a new grower it would be to try to hire your tillage work done if you can; at least in the begin-

ning. If you need to invest money, put it into refrigeration equipment. You can grow great food, but if you don't have a way to chill it and cool it so that it looks good when you get to the farmers' market or your CSA, you're not going to make any money.

"On our 20 acres we raise 4 acres of vegetables. I have a nice pole barn that has a double cooler. One room is for the vegetables that don't like it so cold like squash, tomatoes, and potatoes, and is kept between 55° and 65°F. The other room is about 35° for those vegetables, such as lettuce, broccoli, greens, and so on, that like being that cold.

"We converted an old wood drive-through corn crib into our wash area with sinks and tubs. It's a place where we do bunching of vegetables and has good air flow in summer. I have four greenhouse structures—three are 30' x 95' and one is 10' x 88'. I generally start my seedlings in February in my kitchen and move them to the greenhouse in March.

"We need to stagger our plantings through the year. Anyone who wants to grow vegetables needs to learn about succession planting, like how many times you can plant things during the year. It depends on what works for you and you have to experiment a little at first.

"Prices are probably the hardest thing to determine for a new grower. You need to pay yourself for your work. You're providing a good product. I think many people make the mistake of under-pricing their products.

"We're looking at our total production costs for every crop, including time spent planting. It's a lot of recordkeeping but we're trying to keep track of each crop to see if we're pricing our products to reflect that. You also need to consider your transportation costs, which have consistently kept rising and I will need to adjust my prices to reflect that.

"Our promotion includes a website which draws a lot of traffic. But what makes the most difference to me is that I sell all the CSA shares I want to sell and then I'm in good shape. I do a brochure that I put out at natural food stores. We average about 60 CSA shares and this year I'm already at 65 and I'm trying to stop people from sending me money. Now that's a nice problem. But if I go to more shares then I will have to cut down on the farmers' market.

"If I could offer another piece of advice for a new grower it would be to learn proper post-harvest handling techniques for every vegetable they raise. You can't take improperly cooled produce to a market and expect it to look good to the customers passing by. I teach a three-day class at the UW-Madison called 'Beginning Market Gardening' and that's one of the things I really stress. If it doesn't look good it won't sell. So do a good job."

Prices are probably the hardest thing to determine for a new grower. You need to pay yourself for your work. You're providing a good product. I think many people make the mistake of under-pricing their products.

Tricia Bross, Luna Circle Farm



Photos courtesy Luna Circle Farm

Luna Circle Farm does plantings every week of the summer to assure a consistent supply of vegetables for both the farmers' market and their CSA.



PROFILE

Scotch Hill Farm

Tony & Dela Ends

www.ScotchHillFarm.com

Learn from others, intern at a variety of farms if possible, go to field days, ask lots of questions, and listen to what experienced people say.

Tony Ends, Scotch Hill Farm



Diversification has allowed Scotch Hill Farm to expand its markets. It offers subscriptions for fresh produce, eggs from free-range poultry, and goat milk soaps. It works with a number of collaborative organizations in the region to meet the farm's goals.

Now in its 14th season, Scotch Hill Farm at Brodhead is a CSA farm that markets more than 100 varieties of produce, value-added products made from goat milk, and eggs from free-range chickens. Tony and Dela Ends provide answers to a number of questions often asked by new farmers.

Would you do anything different if you were starting out today? Everything—food, farming, the economy, the marketplace, even government agencies and institutions—is different than when we first began trying to grow crops and livestock and sell directly to the public. Spiraling energy costs, indebtedness, and production expenses seem now more than ever to be the determinants of success or failure for most agricultural enterprises. We've adjusted to changes, sometimes by necessity, sometimes by being wary and watchful.

What has worked for you? We were warned not to go into debt by a number of older and retired farmers. We listened. We worked two, three, sometimes four part-time jobs to pay for initial livestock, equipment, and facilities. We bought, rehabilitated, and sold two residential properties in order to come up with enough equity to buy our present farmstead. We rented little corners of land from larger cash grain farmers. We grew extremely slowly as a result, learning by trial and error, experimenting with production and sales, testing markets. We built a kitchen with largely recycled materials from a salvage yard, rehab projects, and a store going out of business. We built this building with an eye to meeting commercial food processing requirements, but never completed those requirements, as we made use of the space and facility for cleaning and packaging fresh vegetables—consistently about two-thirds of our business—and making goat milk soap and skin care products—the other third of our farm income—which do not require licensing, inspection, and certification. Direct marketing, rather than trying to enter wholesale markets, has worked for us up to this point.

What were some challenges? Agriculture as a business is production, marketing/sales, financing. We learned to produce in the field, add value, and sell. Yet we have never been able to obtain sufficient financing to purchase land to securely increase scale and efficiency. Land was selling for about \$1,200 an acre in our area 14 years ago. It is \$3,000 to \$5,000 an acre now within

20 miles of us, and \$35,000 to \$65,000 beyond that circle toward metro areas where development pressure is ever more intense. We were asked a number of times early on to partner in purchase of land. We did not want to carve up farms into smaller parcels. In retrospect, this seems a mistake, though it would have violated the warnings not to take on debt. If we had owned even smaller tracts of land as a base of production and been able to invest in a well, irrigation, packing shed, and a second walk-in cooler for fresh vegetable production, we could have grown more rapidly and shed the off-farm work earlier on. We used to go to four local farmers' markets within 30 miles of our farmstead. We consolidated delivery to two days and focused on just two Wisconsin communities and several Chicago neighborhoods. Our sales have increased dramatically; we have more production time at home, and get best use out of delivery days. As gasoline and vehicle costs have increased so much over the past five years, this has become ever-more important.

How did you determine what you wanted to do or the size you wanted to be? We learned a lot from nearly five years of assisting agronomists, soil scientists, and educators in a non-profit institute, helping them develop on-farm research projects in nutrient management, alternative grain production, subscription vegetable crop production, cover cropping, and marketing. We joined a number of grower organizations and went to field days, trials, workshops. All of this was extremely helpful to us as we learned and grew our own business, from 5 vegetable subscribers in a 15-week growing season, to a projected 250 subscribers, a 20-week season, and possibly some winter greens in hoop houses and cold frames this season, our 14th year.

Gross returns from direct market organic vegetable crop sales can range from \$8,000 to \$17,000 per acre, depending on degree of mechanization, greenhouse and other facilities capabilities, availability of land for rotations, and double- or triple-cropping within a season. Roughly about one-third of gross farm income goes to labor, about one-third to overhead and production expenses. We believe our profit margin has been less than larger, specialized vegetable crop farms up to this point—consistently under 20%, rather than the 30% figure we hear other growers mention. About 250 vegetable subscribers can help a producer come very close to self-sufficiency and sustainability with a modest income.

We have deliberately integrated animals into our vegetable crop production as a commitment to traditional family farming, farming according to organic practices, and on-farm soil fertility. We have paid a price for this diversity, with the added expense and time livestock require. Those who discouraged this approach may be singing a different tune as fertilizer costs rise, and agro-fuels divert land away from ready, cheap availability of purchased feeds and forage. Soon, only those who grow their own feeds and forage may have livestock at any scale of production. Only those who have livestock may have secure, on-farm sources of soil fertility.

Did you develop a business plan at the start? We developed formal business plans several times to try to obtain financing for farm purchases, but we were denied funding. We did not have enough equity, capital, or land. We have set farm growth goals each year, scaling our purchase of seed, planting, and production according to



Photos courtesy Scotch Hill Farm

Value-added items produced on the farm include goat milk soaps and skin care products.

We learned to produce in the field, add value, and sell. Direct marketing, rather than trying to enter wholesale markets, has worked for us up to this point.

Tony Ends, Scotch Hill Farm



We have deliberately integrated animals into our vegetable crop production as a commitment to traditional family farming, farming according to organic practices, and on-farm soil fertility. Tony Ends, Scotch Hill Farm



Scotch Hill Farm cooler before CSA deliveries.

how sales went. We limited spending beyond production costs to one or two pieces of equipment per year to increase efficiency. We tested markets, watched what sold, dropped what did not sell, analyzed what made something sell, stuck with winners, and let go of losers. We kept detailed records for four years of time for farm production and value-added production. We've tracked our expenses and sales every year. We culled animals that did not produce. We kept active in exhibitions at county and state fairs for herd improvement. We reduced our number of animals when it became apparent we did not need so many to make money with milk soap.

Were your projections within an acceptable range of what actually occurred? What would you advise to someone starting out?

Yes. We marked steady and consistent growth. We rehabilitated our buildings, rebuilt machinery, and honored our contracts with vegetable subscribers—even through drought and severe flooding.

Learn from others, intern at a variety of farms if possible, go to field days, ask lots of questions, and listen to what experienced people say. Diversify somewhat in shrewd ways. Don't spread yourself thin, but don't specialize in risky ways. Count costs carefully. Recognize that profit margins are not high, especially starting out.

Our biggest investments were equipment, greenhouses, transportation, and refrigeration. Our initial investment costs were about what we expected or anticipated.

How did you find customers? How have you handled pricing and promotion?

Sales have grown from word-of-mouth endorsements, professional affiliations, tabling information at free events. We have tried to be comparable in our prices to similar products and crops sold in respective markets. We have kept very detailed records of production expenses and adjusted expenditures and investments of time and money year-by-year.

Press releases that focus on new offerings, new products, and new features of our farm have worked well. Several grants have made it possible for us to attend trade shows and mail materials to targeted markets. We have not seen a return from them yet. Websites are only as good as the marketing and advertising of the address.

What resources have been helpful to you? We owe a lot to Madison Area Community Supported Agriculture Coalition (MACSAC) for their leadership, models, influence, consumer education, organizing all of the growers to contribute to the *A to Z Cookbook*, and coordinating insurance rebates for fresh vegetables purchased from its members.

We also must credit the USDA Small Business Innovation Research program for helping us to innovate with value-added skin care products from goat's milk and for helping us to teach eight other dairy goat farms to do so in several grant projects. DATCP's Dairy Goat Initiative has opened many new doors to growth for the dairy goat industry in our state in the past two years. The UW-CIAS [Center for Integrated Agricultural Systems] has terrific staff and publications. We encourage people who want to farm to connect with these resources.

PROFILE

Two Onion Farm

Chris & Juli McGuire

www.TwoOnionFarm.com

Even if you know what you want to raise on your farm, marketing is key to reaching your income and lifestyle goals. Two Onion Farm tried farmers' markets and wholesalers and now focuses exclusively on Community Supported Agriculture.

Located on a 12-acre farm in the rolling hills of southwestern Wisconsin, Two Onion Farm is owned by Chris and Juli McGuire. In the past six years, they have developed markets in the Platteville and Madison areas, Dubuque, Iowa and Galena, Illinois for their CSA farm. They share their perspectives on producing and marketing locally grown food in the answers to the following questions.

What business plan did you have when you started?

When we started, we set goals for our farm, including an income we wanted to achieve. But we didn't have a business plan as such. Looking back that was one of the things we should have had. It's been a learning experience because, initially, we did not do enough research to determine the land, equipment, facilities, labor, and sales we needed to meet our goals. We needed more tractor equipment, hired labor, land, and sales to meet our quality-of-life and income goals than we realized initially. If we had realized this at the outset we could have saved ourselves some grief. If we were to offer some advice to new growers it would be to take some time at the beginning to do the research and form a realistic expectation about what kind of farm you will need to operate to meet your income and quality-of-life goals. For diversified vegetable growers like ourselves, it is very helpful to read a publication from the Center for Integrated Agricultural Systems entitled "Grower to Grower: Creating a livelihood on a fresh market vegetable farm." Talk to other experienced growers, as well.

How did you determine the size you wanted to be or what you wanted to do? We knew from the start that we wanted to raise delicious produce for people in our community, to preserve our land and the environment, and to provide everyone working on our farm with meaningful, safe, rewarding work. That's never changed.

Initially we had unrealistic expectations about the size we would need to achieve in order to meet our income and quality-of-life goals. Although we knew that we wanted to raise vegetables for people in our region, we were not sure how we wanted to market them. We tried farmers' markets and some wholesaling but then settled on the CSA model. Different marketing outlets work well for different people. Sometimes you have to try several things to find what works best. In our case, we like CSA because



The McGuire family raises diversified vegetables on their farm.

If we were to offer some advice to new growers it would be to take some time at the beginning to do the research and form a realistic expectation about what kind of farm you will need to operate to meet your income and quality-of-life goals.

Chris McGuire, Two Onion Farm



Photos courtesy Two Onion Farm

The whole family gets involved on the farm, one of the advantages of rural living.

What has worked for you?

One thing we did right is that we emphasized quality products from the start. We have always done our utmost to raise delicious, beautiful vegetables and we have never regretted that. Our customers love it and we are proud of it.

Marketing through a CSA model has been a good choice for us, although it took us several years to settle on that model. The CSA gives us a direct connection with our members. We communicate regularly with our members and many of them come to our farm to visit or to help in farm work through our working member program. The direct contact is extremely rewarding for us. It's fantastic to get direct personal feedback and compliments from our farm members.

As farmers, we appreciate knowing the people who eat the food we raise, and our customers love to know the farmer who raises their food. Those personal connections enrich all of our lives.



Photo courtesy, Two Onion Farm

The McGuires knew from the beginning they wanted to raise delicious produce for people in their community.

it provides direct contact with our customers and it gives us a stable market.

What are your biggest investments? Our largest investments were for land, facilities, and equipment. We did not hire any labor for our first three growing seasons. Now, in our fifth season, our biggest expense is hired labor. Looking back, we should have invested earlier in tractors and tractor implements. Labor-saving equipment makes you more profitable and happier, and you can improve the quality of your products. We also should have hired more labor earlier in the life of our farm. Hired help allows you to do more, do it better, and do it in a more timely fashion. Besides, working with other people is fun and makes the workload seem lighter.

How did you find your customers? Word-of-mouth is the key. It is the least expensive and most effective method of promotion. We have also promoted our farm by tabling at fairs, speaking to church groups and environmental organizations, and distributing our brochures. Being part of a larger organization, MACSAC—the Madison Area Community Supported Agriculture Coalition—which promotes CSA and directs interested customers to our farm and other CSA farms, has been very beneficial. MACSAC is a wonderful organization. When local growers work together to promote their products, everyone benefits.

How do you price and promote your products?

Initially we set our CSA share prices to be similar to or lower than prices from other farms. This was a mistake. We found that we could not cover our costs and sustain ourselves in the long run at those prices. After operating the CSA farm for several years we raised our prices steeply and explained the price increase to our members. We needed to raise our prices to continue to produce good food and to remain in business. We lost a few members because of our price increase but the majority stayed with us because they enjoy our produce and because they have a personal tie with our farm. Since then we have continued to grow our membership. We have developed an informative, uncluttered website and an organized, detailed brochure to explain our offerings to potential farm members. The website and brochure have been effective for us.

What advice would you offer to new growers? We would suggest they attend field days, grower meetings, and conferences where they can meet other growers and learn from them. This kind of networking is worth a lot starting out. Don't be afraid to mechanize. A tractor is your friend. Also, don't be afraid to hire labor. We work less, enjoy our work more, feed more people, and make more money now that we have hired help. If you are considering vegetable production and are looking to start somewhere, try to buy or rent the best soil you can afford, make sure you have access to irrigation water, and be sure to invest in facilities to wash and cool produce. It is important to keep good records of production, expenses, labor, and sales. This will help you determine where you are going or where you have been.

PROFILE

Vermont Valley Community Farm

David & Barbara Perkins
www.VermontValley.com

Vermont Valley Community Farm is one of the largest CSA farms in Wisconsin serving 1,800 families and offering more than 150 varieties of produce. Hosting festivals during the summer and fall allows share members an opportunity to visit the farm and enjoy nature and the environs of the farm. In addition to their CSA, the Perkins have developed a certified organic seed potato business.

“We discovered the CSA model after working different jobs and decided that we wanted to farm on our own,” David Perkins explains. “We found a farm in 1994 in a beautiful area and started our first deliveries the next year. Our plan was to derive our entire income from the farm within five years. But we kept part-time jobs until our business increased so that we could work full-time on the farm.

“We have 1,800 families in our program and we consider every one of them a part of our farm. We host four fun events throughout the summer and fall and encourage people to come out and see where their food is grown. Our large worker share program has been in place almost since the beginning and our members will work in organized programs. If they buy a weekly share, they can do one shift of four hours once a week for 20 weeks and that will cover the cost of their entire 20-week share.

“Our main workforce includes Barb and me, and our children, Jesse, Eric, and Becky. In addition, we have three almost-year-round employees plus seasonal help for the busiest six months.

“The worker share program is one way our members can help offset the cost of their share and they provide us with extra workers. More importantly, it allows members to make a connection with their food. It’s not an easy program to administer, but it is worth it to us. While this program is an important part of our work force, it doesn’t replace the need for other workers, as well. There is a lot of hand work done here.

“We reach our members through a paper we call ‘This Week’s Produce’ which is put in with the vegetables every week explaining the more unusual items in the box. While it’s so much easier to reach our members with email, we still use an old-fashioned piece of paper, too.

“We still do brochures, and make them available in several places, but they become less important every year, and we use them less, even though our farm continues to grow.

“We’ve been asked how we developed a business plan but that’s a hard question to answer. We used the CSA model and that’s



Barbara and David Perkins host events at their farm throughout the summer and fall, encouraging people to come out and see where their food is grown.



Workers wash chioggia beets in the packing shed. The farm offers over 150 varieties of produce.

We reach our members through a paper we call “This Week’s Produce” which is put in with the vegetables every week explaining the more unusual items in the box. While it’s so much easier to reach our members with email, we still use an old-fashioned piece of paper, too.

*David Perkins,
Vermont Valley Community Farm*



Photos courtesy Vermont Valley
A worker share crew displays a harvest of heirloom tomatoes.

much different from a typical business plan. We had determined how many CSA shares we needed to sell to be full-time. That number was 500 shares within five years. That was our goal and we reached it on schedule.

“We like the CSA because we don’t feel we’re competing with anyone. That’s a bit different than at a farmers’ market where there is price competition. We’ve now reached the point where our discussion every winter is whether we want to expand or not. We decide our growth in the winter time before we set our plans. For this year we set a 20% growth and we achieved that.

“We begin in February with our greenhouse and make our last delivery in December with storage items such as potatoes, carrots; produce that will store well. When we built our greenhouse, we built it bigger than we needed at the time because we knew we were going to grow.

If others are considering pursuing a similar program, there are several considerations they should think about. First, I believe the CSA model will be a key to their success but they need to understand it and what it means. Developing relationships with people who get your food is very, very important. They will need to learn succession planting because we plant each week from spring through early August so that we can provide for our members.

David Perkins, Vermont Valley Community Farm



The farm’s growing season starts in February in the greenhouse. The last CSA delivery is made in December. This scene shows fall garlic planting with the farmstead in the background.

“Our biggest investment, aside from the land, has been the equipment and the refrigeration system. The equipment is indispensable because it eliminates a lot of the heavy work, although we still hand weed because of being organic.

“We have four cooling systems which are used for different produce. Different produce needs different temperature regimes. When we were small we only used one, but that grew as we did because we ran out of space.

“We believe it’s good to be a part of a group larger than ourselves. We are members of MACSAC, who work together to share knowledge and match customers with farms. Everyone in the group is allowed to set their own prices because each farm is an independent operation and situations may be different in relation to length of season, produce offered, and other factors.

“Our program is something others can replicate, particularly now. There’s a huge demand for locally grown produce, and sales are not a problem. You must do a good job at all aspects of the business, just like any business. Not only has the organic market exploded, but the CSA model has grown, as well. There is also a lot more useful information available for new growers than when we started, and people should take advantage of that.”

PROFILE

Growing Power

Will Allen, Founder

www.GrowingPower.org

Growing Power, an innovative, Milwaukee-based program, provides hands-on training, outreach, and technical assistance by developing systems that help people grow, process, market, and distribute food sustainably. Its farmers' co-op links urban and rural growers in collaborative marketing efforts.

Growing Power is a nonprofit organization and land trust that supports people from diverse backgrounds and the environment in which they live by helping to provide equal access to healthy, high-quality, safe, affordable food. It also is the site of the last functional farm in the Milwaukee city limits.

Will Allen, founder of Growing Power, is a former professional basketball player who grew up on a Maryland farm. When he bought the Milwaukee farm in 1993, he wanted to create an environment where people of all ages could learn how to grow food for their own use. His vision was to create a hands-on program where people come to learn and work. "We start by engaging the community, growing soil that grows food, that grows people, that grows communities," says Allen.

The Growing Power program includes 14 greenhouses, a kitchen, indoor and outdoor training gardens, an aquaculture system, and a food distribution facility. It raises worms, rabbits, bees, goats, chickens, ducks, and fish. It also uses more than six million pounds of the city's food waste each year for composting. Two goals of Growing Power are to develop sustainable food production, as well as support the growth of communities through the creation of local gardens.

"We conduct workshops and demonstrations in aqua-culture, aquaponics, vermiculture, horticulture, small- or large-scale composting, soil reclamation, and marketing, along with other subjects," Allen explains.



Will Allen created an innovative program to help people grow food in a sustainable way.

Urban Agriculture— Community Food Systems Approach

We start by engaging the community, growing soil that grows food, that grows people, that grows communities.

Will Allen, Growing Power



Growing Power has greenhouse facilities, a kitchen, indoor and outdoor training gardens, an aquaculture system, and a food distribution facility.



People of all ages learn how to grow food during the National Workshops.



Growing Power runs numerous collaborative projects in the community including programs to train city youth in gardening. Allen is working here with children at the Maple Tree project site.

We conduct workshops and demonstrations in aquaculture, aquaponics, vermiculture, horticulture, small- or large-scale composting, soil reclamation, and marketing, along with other subjects.

Will Allen, Growing Power

Growing Power project participants leave the workshops with improved skills that they can take back into their communities and pass on to others. He adds, “We run numerous collaborative projects including a partnership with the Boys and Girls Club of Greater Milwaukee to train city youth in gardening. We also offer tours at our facilities and each year we host several thousand visitors.”

Growing Power has developed its Farm-City Market Basket Program that’s a CSA-style food distribution program designed to connect urban consumers with small-scale, local food systems in the region.

“Our Market Basket Program consists of weekly deliveries of boxes of produce from our Rainbow Farmer’s Cooperative to neighborhoods throughout urban Milwaukee and Chicago,” Allen explains. “This program serves as a year-round food security program that supplies safe, healthy, and affordable whole good vegetables and fruits to communities at a low cost. Because the program operates on a weekly basis, each customer may engage week to week at a pace that’s right for them.”

Growing Power offers two types of market baskets: Farm-City Market Basket and Sustainable Box. The Market Basket is designed to make whole good fresh vegetables available to urban customers who may have limited access to these products. The basket consists of 10–15 varieties of vegetables in quantities intended to provide for the food needs of two to four people for a week.

“During spring, summer, and fall, most of the produce comes from our farmers’ co-op,” notes Allen. “During the off-season we supplement through a small-scale, family-owned, local wholesaler of conventional produce. We strive to support small, local farms and businesses through this relationship during the winter months.”

The Sustainable Box is similar in content, consisting of 10–15 varieties geared toward a family of two to four members. It differs, however, by including sustainably grown, organic produce available at an affordable price to communities who may or may not have been previously exposed to this kind of food. Allen continues, “For the Sustainable Box, from spring through fall, all the produce comes from our co-op. During the off-season we supplement this program through a certified organic, small-scale, family-owned wholesaler on the south side of Chicago. This relationship allows us to support one of our local partners and is a necessary national alternative source of organic produce for all kinds of consumers.”

PROFILE

Oneida Nation

Tsyunhehkwa Farm

Jeff Metoxen, Manager

www.tsyunhehkwa.org

The Oneida Nation provides a CSA program for tribal members to become involved with at Tsyunhehkwa Farm. The Tsyunhehkwa program was created to focus on rejuvenating and preserving traditional agricultural practices.

A culture-based community program is at the heart of tsyunhehkwa (joon-hey-qwa), the Oneida Nation program committed to sustainable and renewable practices in producing high-quality foods that cultivate holistic health for all life forces. Heirloom white corn, grass-fed beef, pastured poultry/eggs, and organic fruits, vegetables, and berries are grown on the 83-acre Tsyunhehkwa Farm. Products processed at the Cannery include corn soup, canned white corn, dehydrated white corn, white corn flour, salsa, pickles, cookies, and more. All these foods and other natural health care products and services can be purchased at the Retail Store. The farm's CSA allows tribal members to donate hours of work to the farm in exchange for seasonal products. Each family or community member who participates in the CSA receives a weekly share of fresh produce.

The Tsyunhehkwa program is part of the Oneida Community Food Assessment, which is developing an Oneida Tribal Food Policy that aims to have local foods constitute a certain percentage of annual overall purchases. In addition, the Tsyunhehkwa Farm is a member of the Oneida Community Integrated Food Systems, which also includes the Oneida Nation farm, food distribution, pantry, grants office, and health center. This collaborative group works toward integrating local foods and similar services into their community. They look at the best ways to provide for their community and what educational role they can apply together and as individual programs and entities.

They are also part of the Oneida Living in Balance (OLB), an initiative that provides services to the community that promote local resources into healthier lifestyles. Other OLB members include the Oneida Health Center, the Environmental Department, and a grants office. OLB provides cooking classes that demonstrate healthier choices in meal preparation, including events designed to get people to enjoy physical activities, such as walking circles.



Heirloom white corn drying at the farm. Nutritional analysis completed on the corn showed a higher protein value compared with other varieties of conventional corn.

Cultural-Based Community Agriculture Program



Photos courtesy Oneida Nation

Products from the Tsyunhehkwa Farm white corn include raw corn, dehydrated corn, corn soup, corn bread, and flour. These products are processed at the farm's Cannery and are available in the Retail Store.

AGRITOURISM

Tourism-based farming enterprises have become successful marketing programs because they appeal to many emotions involved with past connections to farming. Many people remember visiting a relative's farm as a child, and they want their own children or grandchildren to have the same experience. Encouraging this reconnection and offering a venue that fosters a sense of connection to food and those who produce it also provides an excellent educational opportunity. As more people are concerned about where their food comes from, agritourism is a way to bring the customer to your products. An agritourism farm can become a destination and also offer a variety of activities to entertain, educate, and enlighten their customers.

Choosing the Right Enterprise

Agritourism involves a huge responsibility on your part because you will be hosting people from many walks of life. Before deciding to enter this market, consider your reasons for doing so. Is it to boost the income of your farm? Connect with consumers? Provide a community service? Once committed to your decision, you should do everything possible to provide a positive experience for your visitors.

One way to determine what may be involved or find out what will work in your particular situation is to talk with other farmers who have developed a successful business through agritourism. If your area has notable historical elements, maybe this would be of interest to others. Perhaps you are close to urban areas to allow hosting of specific festivals throughout the year. Hayrides, pumpkin patches, corn mazes, sleigh rides, barn dances, or other entertainments can all be viable options for your farm.

Agritourism

Advantages

- Earn extra income for your farm
- Provide educational experience/valuable community service
- Revive pleasant memories for visitors

Challenges

- Requires safe, fun activities enjoyed by all ages
- Farm location may determine traffic rates
- Requires good relationship skills and high level of customer contact

Getting Started

Once you decide what you want to do, contact your local or state authorities to determine what regulations you must comply with, such as local zoning ordinances, building requirements, and customer needs. These can be discussed with the town chair or the county supervisor for your area. You will also have to physically prepare your farm for visitors. A safe, clean, well-kept, photogenic farmstead is inviting and will make the best impression on new customers and enhance their experience. The public will be entering your personal and professional space, so you will need to set up some ground rules to help manage your customers and yourself. Determining what hours to be open, how many days each week, whether you will accept appointments outside regular hours, and the help needed to handle all the work are just some of the decisions you will need to make.

People are interested in visiting farms, eating healthy, and seek an authentic experience.

Ray Antoniewicz, A-Z Farm

Besides assessing rules and regulations for your business, you will need to determine the risk involved with your enterprise. Some activities carry a high degree of risk, such as horseback riding, while others may not. The presence of visitors on your farm is a risk for you. Be sure to discuss your plans with your insurance provider to determine what coverage will be needed to protect your farm and family. See page 115 for more information on liability and farm insurances.

Marketing

Once you have established your enterprise, you need to attract people to your farm. Getting your name out to the public and attaching a good reputation and image are great marketing tools and will be effective. There are a wide range of marketing options available and choosing the most effective is important. Repeat visitors are an excellent word-of-mouth advertisement, but you need to rely on more strategies to increase your business. Working with the media can provide exposure to your business that reaches a wide audience.

Good stories attract the attention of local radio, television, and newspaper reporters and can be an excellent way to let the public know of your business.

An agritourist destination is only as good as the directions to get there. Your customers need to know how to find you. Some advertising techniques include: providing brochures with directions to your farm; designing a logo specific to your enterprise; creating business cards that can be distributed in as many locations as possible; and developing an Internet website.

Offering people a variety of ways to spend their money while on your farm is key to a successful business. Seasonal offerings such as strawberry desserts, fruit pies, apple cider, or other produce you may grow can provide ways to increase your profits. Holding demonstrations on wool spinning, quilting, pumpkin carving, or other activities in which visitors can participate will connect them to your farm in ways they may not have thought about before arriving.

Ready for Business

You can test your readiness to host visitors by holding a trial event or weekend for family and friends. Allowing them to investigate all the activities you offer will help determine what adjustments are necessary to make things flow smoothly for your customers. You should also check for easy flow and accessibility from the parking areas to where activities take place. Providing well-marked signs for bathroom facilities will reduce questions. Also, create a plan of action in the case of a serious health emergency involving a visitor.

Partnering

Working with tourism organizations can help your program. Tour operators use local attractions to provide short day trips for a variety of customers. Explaining your program and what you have to offer may provide another source of visitors. Offering a package tour where the visitors can receive a discount or redeem a coupon for an item to purchase may be an attractive offering for the tour company. Tourism organizations can also help with the media by getting information about your farm out to the public.

Ideas for Agritourism Enterprises

- Agriculture food and craft shows
- Animal feeding, animal birthing, petting zoo
- Barn dances
- Bed & Breakfast (rural and historical)
- Corporate picnics
- Family reunions
- Farm or ranch work experience
- Floral arranging, wreath making
- Food festivals
- Guided crop tours
- Harvest festivals
- Hay rides/sleigh rides
- Historical tours
- Historical displays (ag history, machinery)
- School and educational tours and activities
- U-Pick operations

Source: Compiled from "A to Z: Potential Enterprises for Agricultural and Nature Tourism," The University of California Small Farm Center and "Taking the First Step: Farm and Ranch Alternative Enterprise and Agritourism Resource Evaluation Guide," NRCS Alternative Enterprises and Agritourism.

PROFILE

Schuster's Playtime Farm www.SchustersPlaytimeFarm.com

Fifth-generation farmer Don Schuster and his family say, "We sell produce and memories." With more than 25,000 visitors each year, Schusters employ 60 people during peak season activity. Although they sell pumpkins, gourds, and Indian corn in the fall and one-pound bundles of asparagus at a roadside stand in spring, their farm's main attraction and biggest advertising tool is the eight-acre corn maze. The large maze is created in two phases and smaller mazes are an ideal feature for school tours. A century-old round barn is the focal point of many activities and is rented out for family reunions, birthday parties, and other gatherings. A "barnyard" equipment playground and the Schuster children's 4-H project animals share attention of young visitors. All ages get involved in the hayrides. The Schusters also created a Learning Center where they explain how crops grow, the importance of bee pollination, and the necessity of soil care and preservation.

Details That Make a Difference

- Clean, neat, and photogenic surroundings
- Restroom facilities that are convenient and clean with a place to change diapers
- Safe and fun play areas for children
- Seasonal decorations
- Accessibility for people with varying physical abilities
- A well-stocked first aid kit for minor mishaps



Photo courtesy Department of Tourism

Tourism in Wisconsin

Here in Wisconsin, we nurture originality and creativity in all its forms. And to a great degree, that means celebrating the bounty of the land and the down-home hospitality of the people. Visitors and residents alike need not look much farther than the farmstead down the road or the local town square to see what we mean. There are artisan cheesemakers and microbreweries, working-farm B&Bs, tours of cranberry bogs, weekend farmers' markets that spring up in every corner of the state, and classic supper clubs with cherry cobbler on the menu.

Tourism is growing. In fact, the culinary traveler movement, persons who plan their vacations around authentic food and beverage offerings, is blossoming into a 27-million strong interest group across the country. The connection that tourism and agriculture feature in Wisconsin, as two of the top three industries in the state, is staggering, as tourism tallies some \$12.8 billion in traveler expenditures each year and agriculture generates \$51.5 billion to the state's economy.

Wisconsin is geared to reach tourists far and near, and continues to reach out to culinary travelers with a Fall Sampler brochure; year-round publicity efforts featuring destinations, experiences, chefs, and culinary delights; and even the Travel Green Wisconsin business

certification program, which furthers efforts to protect the beauty and vitality of the land.

Finding a niche in the agritourism arena is a great opportunity to educate consumers while helping them make their own Wisconsin food connections.

Resources for Agritourism

A Traveler's Guide to America's Dairyland

www.WisDairy.com

The Wisconsin Milk Marketing Board provides a colorful map listing Wisconsin cheese plant tours and cheese retail locations.

Renewing the Countryside

www.RenewingTheCountryside.org

Click on "Special Projects" then "PR Toolkit"

This public relations kit contains easy-to-use tools such as press release templates, fact sheets, and resources to publicize your farm or rural business.

Wisconsin Agricultural Tourism Association

www.VisitDairyland.com

This website lists travel destination farms, an events calendar, and an agricultural adventure map.

Wisconsin Department of Tourism—Tourism Industry

www.agency.TravelWisconsin.com/Programs/jem.shtm

The Joint Effort Marketing (JEM) program is one of many programs available to get started. Funds are available for destination marketing projects, sales promotions, and one-time, new, or existing one-of-a-kind events.

Wisconsin Department of Tourism

www.TravelWisconsin.com

The official welcome to tourists looking toward a Wisconsin destination.

Travel Green Wisconsin

www.TravelGreenWisconsin.com

This voluntary certification process, the first of its kind in the country, recognizes tourism businesses that have made a commitment to continuously improve their operations in order to reduce their environmental impact.



Photo courtesy Gary N-ski

PROFILE

A-Z Farm

Ray & Alice Antoniewicz

www.A-ZFarm.com

Agri-education is becoming a valued part of many producers' programs. A-Z Farm has developed creative ways to form a second revenue stream while emphasizing public education about farming. Ray, Alice, and the Antoniewicz family have developed a balance between a working farm and offering the public an on-the-farm experience.

A-Z Farm has operated for 40 years, but only within the past decade have Ray and Alice changed it from a horse and sheep farm to a concentration on sheep. "Our kids were bringing friends and their classes from school for visits to show what we were doing with the horses, and sheep were more or less a sideline," Ray notes. "We were always fielding questions about our farm, and our present program evolved from that to what we're doing now. We did hear about people who invited the public out to their farm for a rural experience and we decided that with all the experiences available here that we would try something like that."

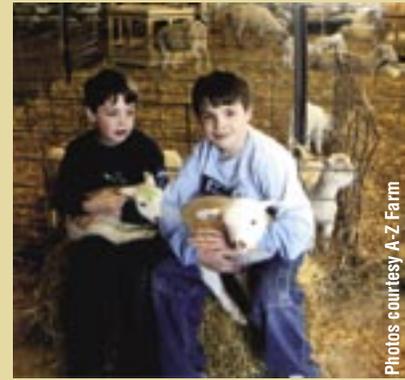
A large indoor riding ring with attached stables was equally well-suited for sheep events, such as shearing and lambing weekends. The large, clear space provides room to set up pens and shearing areas for public viewing and an area to care for the ewes and lambs when they arrive.

Open Houses Evolved into Selling Products

Ray recalls, "We had an open house to show the public what we were doing with the sheep. Very quickly people began asking if they could buy our products. We were also raising chickens, turkeys, and rabbits, so we began offering meat sales, as well. Then we brought in several vendors with sheep-related merchandise that they can sell and they also do a good job in answering questions."

Both Ray and Alice are proponents of using their farm to teach about agriculture and connect to visitors seeking an authentic experience. "We didn't start out to sell things but it has evolved and we now offer demonstrations by local spinners, felters, and other crafters," Ray explains.

During the last three Sundays of March, the public is invited to view newborn lambs and other farm animals, as well as the opportunity to see live lamb births. The Antoniewicz family and volunteers answer visitors' questions, explain the products derived from sheep and their wool, corral young animals in pens for visitors to pet, discuss the different breeds of chickens in their flock, and other details in a bustling atmosphere.



Photos courtesy A-Z Farm

Sheep events are popular with visitors of all ages.

We promote the idea of an educational experience versus one only of tourism. We feel very strongly about the educational aspects of what we offer. The average urbanite is so far removed from the farming experience or background that it has provided us with a great arena for teaching.

Ray Antoniewicz, A-Z Farm



Local spinners, felters, and other crafters offer demonstrations during farm events.



Photos courtesy A-Z Farm

We had an open house to show the public what we were doing with the sheep. Very quickly people began asking if they could buy our products.

Ray Antoniewicz, A-Z Farm



A-Z opens its farm to the public for sheep shearing demonstrations and spring lambing.

“We do charge an entrance fee for the shearing events and to attend the lambing barn,” Ray says. “We keep the cost low so that people of any means can enjoy coming here and being a part of our farm for a short time.”

Opening Your Farm to the Public

Public safety is a concern for farmers who decide to enter the agri-education or agritourism field. “We carry liability insurance and we have a liability release form that we use for tour groups and each visitor in that group needs to sign it,” Ray says.

Ray and Alice don’t think the size of the farm matters except in one point. “Everyone has to learn how much work they can handle. However, if you start too small there may not be enough for people to see to stay interested.

A 10-minute visit may not be fulfilling

to them,” he notes. “If you decide to go large then you need enough people to help so you’re not overwhelmed by the number of visitors. Your location is a factor to some degree and I think it helps if you’re the first one in your area to offer a particular kind of experience, otherwise there might be too much competition. I don’t think there’s any set formula, but I do think you have to offer something that people are interested in.”

Providing a public venue may involve local regulations. “Before we finally decided to open to the public, I checked with our town officers about ordinances that might affect what we do,” Ray recalls. “I would suggest that people check with their town and county agencies first before they do anything.”

Regulations, safety, location, and type of venue offered are just some of the issues you need to consider before starting your program, but there are others, as well. “I think one of the reasons we’ve been successful is that we pay attention to some of the smaller details,” Ray explains. “Cleanliness is very important. Don’t have trash or broken equipment lying around. Although we let visitors pet our lambs and rabbits, our staff are the only ones who enter the pens to bring them out to pet. We don’t allow the public into the animal enclosures. That’s both a safety and health issue.”

Ray and Alice suggest that people wanting to start an agri-education venue look for ideas that are a little different. “Don’t be afraid to try some ideas,” he suggests. “People are interested in visiting farms, eating healthy, and seeking an authentic experience. Others can do what we do and be successful if they set their goals to do a good job in providing a safe, enjoyable, and educational experience.”

PROFILE

Fountain Prairie Inn & Farms

John & Dorothy Priske

www.FountainPrairie.com



The Inn has five guest rooms and doubles as the Priskes' home.

Our guests are exposed to the whole range of a working farm and are served farm-fresh products.

*Dorothy Priske,
Fountain Prairie Inn & Farms*



Dorothy and John Priske enjoy telling their story to farm visitors and farmers' market customers.



Photos courtesy Fountain Prairie
Scottish Highland cattle are considered a heritage breed and are known for their hardiness.

Fountain Prairie Inn & Farms is a combination bed & breakfast and a fully operational farm where John and Dorothy Priske raise Highland cattle. The Priskes offer a lodging destination for visitors with a learning experience about their restoration prairie efforts and cattle raising business. They also market their beef at the Dane County Farmers' Market and to 15 restaurants.

"When we started converting our farm to pasture, we did it in stages," John explains. "We were both familiar with cattle and we like to say the Scottish Highlands found us. The DNR and University of Wisconsin had done some oak savannah restoration work using Highland cattle. They have a rough tongue and throat for eating scrub areas and could be used to develop a riparian area on our farm. We started with 12 head and found that the meat exceeded anything we had tasted before. We knew that was the product we wanted to sell next at the farmers' market."

Besides direct marketing beef, the Priskes have developed Fountain Prairie Inn, transforming their large farm house into a five-guest-room bed & breakfast that doubles as their home. "We've always been the kind of household where people have felt comfortable just dropping in at odd hours," Dorothy says. "My Aunt Ruby maintained her house like that and always had something to eat for whoever stopped in. She welcomed them, nurtured them, and that's the atmosphere we try to provide."

Restoring their home into a bed & breakfast helps Priskes spend time together. They don't have to drive off separate ways each morning to a job, and the farm business provides another source of income. "Our guests are exposed to the whole range of a working farm and are served farm-fresh products," Dorothy continues. "We try to foster an atmosphere where people will feel welcome and we've made that a recurring theme. Two things generally happen with our guests. First, they really want to put a trust back into the food system because a lot of different things have disillusioned them. Second, we provide a place for guests to utilize their senses."

The Priskes refer to the term "agrarian adventure" as the way they use all their resources to provide an opportunity for people to share in what they've built. "We believe in our story and we tell the story of who we are, what we do, and why we do it. And we tell it over and over because it doesn't change—it's the same story," John concludes.

Wisconsin Wineries

Vineyards and wineries are wonderful agritourism destinations, and many have been developed across the state. With 40 wineries to choose from, visitors can travel the length and breadth of the state and never be far from one.

With hundreds of wines available, visitors will find varieties that are as unique as the area in which they are produced. The exceptional expertise of local winemakers has garnered numerous awards. Winemakers realize that in addition to increasing demand for their product, there is genuine interest in experiencing a “sense of place.” Thus wineries and vineyards themselves have become popular tourist destinations.

Wisconsin wineries typically host wine tastings, but many now offer regular tours of their operations. Special events and festivals are also big draws. With wineries sprinkled throughout the state, visitors have a wide range of tourist destinations and tasting experiences to savor.

For more information on Wisconsin wineries go to the Wisconsin Winery Association website: www.WisWine.com

PROFILE

Wollersheim Winery

Philippe & Julie Coquard
www.wollersheim.com

Wollersheim Winery is one of America’s oldest wine estates and is a national historic site, dating its origin to the 1840s. It sits on a scenic hillside overlooking the Wisconsin River, just across from Prairie du Sac.

Established as the Wollersheim Winery in 1972, today the vineyards comprise 27 acres of French-American hybrid grapes, producing 100,000 cases a year. The winery has received numerous Double-Gold Awards for its premium grape wines, and has gained recognition as being one of the leading wineries in the Midwest. French-born winemaker Philippe Coquard has combined tradition with the unique climate and growing season of Wisconsin to produce regional wines distinctive to this area of Wisconsin. A tour of the winery features a walk through the vineyards, a visit to the underground limestone cellars, and an explanation of the vineyard’s history, the winemaking process, and wine aging.

“We like to support wine as a lifestyle to be enjoyed with food, especially locally grown or locally made food, because it pairs well with our wine,” says Julie Coquard. “Education is a huge part of who we are. Our winery tour emphasizes teaching people about how wine is made, as well as grape growing, and wine tasting.”

“We produce five wines from our vineyards and work with several vineyards in New York and Washington state that custom-grow grapes for us. In 1990, Wollersheim Winery bought Cedar Creek Winery in Cedarburg and added Cedar Creek to our list of wines.”

“Our main marketing is our tour brochure and winery newsletter. We also host events and use news releases, as well as print ads. Most of our wine is marketed in Wisconsin, with the majority being sold at our Prairie du Sac and Cedarburg locations.”

Wollersheim Winery has hosted cheese-tasting events in conjunction with local speciality cheese producers such as Carr Valley Cheese and Cedar Grove Cheese. Tours are offered throughout the year, along with special events during each season that attract tourists, making the winery a destination.



ON-FARM STORES AND PICK YOUR OWN

On-Farm Stores and Pick Your Own are direct farm-to-consumer methods of selling produce and farm products. They differ from other direct markets because customers travel to you to make their selection and purchase. These businesses can be individually owned, family-run, or a cooperative effort between farms.

ON-FARM STORES

Wisconsin farmers have developed on-farm stores for fruits, vegetables, popcorn, milk, and meat products, to name a few. Many also include value-added items such as honey, maple syrup, baked goods, wine, preserves, or clothing and crafts made from wool or other animal products. These creative marketers frequently leverage location with tourism routes and offer both recreational and educational experiences.

Several business details are important when considering an on-farm store. Your store needs to be attractively arranged and allow easy access to your offerings. On-farm stores are generally in a building separate from your home, but some may be attached to it. Depending on your location, local ordinances, and market objectives, you may need to rezone a part of your farm as commercial, which may impact your tax base. Check with your local zoning and planning commission to get approval before starting any building project to make sure you comply with regulations, such as structure size and placement.

Consider using local or regional media to publicize your on-farm store. This can be an effective method for alerting potential customers to your business and thereby encourage them to visit your farm. Establish hours of business that are convenient for your customers' schedules.

On-Farm Store

Advantages

- Convenient location on production site, no travel needed
- Customers get visual stimulation of farm

Challenges

- Need to be present during open hours
- Need to display product, could require shelving and coolers

These hours may vary according to your schedule. Your daily routine may be altered based on store needs for staffing. Having someone present at all times is the biggest challenge for on-farm stores. For detailed information on establishing on-farm stores and roadside stands, see the resources listed at the end of this section.



Photo courtesy Brightonwoods Orchard

On-farm stores can leverage location with tourism routes and educational experiences.

PICK YOUR OWN

Pick Your Own (PYO), sometimes called U-Pick, is a direct marketing business where customers come to your farm to pick the produce being offered. This arrangement can provide mutual benefits for both customer and farm owner. The customer gets the freshest produce possible at a price generally lower than retail outlets. Large quantities can be picked at a reasonable price for home canning or freezing.

The farmer benefits by having customers provide most of the labor to harvest, although many PYO farms also offer pre-picked quantities at a higher price for customers who prefer the fresh produce or berries or the pleasure of coming to your farm, but don't want to do the picking.

Getting Started

Before starting your business, assess the time you need to invest to be successful and have satisfied customers. During the picking season, many PYO farms are open seven days a week to keep their fruits and vegetables from maturing too

Pick Your Own

Advantages

- Customers come to your farm for your products
- Customers harvest the crops

Challenges

- Must direct customers to picking areas, may need to re-harvest if incomplete
- Must have good customer relation skills



Photo courtesy Department of Tourism



Photo courtesy Tara Kindsch

Vegetables, berries, and a number of other crops are suitable for Pick Your Own farms.

quickly and spoiling. However, you still have the flexibility to determine your hours of business.

You or your employees must be available during picking hours. Having responsible and well-trained workers helps you handle pay lines, customer questions and/or complaints, parking, and other issues.

A PYO business provides a lot of customer contact with many people walking around your farm. You need to adapt your field operations to picking times. Weeding and irrigation must be done when customers aren't present. This often means doing the work during late evenings or early mornings. To be successful you need to have picking hours that are convenient for customers, usually during the day and through weekends.

Pick Your Own Crops

Your crop choices will be influenced by location, soil type, and whether there are similar businesses in your area. Most people think of vegetables and berries when they think of PYO crops. Asparagus, rhubarb, strawberries, raspberries, apples, grapes, pumpkins, and many other fruits and vegetables are suitable choices for this type of business.

Other Considerations

If you're a grower with established berry beds, you'll need an efficient system for marking rows and areas that have been recently picked. This directs your customers to good picking while making sure the whole crop is harvested as it ripens. To eliminate waste, you or your employees may need to do a followup picking in places that have not been thoroughly covered.

If you sell your products by weight, you'll need a trade-legal scale. Some PYO farms use boxes or containers as the sale measure. This requires telling your customers what constitutes a full container or box and what extra charges are for overloaded containers.

With people present in various areas of your property, you'll need to manage liability risk carefully. See page 116 for more information on premises liability insurance and other types of farm insurances.

Providing a pleasant experience for your customers and a quality product at a price they perceive as a good value will help establish your business.

Resources for On-Farm Stores, Pick Your Own, Roadside Stands

Marketing Strategies for Farmers and Ranchers

www.sare.org/publications/marketing.htm

Sustainable Agriculture Research and Education

This 20-page bulletin offers snapshots of the many alternatives to marketing commodities through conventional channels.

Idea Plan: Roadside Markets, Stands, and Equipment

www.abe.psu.edu/extension/ip/IP790-33.pdf

Publication #IP 790-33, Penn State Cooperative Extension

Provides blueprint-type plans for building roadside stands.

Roadside Stand Marketing of Fruits and Vegetables

www.agecon.uga.edu/~caed/roadside2.pdf

Publication #CR-02-08, University of Georgia

Contains specific information about roadside stands, such as estimating customer sales from traffic volume. Also contains a wealth of information about marketing, promotion, and customer relations applicable to any direct marketing operation.

Pick Your Own Information

ohioline.osu.edu/b782/b782_34.html

Ohio State University Extension

Provides estimated return on investment tables for various raspberry and blackberry production systems.

www.uky.edu/Ag/NewCrops/blueberrysummary.pdf

University of Kentucky

Return-on-investment research specific to blueberries.

www.uwex.edu/ces/agmarkets/publications/documents/A3811-14.pdf, UW Cooperative Extension

"Pick-Your-Own and Farm Stands: Options for Your Business"



ROADSIDE STANDS



An icon of rural areas for decades, roadside stands are enjoying a renewed popularity.

Roadside stands are a traditional market that is enjoying a renewal. Letting the customer come to you is another direct way to market your products. A roadside stand should be attractive to capture the attention of people driving by. You should have enough products for sale that you are offering a reason for potential customers to stop. Choosing a site may present challenges if you do not live on a well-traveled road. Cooperating with another business in a prime location may help establish your stand.

These markets can range from tailgate sales along village streets to artistically enhanced portable stands with extensive displays and product offerings. They can be placed in high-traffic areas and employ staffing or have honesty pay tables, where customers choose from the selection presented and place their money in a secure container.

Check with your insurer about liability issues related to setting up your stand. Contact local officials to learn about township or county ordinances that may pertain to roadside stands. County public health ordinances may apply. Finally, talk to others who have successful roadside stands already in place and learn from their experiences.



PROFILE

Brightonwoods Orchard

Bill Stone

www.BrightonwoodsOrchard.com

Brightonwoods Orchard provides a relaxing on-farm atmosphere where visitors take self-guided tours of a cider press. As an added feature for children, there is a two-story tree house to explore. A half-mile trail through the woods offers visitors a short excursion to stretch their legs.



At peak season, more than 30 apple varieties are available at the on-farm store. The orchard also sells autumn-related items and grapes.

Located on one of Southeastern Wisconsin's scenic rustic roads, Brightonwoods Orchard near Burlington is adjacent to the Richard J. Bong State Recreation Area, a managed prairie with hiking trails, campgrounds, and visitors' center.

The orchard started in 1950 as a weekend retreat, and an initial hobby orchard of 3 acres soon grew to 16 acres with almost 200 varieties on more than 2,500 dwarf and semi-dwarf trees. Brightonwoods Orchard sells apples and other autumn-related products in their apple barn. They also grow and sell their own grapes.



Photos courtesy Brightonwoods Orchard

Owner Bill Stone is intent on preserving existing heirloom varieties and has worked with Cornell University's Geneva Fruit Testing Station to propagate experimental varieties while still growing standard and newer commercial varieties. An on-farm cider operation uses ultraviolet light for processing instead of pasteurization, which preserves the distinct flavor of the apples. Frozen cider is sold year-round. A collaborative effort begun in 2001 is Aepfel Treow Winery, which features onsite production of sparkling apple and pear wines, plus several table and dessert wines.



The orchard's award-winning apple cider is a unique blend of more than 10 varieties.

PROFILE

The Tree Farm

Chris & Karen Upper
www.TheTreeFarm.net

The state's largest Pick Your Own vegetable and flower farm is owned by Chris and Karen Upper at Cross Plains. The farm offers a unique venue for customers wishing to participate in harvesting produce without having to invest time in planting and growing. The farm also offers Cut Your Own Christmas trees during winter.

How did you start your business? We planted our first Christmas trees in 1968, and in 1973 we offered our first vegetables and trees for sale. We now raise more than 50 varieties of vegetables, 8 herbs, and more than 20 Cut Your Own flower varieties, all on 15 acres. We have six varieties of Christmas trees.

What marketing techniques do you use? We make great use of our website because it is very up-to-date and we can change it quickly. We use it to let people know what we've planted for the year, and on what dates the vegetables and flowers are typically ready for picking so they can plan their trips to our farm. We can add comments alongside each if there is something we want to mention. During the peak season, we change the information daily. When they come to pick, we give them a sheet of paper that shows where everything is located in the field, tips on how to pick the produce, and the price. We also use a map on our website to show how people can find us.

What do people find attractive about Pick Your Own?

It's fun! It's recreation. It's an inexpensive excuse to be outside and gently active in a beautiful location. Picking your own food can be deeply satisfying. It's also about quality. And flavor. It's about food fresh enough to pickle or freeze. (When you pick it you know it's fresh.) All the fun of the harvest without all of the work!

What are the rewards of owning a Pick Your Own business?

We love to be outside and we love fresh produce. We love sampling and tasting and trying different planting combinations. That's the diversity that makes our business so interesting. Many growers like to go to farmers' markets but we prefer to be here on our farm. For us, it's a different lifestyle that doesn't include the pressure of other businesses. Plus, we enjoy people and helping them learn about the different products we have.



The Tree Farm overlooks beautiful Indian Lake County Park.

Photos courtesy The Tree Farm

What suggestions do you have for anyone wanting to develop a Pick Your Own?

Teaching and communication skills are necessary. Many customers need to learn how to harvest produce without damaging the crop. Organize fields for optimal customer harvest as opposed to optimal yield. Listening skills are also important. Our customers tell us what and how much to plant. A final suggestion: enjoy the people and the produce.



The farm raises more than 50 varieties of vegetables plus herbs and 20 Cut Your Own flower varieties.

CHAPTER 3

Intermediate Marketing: Producer to Buyer to Consumer

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CHAPTER 3

Intermediate Marketing: Producer to Buyer to Consumer

SELLING TO INTERMEDIATE BUYERS

Intermediate marketing offers producers a way of selling farm products to a specific buyer for resale. The range of venues available to you is increasing. Sales to these markets can be attractive. Buyers include restaurants, grocery stores, institutions, schools, and hospitals. You may also sell your products to wholesalers and distributors who, in turn, sell them to retail outlets.

Opportunities for consumer contact in local food sales vary by market. Much depends on your intermediate buyer. Sales through a distributor may be anonymous. The food service buying your product through the distributor may be seeking out local food, but may not take the time to find out who you are. However, if you sell food directly to a restaurant or grocer, you might get involved with promotions and see your farm listed next to menu items or near display cases.

What Is Involved?

Many farmers find benefits in using both direct marketing and intermediate marketing methods to sell their products. There are three key considerations in successful intermediate marketing:

1. Compliance with food safety regulations
2. Post-harvest handling, storage, and distribution
3. Packaging and labeling

Food Safety Regulations

Marketing food to the public requires an understanding of the regulations and rules involved to produce and distribute a safe product. Some farmers believe that the rules are so strict that no small, independent farmer can sell to a food service or grocery store. Some food service and retail customers believe that

it is not legal for them to buy from independent farmers. Neither is true. Farmers are an “approved source” for fresh, raw fruits and vegetables they grow themselves. There are also ways for farmers to sell meats, poultry, eggs, and dairy products to food services and stores.

Types of Intermediate Markets

Food Retailer: Any food business that buys food products for resale to the end consumer. Food retailers include restaurants, grocery stores, specialty stores, and institutional food services.

Institutional Food Service: Institutional-type sales include those to nursing homes, group homes, prisons, schools (including colleges), and hospitals.

Food Service Management Company: This for-profit business supplies staff people with catering and restaurant expertise to work on-site at schools, colleges, and other institutions, such as corporate campuses, to provide the food offered at these locations to employees, students, and clients.

Distributor: A distributor is a for-profit business that buys food products from farms or food businesses and sells those products to restaurants, food services, institutions, or other retail food businesses.

Collaborative Marketing Groups: A group of farmers that organizes, formally or informally, to work together on marketing, distribution, and sales.

If farmers want to supply processed products, they are required to have licenses and meet inspections and regulations. The regulations are designed to prevent unsafe products from entering the food system but are not prohibitive to the point where farmers can't take advantage of the opportunity to process foods. See page 98 for more information on the regulations for selling food products in various markets.

Post-Harvest Handling, Storage, and Distribution

It is extremely important to wash, cool, and store your fruits and vegetables properly while maintaining the appropriate temperature to prevent spoilage. There can be a considerable amount of time between when you harvest and when your product is used by the buyer. It is extremely important to cool fruits and vegetables to the proper temperature quickly after harvest and to maintain proper temperature throughout the entire chain of transport from field to storage, storage to truck, and truck to buyer. Hydro-cooling, icing, and forced air cooling are quick methods of removing field heat. You may also need to consider investing in a cooling facility and/or refrigerated truck.

If you use storage facilities on your farm to extend your season for supplying products to a food retailer, you need to pay close attention to good post-harvest handling and storage conditions. Good post-harvest practices increase the shelf life and maintain the quality of fruits and vegetables. For an excellent resource on post-harvest handling for fruits and vegetables, including storage conditions, go to page 49.

Meat, eggs, and dairy products require different handling and storage methods. Refrigeration or deep cold storage is necessary at all times for dairy products and perishable meats to ensure safe storage and delivery. During transport, meat and dairy products must be handled according to safe handling requirements for perishable foods and kept refrigerated at 41°F or below or kept frozen if labeled as such.

Rinse water for cleaning eggs must be at least 20°F warmer than the eggs and not colder than 90°F. Prior to processing and packing, eggs must be kept at an average temperature of 60°F or lower. Once processed, packed eggs must be



refrigerated at 45°F or lower at all times, including while in transport.

See the resources that follow this section for more information on post-harvest handling and storage. For a summary of applicable state rules and regulations for all these products, go to page 98.

Packaging and Labeling

Packaging is important when selling your farm products and plays an important role in intermediate marketing. Standards of packaging and sizing are generally consistent throughout the food industry. Most distributors do not want to repackage products and they expect your shipments to arrive in standard package sizes. If this is your market, you should study these standards and familiarize yourself with sizing requirements. Talking with your buyer to learn their product packaging and labeling needs is essential to fulfill expectations. This will help create a strong relationship as you strive to fulfill the needs of your customer, the buyer.

In Wisconsin, meat sold to the public must be processed at a licensed state or federal facility, inspected, packaged, and appropriately labeled. Milk and dairy products must be produced and processed in licensed facilities that are inspected and approved by the state. Dairy processing operations are also subject to federal inspections. Packaging and labeling standards apply to milk and dairy products. Eggs are subject to grading, sizing, and labeling requirements. Products such as honey and maple syrup also have standards and regulations regarding grading, packaging, and labeling.

See the resources that follow for packaging and labeling, or go to page 98 for a summary of applicable state rules and regulations.

Resources for Intermediate Marketing

Post-Harvest Handling and Storage Requirements

<http://postharvest.ucdavis.edu/Produce/Producefacts/index.shtml>

University of California–Davis

Recommendations on maintaining post-harvest quality and storage requirements of fruits and vegetables.

www.MichaelFieldsAgInst.org/news/newsrelease_postharvest_handling_resources.html
Michael Fields Agricultural Institute

Wholesale Success

Book produced by FamilyFarmed.org, this manual addresses selling, post-harvest handling, and packing produce.

www.bse.wisc.edu/hfhp/tipsheets_html/postharvest.htm
Wisconsin School for Beginning Market Gardeners
Tip sheets for post-harvest handling of fruits and vegetables and a list of resources.

Quality and Packaging Standards

www.ams.usda.gov/AMS

U.S. Department of Agriculture

For more information on USDA grading standards for quality control, click on Grading, Certification and Verification, then on Standards.

www.plucodes.com
The International Federation for Produce Standards
This site provides free Web access for all Price Look Up (PLU) codes for fresh fruits and vegetables.

www.datcp.state.wi.us/fs/consumerinfo/food/publications/pdf/start_meat_business.pdf
Guidelines for meat processing, handling, and labeling.

Key Steps for Selling to Intermediate Markets

There are several key steps that will help increase the opportunities of selling to intermediate markets successfully:

1. Schedule meetings and create a relationship with the buyer before the growing season starts
2. Develop a buy/sell agreement
3. Maintain communication throughout the year

It is important to meet with the buyer and follow up on agreements well ahead of the growing season. In the case of livestock producers, determine your market potential first, and then plan your production schedule.

Meet with the Buyer, Build a Relationship

One of the most important aspects of the local food movement is creating relationships with your buyers. Find out the name of the chef, department buyer, institutional buyer, or distributor, and schedule a meeting. Begin your conversation by determining buyer interest in purchasing local food products and ask questions to find out how you could best work together.

Building Buyer Relationships

Pay attention to the details that may help you build a strong, long-term relationship.

Gauge Interest in Local Food Products

- Does the buyer currently purchase local foods? Have they had success with other local growers? If so, they may be interested in purchasing more local food products.
- If they have not purchased local food before, find out what has sparked their interest to consider it. Are they responding to customer demand, looking for less expensive products, or wanting to support the local economy?
- What products are they looking for? What quantities do they require? What price are they willing to pay?

Outline Benefits of Purchasing Local Food

- Local food can enhance restaurant or store promotional efforts and generate customer interest and loyalty. Consumers are becoming more aware of the wealth of food choices available and the benefits of eating fresh, flavorful, locally sourced food.
- Schools and institutions can help meet their goals for providing healthy food choices by sourcing foods locally.
- Local farmers can produce specialty crops not available from the usual distributors which supply restaurants, grocery stores, or institutions. Particularly in rural areas, access to foods other than mainstream products is limited.
- Local food can be competitive, if not in price, then in quality.

Share What Products You Have to Offer

- Provide product samples when possible. In the initial meeting before the growing season, bring samples of your packaging, labels, farm information, or in-store or restaurant materials.
- Have your price goals established before approaching the buyer. To learn more about setting prices, read the farmer profiles in this chapter. Refer to page 92 for details on pricing strategies.
- Provide descriptions of products you currently produce. Ask what other products may interest the buyer.
- Prepare a product availability sheet for the buyer to keep as reference.

Follow Up with a Written Agreement

A written agreement between a buyer and seller is the best insurance that both parties understand and meet each other's expectations. These agreements need not be extensive or formal. In many cases, a contract with a chef and restaurant or local grocery store may be verbal. Many transactions proceed on mutual trust alone. Determine your comfort level regarding the use of contracts. Be sure to cover all the agreement details in your contract and ask specific questions relating to promotions and pricing.

Details to Cover in Written Agreements

- Quantity of product per week
- Price
- Size and packaging requirements
- Quality standards
- Ordering and delivery schedule
- License, insurance, or certification requirements

Ask These Questions

- How long will my item(s) remain on the menu?
- Can you ensure my product will be purchased during the entire season of availability?
- How will you promote my product(s)?
- What cooperative promotions would you consider?

- May I run a special or coupon with my product(s)? Is this required?
- What is your mark-up/margin for products?

Continued Communication Throughout the Year

After securing a sale and an agreement with a buyer, it is a good business practice to maintain timely contact by the buyer's preferred communications method(s) and timing. Touch base with your buyer throughout the year and as you begin to plan and develop your next production cycle. Ongoing communication will create an atmosphere where you can ask for feedback about the quality of your products and gain insight into future needs.

Most buyers dislike the surprise of orders that can't be filled or delivered on time. They have set schedules and disruptions in product availability or delivery can create situations where they may not want to buy again from farmers who can't meet their commitments. Buyers typically like a two-week notice when a purchased product is going to be harvested and delivered. Keeping your buyers informed of the current status of your products allows them to anticipate delivery times. This can also provide them time to seek alternative sources for similar products in the event of unanticipated production changes.

Sample Product Availability Sheets

PRODUCE	Box Size	Price/Box	Season Available	Quantity Available/Week	Comments
Spring Crops					
Broccoli	1 1/9 bushel	\$0.00	Mid June–Mid July	100 boxes/week	Gypsy-tight, firm heads; great color Small and sweet for salads
Snap Peas	10 lb box	\$0.00	Mid June–Mid July	20 boxes/week	
Summer Crops					
Green Curly Kale	24 bunch box	\$0.00	Mid June–Mid Oct	100 boxes/week	New variety
Fall Crops					
Butternut Winter Squash	35 lb box	\$0.00	Mid Sept–Mid Oct	200 boxes/week	Try our soup recipe
Yukon Gold Potatoes	10 5-lb bags	\$0.00	Mid Aug–Dec	10 boxes/week	Popular variety, excellent baked

MEATS	Price/Pound	Specs	Description	Comments
BEEF				
<i>Package Orders</i>			<i>Delivered: cut, wrapped, labeled, frozen</i>	
Side	\$0.00	180–200 lbs	Steaks, roasts, ground beef, ribs, soup bones, other cuts	Can be custom cut
Mixed Quarter	\$0.00	90–100 lbs	Same as side of beef	Can be custom cut
15-pound Variety Pack	\$0.00/pack	15 lbs	Mixed steaks, roasts, ground beef, processed meats	Ideal for food samplings
BEEF				
<i>Individual Cuts</i>			<i>Delivered: cut, wrapped, labeled, frozen</i>	
Steaks–Rib Eye	\$0.00	4 12–14 oz. steaks/pack	3/4 inch thick	Can be custom cut
Sausage	\$0.00	1-lb sticks	Garlic and other flavors	Available year round
CHICKEN				
Whole	\$0.00	5–8 lbs	Delivered: cut, wrapped, labeled, frozen	Can be custom cut
LAMB				
Whole	\$0.00	50 lbs carcass weight	Delivered: cut, wrapped, labeled, frozen	Place holiday order now
PORK				
Ham Roast	\$0.00	Specify weight	Smoked	Limited amounts naturally smoked pork available

RESTAURANTS AND GROCERY STORES

Restaurant Trends

Restaurant trends have a significant impact on the food industry and touch the entire chain of production through consumption. Trends affect producers, distributors, chefs, and anyone who is part of the food service industry.

One of the most important trends affecting producers is the increased reliance of restaurants, grocery stores, hospitals, and universities on using locally grown food sources rather than accessing sources halfway across the country or around the world.

Among those products expected to experience the highest increase in per capita expenditures through 2020 are fruits and vegetables, with most consumers preferring locally grown foods as they become increasingly concerned about nutrition, safety, variety, and convenience.

American consumers are more sophisticated and adventurous than ever, seeking out new and exotic flavors on menus. Seven out of 10 people say restaurants provide flavor and taste sensations that can't be easily duplicated at home. Chefs surveyed identify alternative-source ingredients—locally grown produce, organics, sustainable seafood, grass-fed and free-range items—as being among the “hottest” menu trends.

On average, an American adult buys a meal or a snack from a restaurant 5.8 times per week and spends 48 percent of their food budget on food away from home. This should provide an increasingly strong market for farmers entering this market for many years to come.

Source: National Restaurant Association www.restaurant.org



Photo courtesy Nathan Berg

Selling to Restaurants

Benefits

- Ability to experiment with unique varieties and new products
- Increased brand exposure by listing the farm name in menu and/or in restaurant promotions
- Consumers receive direct satisfaction from product use by creative chefs

Challenges

- Restaurants generally do not have much storage space; they require smaller quantities and multiple deliveries
- Requires good communication skills with managers/chefs

Grocery Trends

The Wisconsin Grocers Association and the Wisconsin Department of Agriculture, Trade and Consumer Protection surveyed Wisconsin grocers to assess their local food purchases. The aim of the August 2007 survey was to garner information that would help Wisconsin farmers better link with grocery store buyers, creating new market opportunities for both parties. Surveys were sent to 33 grocery stores in the three targeted cities of Eau Claire, Green Bay, and Milwaukee. Thirteen of those surveyed responded and the results provided a window into reasons they did or didn't purchase local foods.

For the purposes of this study, the term *local product* was defined as those produced within an hour or two drive of the store surveyed, or perhaps up to 120 miles.

The study concluded that most grocers responding did not carry local products because it was not convenient or they were not part of the local food “cause.” However, these same grocers would stock local items to keep customer loyalty and if customers demanded them. Grocers appeared to realize they would have to carry local products to contribute to their customers' desires of supporting their local community and local economy.

The study showed that one key to accessing local food stems more from a personal philosophy where consumers seek out products they believe are good for them. Increasing education to more people was deemed one way to boost demand for local food products.

The study also revealed significant opportunities to educate grocers. Many grocers in urban areas didn't realize that it was legal to purchase produce from local growers, particularly meat products that are state inspected and producer licensed.

It was also found that independent grocers, particularly those identified as being in Milwaukee and Eau Claire, went to farmers' markets to find local producers because they did not know how or where to find them.

Consumers are requesting more local food and grocers are looking to enhance shopper loyalty. The results from this survey should alert local producers that there is a ready market to tap; they just need to make an effort to reach it.

Selling to Grocery Stores

Benefits

- Can sell large quantity of product
- Increased brand exposure
- Consumers have access to your product seven days a week

Challenges

- May need to develop competitive pricing
- May require extra labeling including Price Look Up (PLU) labels or Universal Purchasing Code (UPC)
- May require nutritional labeling

Selling to Restaurants and Grocery Stores

Typically, chefs and department buyers work with distributors due to the convenience of accessing food products delivered in standardized quantities and sizes. More chefs and department buyers now seek to work with local farmers for their product needs because of the excellent food quality they can access. This may provide you with an opportunity to step in and become a reliable supplier for locally grown food products.

What Chefs and Department Buyers Want

- Good communication with producers is important. Some may prefer phone contact or emails once initial contact has been established. Be professional in all your dealings. Schedule a time to discuss mutual expectations.
- The product you deliver should be clean and of good quality. Consistency between what the buyer ordered and what they receive is important. If you can't fill the order exactly as specified or desired, communicate that before making a delivery.
- Make certain you fully understand how your product is to be packaged and sized. Some buyers have specific preferences and you need to understand what they want, or together devise an acceptable alternative. Go to page 49 for resources on standard package sizes and quality standards.
- Understand your buyer's schedule. Many chefs plan their menus several weeks ahead and need a notice about what products will be available. Department buyers also need to know several weeks in advance when your product will be available in order to discontinue their current product source and allow room for yours. Talk with the buyer about scheduling deliveries. Livestock producers should plan their production schedules around holidays and seasonal events that may require greater quantities or a specialized product.
- Develop an accounting system that meets your needs and is easy for the buyer to understand and make payment. Whether you get paid on a weekly, biweekly, or monthly basis needs to be determined at the start. Provide an invoice to be signed by the person taking your delivery.

Resources for Selling to Restaurants and Grocery Stores

www.sarep.ucdavis.edu/cdpp//selldirect.pdf
University of California–Davis

Answers to critical questions when selling to restaurants and retailers.

www.attra.ncat.org/attra-pub/sellingtorestaurants.html

Appropriate Transfer of Technology for Rural Areas

Guide to selling to restaurants.

www.uwex.edu/ces/agmarkets/publications/documents/A3811-5.pdf, UW Extension

"Selling Directly to Restaurants"

www.wibuylocal.org

Wisconsin Farmer Chef Connection

This educational website is designed to facilitate effective working relationships between farmers, chefs, and professional food buyers.

www.igd.com/CIR.asp?menuid=51&cirid=1491

IGD Food & Grocery Information, Insight & Best Practice
Factsheets of glossary of terms used in the packaging industry.

PROFILE

The Washington Hotel, Restaurant & Culinary School

Leah Caplan, Chef

www.TheWashingtonHotel.com

Washington Island lies off the tip of Door County and has witnessed a revival of local food production due in large part to the efforts of Chef Leah Caplan and her business partner. Not only does she source local produce and meat products for The Washington Hotel, Restaurant & Culinary School, she and her partner were responsible for reviving the agricultural economy of the island.

“Six years ago we felt our mission was to help local farming so it would be economically viable and farmers could stay on the land rather than selling it for development,” Chef Leah Caplan explains. “We started the Washington Island Wheat Project soon after the hotel was restored,” she says. “That led to needing produce for the restaurant customers we attracted. There were several reasons I wanted to source local food.”

Chief among those reasons was the transportation cost of bringing food onto the island and the quality Caplan felt she could get from local growers. “We were able to find some people who were willing to grow produce and raise chickens for eggs and meat,” she explains. One producer accepted their offer to grow wheat for their newly installed restaurant brick oven for bread baking.

“The first year he grew 30 acres and we had more than we could possibly use,” Caplan notes. “But we had committed to buying all that was produced so we contacted Capital Brewery in Middleton and they agreed to try making a beer with our wheat. That led to Island Wheat Ale, which has become a very successful product. Now we have 900 acres of wheat being grown on the island.

“Accessing local products is like insurance,” says Caplan. “Knowing and trusting the people I work with is very important to me. Knowing they’re as committed to the quality of food as much as I am is a huge value.” And, she says, putting the money back into the local community helps everyone who lives on the island.

Her restaurant uses 90–95% local products. Most foods featured on their menus come from the island rather than an individual source. “To me local means within a day’s drive,” she notes. “I approach it from an economical model—the closer, the better—whether it’s on the island, within our foodshed, or somewhere in the state or Great Lakes Region.”



Photo courtesy Shimon Lindeman

Breads baked by Chef Leah Caplan in the restaurant's brick oven are made from the wheat raised on island farms.

Wheat and local produce are a good fit for the climate and soil of the island. We could pay farmers a premium. Then we turn it into a premium product that helps us run the hotel and restaurant.

*Chef Leah Caplan, The Washington Hotel,
Restaurant & Culinary School*



Photo courtesy Leah Caplan

Wheat is grown on 900 acres of local farmland. Island Wheat Ale and Death's Door Spirits are specialty products made from the grain.



Chef Jack Kaestner creates unique menus using locally grown food products. He also speaks to farmers, chefs, and other groups about the benefits and challenges of working with local foods.

Provide a list of what you grow. Most chefs who use local produce are interested in seeing what might be different from what they already access. Explain how much you can supply each week or each month so they can plan their buying schedules.

*Chef Jack Kaestner,
Oconomowoc Lake Club*



Special dinners for members with farmers as invited guests are held in the club dining room. The table discussions allow farmers to explain how they grow the food that is being served.

PROFILE

Oconomowoc Lake Club

Jack Kaestner, Chef

www.WisconsinLocalFood.com

Serving locally produced food from sustainable farms is one of Chef Jack Kaestner's guiding principles at the Oconomowoc Lake Club. Sourcing those products requires attention to detail and an ability to communicate with his suppliers.

"The value in being able to purchase locally grown food direct from farmers is that it is fresh picked," Kaestner explains. "The cost may be higher but it lasts twice as long. Also, I can get varieties not typically seen in regular food channels because local farmers can and do grow specialty items."

Kaestner is a big fan of grass-based dairy and meats. "They have unique flavors and textures that subtly change with the seasons. One of the amazing things about working with fresh, high-quality vegetables, fruits, meats, and dairy products is that I can feel the difference in the texture when I'm working with them. My recipes and dishes are evolving to take into account the texture and taste differences," Kaestner says.

Establishing a long-term relationship with farmers gives him a consistent supply of produce or meat products to serve in his restaurant. "That's a critical part of food service," he continues. "With a constant supply of quality products, I can maintain a high level of consistency in what I serve."

Kaestner explains there are issues facing the use of produce, meat, or other foods featured on his menus. Timing of the products, getting the product from farms to his kitchen, and using frozen meats and the whole animal, he says, are the biggest challenges for both him and his farmers. He also notes that although there are many rules and regulations regarding the sale of [food or items] to restaurants, they are not complicated. "But farmers need to know them," he stresses.

Locally-grown products are featured on Kaestner's menus and farmers are identified as the growers or producers so club members know where their meal comes from. "About 30% of my menu will be from local sources, which to me means it's direct from the farmer. I would say another 15% represents commodity products from Wisconsin. But if someone wants to do a local dinner, I can source 90% local," he notes.

Kaestner works with 40 growers, and considers communication to be most important next to the quality of the product. "All my growers fax me their produce sheets by noon on Sunday

listing what they have available for the week,” he says. “Then we sit down and determine our needs. Communication is the most critical part because I need to know what they can supply and perhaps what they can’t. No chef likes to be told at delivery time that they can’t get something they ordered. I’m fortunate in that my growers are great people who enjoy what they do and conduct their business in a professional manner.”

For new growers seeking to be part of the restaurant trade, Kaestner suggests they contact the chef to set up a meeting. “Like other businesspeople, chefs are busy, too. They prefer a call instead of someone just showing up,” he suggests. “Provide a list of what you grow. Most chefs who use local produce are interested in seeing what might be different from what they already access. Explain how much you can supply each week or each month so they can plan their buying schedules. Leaving a little sample with the chef never hurts.”

Kaestner also suggests that new growers look at their total production volume and try to match it with the size of restaurant to which they want to sell.

Pricing products is a challenge for any new grower and Kaestner offers some suggestions. “For a new grower,” he explains, “I’ll show them a pricing sheet from other farms and that gives us a start if they’re not sure. I would suggest that they have a price in mind when approaching a chef or restaurant owner because that’s just being professional in understanding your business and cost of production.”

Approaching chefs or restaurant owners who haven’t sourced local food may be a challenge but one worth the effort.

Kaestner says, “Their discussion should include the variables that exist in local food production. Sizes and quantities of local produce may vary from what they’ve been used to getting through a distributor or wholesale broker. There also needs to be a lot of clarification, such as, do the potatoes all need to be the same size or can they be field run of all sizes? Communication is so important to a successful, long-term relationship with a chef or restaurant owner. Problems will arise; good resolution is key.”

Kaestner notes that as the premium and respect shifts to local food, so does the premium and respect shift to local farms and farming. “If farmers know there’s an outlet for their products other than the commodity markets, they will change and that’s good for everyone who cares about eating healthy, locally produced food.”

For a new grower, I’ll show them a pricing sheet from other farms and that gives us a start if they’re not sure. I would suggest that they have a price in mind when approaching a chef or restaurant owner because that’s just being professional in understanding your business and cost of production.

*Chef Jack Kaestner,
Oconomowoc Lake Club*



Photo courtesy Jack Kaestner

Chef Jack conducts on-farm cooking demonstrations as part of a farm-chef project.

PROFILE

L'Etoile Restaurant & Café Soleil

Tory Miller, Executive Chef & Co-Proprietor
www.LEtoile-Restaurant.com



Photo courtesy Lilitane Miller

At the farmers' market, Chef Tory Miller fills his wagon four to five times to secure ingredients for his menus.

Chef Tory Miller is committed to sourcing locally grown and sustainable and organic ingredients from several Wisconsin farmers.

Tory and Traci Miller, co-proprietors of L'Etoile, have envisioned their restaurant and café as a focal point for supporting Wisconsin farmers and the sustainable agriculture movement. They have used many of the ideas and values of founder, Odessa Piper, as a springboard to further champion and support farmers and remain at the forefront of sourcing local food.



Photos courtesy Fountain Prairie

Dorothy Priske welcomes Chef Tory to Fountain Prairie Farms. L'Etoile features the farm's Highland beef on the restaurant menu.

Chef Tory loves using local ingredients for exceptional quality and diversity. L'Etoile and Café Soleil have a close relationship with Dane County Farmers' Market and have built a strong relationship with Wisconsin farmers who grow a wide variety of organic and naturally-raised foods. L'Etoile's pioneer involvement in accessing sustainable agriculture products for its menus not only supports Wisconsin farmers but raises the profile of local and regional food production to a new level of awareness.



Photo courtesy Marcus Hasheider

Brats made with meat from Willow Creek Farm's Berkshire hogs are a featured menu item on a farmers' market day.

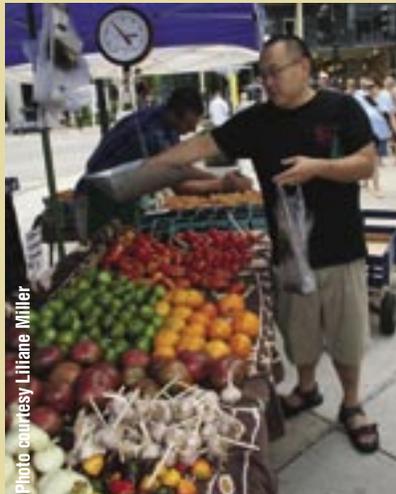


Photo courtesy Lilitane Miller

Local ingredients are used in the restaurants because of their exceptional quality and diversity.



Photo courtesy Wisconsin Homegrown Lunch

Chef Tory leads a cooking class for students at Sherman Middle School in Madison.

PROFILE

Willow Creek Farm

Tony & Sue Renger

www.WillowCreekPork.com



Tucked in the quiet hills south of Loganville, Willow Creek Farm is a model for humane pig husbandry standards. A large part of Tony and Sue Renger's marketing program involves selling to restaurants. "We approached those we felt would not only appreciate the quality of our pork, but also the manner in which they are grown. Low stress makes a healthier animal and that translates into a healthier end product," Tony says.

The Rengers recently altered their production protocol in two significant ways—one in marketing and the other in their production model. "When we took hogs to market, we gave the processor specific instructions for cutting into individual packages that we would then market and distribute piece by piece to local restaurants, retail outlets, and individual customers. However, we found this way was very labor intensive for our current situation, so we went back to the basics."

Now the Rengers sell only half or whole hogs to restaurants, retail outlets, and individuals although they still allocate a certain number of hogs at market weight for individual cuts that they sell at the Dane County Farmers' Market and a small portion to the Willy Street Co-op because of customer requests.

"We always had a goal to direct market without the middleman, because too many discounts were required to have the chef, retail outlet, or others bring a fair price to the actual consumer. We believe this has enhanced our products as a good value," Renger notes.

They currently supply eight restaurants in Wisconsin and with their new model, the chef works directly with the processor for their special cutting instructions, or in some cases, a chef takes their whole hogs in primal cuts for future use and options, and to save costs. Renger adds, "Now we have a mix of restaurants that are willing to take our whole hogs and we also have a mix of caterers and individual customers taking our hogs in whole or half portions."

Their second transition is a new protocol under which they take feeder pigs from other producers and incorporate them into their program. "We have agreed to take feeder pigs at 10 to 12 weeks of age that were produced from our genetics, our purebred breed, and that meet AWI standards," he says. "We then finish them off on our pastures with our special blend of feed."

This new model has allowed the Rengers to meet the increased demand for their pork, to control their production program to assure the quality they seek, and to enhance their customer's experience with their meat.

Willow Creek Farm's marketing program is based on pasture-grazing high-quality, purebred Berkshire hogs. Their pork is sold as a value-added product to local and high-end restaurants, retail outlets, and individuals, as well as at a large farmers' market.

We've made a commitment to produce quality pork products in the most natural and humane way possible. We are very pleased to be the first independent pig farm in the United States to be approved by the Animal Welfare Institute.

Tony Renger, Willow Creek Farm



The farm's production protocol has earned certification by the Animal Welfare Institute for humane pork production. The Rengers have finished as finalist three times in the Gallo Family Vineyards Gold Medal Awards, which honor artisanal food producers.



Photo courtesy Just Local Food

Just Local Food is structured as a worker-owned cooperative.

We're here to answer our customers' questions and the only way we can do that is understand the farmer.

Aaron Ellringer, Just Local Food



Freshness, service, and quality are three important components at Just Local Food.

PROFILE

Just Local Food Cooperative

Aaron Ellringer, Co-Owner &
Education and Marketing Coordinator
www.JustLocalFood.com

If you summed up the philosophy of Just Local Food Cooperative it would be “Think Globally and Buy Locally.” That’s the spirit the worker-owners of the cooperative carry with them every day and try to instill in all who walk through their doors.

“We began with several people in Eau Claire who wanted to own a business together that involved food, a grocery store, or working with farmers,” recalls Aaron Ellringer, education and marketing coordinator and one of the co-op’s 10 worker-owners. “We simply ended up combining all three elements.”

Those common goals worked with the experience that four owners brought to the group. “We decided early on that although we wanted to work with people, we wanted to keep our group small and not have 50 people around the table,” he says.

Building Relationships

Their business relationships were built on trust with their suppliers, which helped them expand. “We each invested \$1,000 as equity but the farmers were investing, too,” he notes. “Troy DeRosier of Crystal Ball Farms brought us milk but didn’t demand that we pay him for two or four weeks. His investment in us was the loan of his product he gave us to sell, which we wouldn’t have been able to do if he hadn’t been willing to support our efforts.”

Food-Buying Policy, Packaging, Pricing

Going onto farms allows them to get the story of the products being offered and to place it within the larger picture of their mission. “We don’t tell farmers how or what to grow,” Ellringer notes. “We want to know what they’re doing and if we then know it’s something our customers want, that’s great. If it isn’t, we tell them. Maybe it would be a product that would sell if they helped us market it. We try to get farmers to tell their story and the story of their product. Farmers consider us their partners.

“Packaging presents some challenges for us,” Ellringer muses. “Customers have been conditioned to look at it through plastic. When we sell a package of ground beef for home delivery, the product has already been sold before it’s been looked at. So we sit down with each of our suppliers to discuss how it’s going to be packaged. Labeling and pricing is difficult and takes a long

time. It would be great if that steak came with its price on it but it doesn't."

Farmers are allowed to set the price for their product and Ellringer says that's when they'll start to negotiate. "Most farmers understand that customers are price sensitive and that we have to make something, too. Also, many realize that having us sell and market their product is saving them time."

Educating Customers

Ellringer maintains they're not only selling products, they're educating people about the farms that grow the food. "We're here to answer our customers' questions, and the only way we can do that is understand the farmer," Ellringer notes.

Just Local Food places brief descriptions and photos in their store highlighting their farmer-producers. This, according to Ellringer, is one reason for their success. "There needs to be someone in our store who can tell that story to our customers. They have questions and they need to know more about these things. By how we're structured—as a 10-worker-owned co-op—each person who works in our store has a vested interest in our success. We want each farmer and supplier to succeed. Each customer that comes in is special to us in a way that's meaningful and we are able to share the stories unlike other stores could. If the farmer can't be there, what's the next best thing? It's having someone who is interested in their product. Someone who knows the farmer, who cares about that farmer. And a piece of paper just isn't going to do that. It helps and it reminds people, but each of these products is a story."

The public response has been satisfying to the owner-workers, as well as the farmers. "We've learned that local food crosses all social boundaries because it makes sense," Ellringer says. "We're rebuilding our food system in a way that people used to buy their food but it got lost somewhere along the way."

Running out of a product is a common occurrence at Just Local Food. "That may seem to be a problem to a regular store, but not to us," he notes. "Because that gives us an opportunity to educate. Why are we out of eggs? Well, it's been cold out and the chickens stopped laying. Yes, they're disappointed but we're there to educate and they're often more likely to return because they learned something about their food they didn't know before. That's why we're here and that, I believe, is why we are successful."

We try to get farmers to tell their story and the story of their product. Farmers consider us their partners.

Aaron Ellringer, Just Local Food



Photos courtesy Just Local Food

The store offers a wide range of local produce, as well as organic flours and grains.

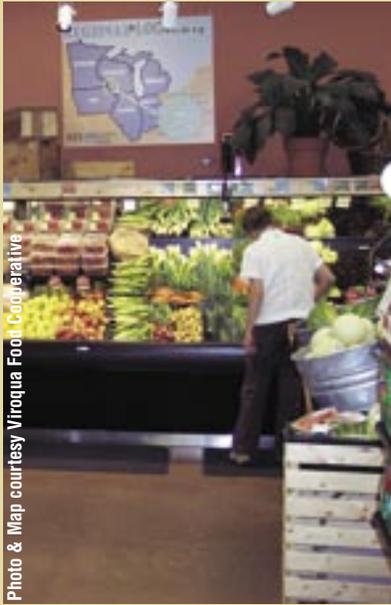


Photo & Map courtesy Viroqua Food Cooperative

PROFILE

Viroqua Food Cooperative

Dani Lind, Produce Manager

Charlene Elderkin, Marketing & Membership Coordinator

<http://ViroquaFood.Coop>

The Viroqua Food Cooperative (VFC) prides itself on offering a one-stop shopping experience of quality, healthy foods from farms located mainly in western Wisconsin.

The VFC began as a natural foods buying club organized by a small group of individuals who worked together to provide their families with healthy foods. They opened their first store in the fall of 1995 and now provide a market for local farmers and an outstanding place to work and shop, and they keep steady attention on their environmental footprint.

The success of VFC lies in its attention to quality, offering a wide selection of competitively priced produce, and a community atmosphere that recalls an earlier time. This mixture has encouraged development of a member-owned business that supports local, organic, and natural growers, and local suppliers, and provides jobs and services that stay in the community. VFC can serve as a model for other areas because the Co-op democratically represents the needs and wishes of its members and forms a powerful economic force in its community.

Charlene Elderkin is marketing and membership coordinator for VFC. “We promote local products in the store with a special ‘Local’ shelf tag,” she explains. “We define local as within a 50-mile radius of Viroqua.”

Although VFC buys most of its produce locally in season, it reaches beyond that radius to source products for the Co-op. “We also have ‘Regional’ tags that include states bordering Wisconsin where we get some store products,” Elderkin adds. “We have a website where we promote our local farmers and producers. For the farmers we buy the most from, we have a special half-page farmer profile sign that hangs near the product. We also do print and radio ads highlighting local food and specific local products.”

Cooperative Arrangement Attractive to Farmers, Suppliers

What makes this Co-op so attractive to not only the farmers and suppliers but also to those who buy shares to become members? Dani Lind works with most of its farmers when buying produce to sell at the Co-op.

“We love having the personal connection with local farmers,” Lind explains. “We can customize our product because of our



A Regional and Local map identifies the shelf items customers can choose as locally grown.

The best thing about this arrangement is that the money stays in the local community.

Dani Lind, Viroqua Food Cooperative

relationship with them. For example, we can request particular varieties, case sizes, bunch sizes, and an extended season in ways other stores can't or won't ask for.

“The best thing about this arrangement is that the money stays in the local community. Most of our farmers return the favor and support the store by shopping here. We have a customer base that demands local food and buys it when it's available, even when there's a cheaper California product right next to it. Oftentimes local product will cost more than that produced in California because of their smaller scale. We wouldn't be able to carry our local product if our customers weren't willing to pay this higher price. Part of this great customer demand or consciousness is due to a national trend and, I believe, partly due to our marketing and educational efforts.”

Each department buyer at VFC is responsible to purchase local foods whenever possible, supported by the direction of the Co-op's mission and culture as a guiding force.

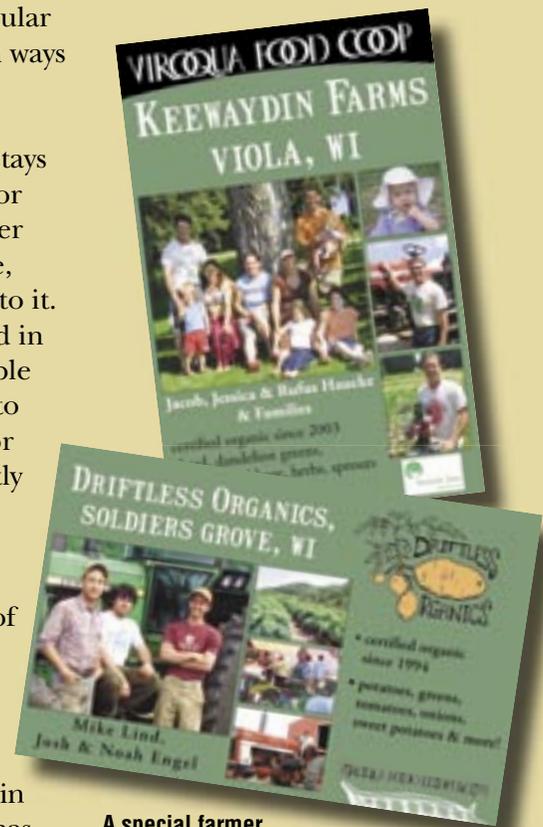
“Ordering from many different small sources versus a couple of large distributors does mean extra labor and mental exercises for the buyers, and presents one of the major issues in getting local products into our store,” Lind notes. “Everyone has different schedules or deadlines, and availability sheets or not. Also phone numbers, faxes, emails, and other methods of communication can present a challenge for the buyers, but that's all part of it.”

Lind has found labeling, certification, and handling to be another store issue that requires attention. “Our buyers must have up-to-date certificates for all certified organic local growers. That's not a problem when we buy produce from a distributor because they only need a certifier stamp on the box, as they have all the certification papers already. However, the labeling can be tricky when we work with non-certified growers because we want to be as specific as possible,” she relates.

The third challenge for VFC is its efforts in marketing each farm individually. “We provide space to identify the farmers whose produce we're selling, and the departments can quickly get cluttered when you have profiles all over the place in the height of summer when we're buying from up to 20 farms,” Lind says.

Local Products Highlighted with In-Store Signs

VFC offers a unique way to identify products from local farmers through their signs. “We have green signs that say ‘Local’ [within



A special farmer profile sign hangs near a farm's products in the store. Farmers are also promoted on the store's website.



Photo & Posters courtesy Viroqua Food Cooperative

The store hosts a “meet your CSA farmer” event which provides an opportunity for members to establish a personal connection with farmers and learn about local farm products.

Above all, we like a product that's clean, has nice labels when appropriate, is fresh, and tastes good!

Dani Lind, Viroqua Food Cooperative

50 miles] for all local products in our store,” Lind says. “It’s easy to look at the produce case and find the local produce by looking for the green signs. The regional produce—from a five-state area—is marked in blue, and orange signs are used for farther afield.

“There’s a big colored map above the produce case illustrating this. We also have half-sheet-sized laminated farmer profiles that we try to stick next to product that has a picture and short bio.

“We use a newsletter and email for updates and always feature news and information about the importance of buying local, articles about local farms, what’s available, and so on. Our website also has a local profile page for people to learn more about our farmers.”

The range of products offered at VFC can match many other chain stores. “We have at least 60 local suppliers at our store,” Lind continues. “We love the abundance and wide variety of local product available to us, from certified organic produce to grass-fed meat, salsa, frozen pizza, sauerkraut, coffee, and body care products. We are extremely blessed with hard-working and creative folk in our community.”



Photo and newsletter courtesy Viroqua Food Cooperative

Viroqua Food Cooperative works with over 60 local suppliers.



A newsletter features local farms and information on the importance of buying local.

Sourcing and pricing is always an issue and perhaps more of a concern for new growers. “Farmers usually come in looking for us,” Lind says. “On occasion I’ve gone to the farmers’ market and sought out new growers. We have such an abundance of organic growers near here that I usually have to turn dozens of new growers away every year. But I will look at something new and unusual if it’s a quality product.”

Guidelines Outlined for Growers

“We have a ‘Growers Guidelines’ for the produce department that all our growers get so everyone can be consistent on issues of case sizing, labeling, having regular order or delivery days, and supplying availability sheets. This saves some headaches,” she states. “Pricing is always a concern for growers and, in general, farmers tell us what price they want. If the price is high, we usually try it out for awhile and if it doesn’t work try to negotiate with the grower. I’ll often ask for special prices for quantity if I know a grower is long on something at its peak. Sometimes a grower will ask us for a wholesale price and we always tell them what other local growers are asking. Occasionally, I will pay more than what a grower is asking if it seems too low and I know I can sell it for a higher price.

“Above all, we like a product that’s clean, has nice labels when appropriate, is fresh, and tastes good!”

PROFILE

Paoli Local Foods, LLC

Ken & Sherrie Ruegsegger, Owners
www.PaoliLocalFoods.com

Paoli Local Foods owners Ken and Sherrie Ruegsegger used the community supported agriculture (CSA) model to finance the rent of a building and renovate it into a full-service grocery store. Besides local produce and meat products from their farm, the Ruegseggers serve artisan foods. Their success provides a unique window into their accomplishments and offers a model for others.

Paoli Local Foods has become a destination for customers wanting the best in locally grown and produced foods. This full-service grocery store carries products from more than 80 local food producers who supply the Ruegseggers with meat, dairy products, organic produce, eggs, and more.

Their shelves are lined with healthy-choice foods that contain no trans-fats or high-fructose corn syrup. Fresh bread arrives four times a week from artisan bakers and it has developed a loyal following. The Ruegseggers also offer prepared foods made with products from the store. They have a certified kitchen and an in-store chef. They take custom orders to supply local lunches and dinners.

Their grocery store is a new extension of their family business that developed in the 1990s when they started raising and marketing hormone- and antibiotic-free homegrown beef, pork, veal, lamb, eggs, and chicken from their Blanchardville farm. They began selling at area farmers' markets before developing a home delivery service for their products and incorporating goods from other local farms.

They set up their first market stand at Paoli. It has since developed into a store that has given them a base from which to operate their entire business. They took an innovative approach in acquiring an old machine shop by using the CSA method of marketing to finance the venture.



Paoli Local Foods was financed using a CSA model.

We're all in this together. It's more than just about food. It's about people helping people, helping people.

Ken Ruegsegger, Paoli Local Foods



Photos courtesy Mary Hasheider

Custom orders are taken to supply local lunches and dinners.



Paoli Local Foods is an extension of the Ruegsegger family farm business.

INSTITUTIONAL FOOD SERVICE

Marketing to schools and colleges, health care facilities, nursing homes, prisons, and other public institutions can be a way to diversify your program. Some food service companies have committed a percentage of their food budgets to source local food, and this may be a way for you to develop a new market.

Selling to Institutional Food Service

Benefits

- May contract for entire season
- Provides local food and farm connections for large, diverse audiences
- Able to sell large quantities of product to one site

Challenges

- May need to develop standard operating procedures for food safety
- Dealing with the complex layers of buyers may be frustrating
- Food budgets may vary greatly between different types of institutions

Finding and Approaching Institutional Buyers

Approaching an institution with a marketing plan for your product can be complicated. You need to find out who directs the food service and plan your approach accordingly. Institutional food service is frequently contracted out to a food service management company. This company then supplies the staff that runs the entire food service operation. Some institutions serve 1,500 meals a week, while some serve 15,000 to 30,000. Some food service management companies have committed to source local food when they can. Some actively seek out farmers to supply them. Entry to institutional markets may be easier by identifying which food service management companies are open to accessing local food and then approaching local institutions that have contracts with those companies. Before making your approach to buyers, you should match the amount you can supply to the size of the institution. Often institutions purchase at wholesale, so you will need to establish wholesale prices for your products. See page 93 for more information on wholesale pricing.

There are complex layers of management for institutional food services. Be aware that the buyer of your products is not the same as the end consumer. Depending on the type of the institution, the end consumers might have some influence over the food service choices. Schools, for example, may be sourcing local food because of student and/or parent interest. Schools may be more interested in having a direct relationship with farmers than other types of institutions. Hosting field days or “meet the farmer” events are good ways to ensure the continued support from the end consumers who may be the driving force behind the interest in sourcing local foods.

Considerations for Selling to Institutional Markets

Successful sellers to institutional food markets have an understanding of their markets’ expectations, supply requirements, standardization of product packaging and delivery, liability issues that may be involved, and ordering and billing methods used or preferred.

Consistent Supply

While meat, dairy, and processed products can be supplied year-round, a consistent supply of fresh, locally grown vegetables is difficult in northern climates. Seasonal sales, however, are acceptable to some food services. Some farmers who market to institutions provide a seasonal supply of fresh vegetables, but manage their plantings to have a consistent supply throughout the growing season.

Another way to have a consistent supply is through careful storage of crops. This can be accomplished by taking produce directly from the field to cold storage following good post-harvest handling guidelines and storage requirements. You then continue weekly deliveries throughout the fall, winter, and following spring. Yet another method of providing a consistent supply is to process and preserve produce during the growing season. See page 84 for more information on season extension techniques and practices.

Standard Types of Products

Labor costs are an issue for most food services. It is important to have products that are easy to prepare and serve. Frequent communication with institutional customers to find out their needs for size, uniformity, and preferred packaging is important to marketing success.

Packaging and Delivery

- Institutions generally require delivery, and when necessary, refrigerated delivery.
- Delivering clean produce is very important.
- Providing a consistent size of vegetables is usually preferred. Check vegetable size preference with the customer. Special orders may differ from standard sizes used by the produce industry.
- Meat, poultry, dairy, and eggs all have varying requirements for packaging and delivery.
- Check packaging preference with the customer.

Liability Insurance

Farmers or farmer groups who want to market to institutions need product liability insurance. Some farm insurance policies include coverage for products sold from the farm, but this is not adequate for sales to a food service. The amount of insurance you need depends on what products you are selling and whether you're selling to a public or private institution. State-funded public institutions require \$2 million in liability insurance while private institutions require significant coverage but vary by institution. Fresh, raw fruits and vegetables are considered low risk, and insurance for those might be less than higher-risk products, such as meat. Finding an insurance agent with experience in farm direct marketing can be difficult. Ask if your insurance agent is willing to work with you on a policy that will meet your needs. If not, it is worthwhile to shop around for an agent with experience insuring market farms. See page 115 for more information on product liability insurance.

Ordering and Billing Methods

Institutional buyers prefer ordering and billing procedures that are as simple and streamlined as possible. There are different ways to develop a process that works for both the buyers and the suppliers. Some ordering and billing suggestions include:

- Use two paper receipt books: one to record deliveries to a central packing location and another one to record customer orders.
- Take orders by phone, email, or fax, and deliver an invoice with the order.
- Find out payment procedures. Institutions generally use a net 30 day billing cycle and pay with a purchasing credit card.

Once again, the crucial marketing task for farmers is on-going communication with buyers.

PROFILE

Institutional Food Market Coalition www.ifmwi.org

In 2006, the Institutional Food Market Coalition (IFM) was established in an effort to achieve two goals: 1) expand market opportunities for Dane County and regional producers and 2) connect large-volume buyers with local and organically grown Wisconsin product. More than 10 large-volume buyers from both private- and public-sector institutions and the management teams from several Wisconsin produce auctions took part in initial meetings. In 2007, four institutions sourced almost 20,000 pounds of fruit and produce from Badgerland Produce Auction in the last six weeks of the auction. Thus far, IFM has found this model to be successful for both buyers and growers for a number of reasons. The auctions make available large volumes of diverse products at one sales outlet. Both public- and private-sector institutions can receive one or two additional deliveries a week, maximum, and the auctions deliver. The auctions provide growers with an additional sales outlet, and a place to sell surplus product. Large-volume buyers have price limitations and the produce auctions are wholesale. The auctions have liability coverage which is required by many Wisconsin institutions.

Badgerland Produce Co-op Auction is piloting a pre-priced program for those institutions interested in sourcing significant volumes and that require set prices. Badgerland will make large volumes of value-added products available, including eggs, pies, beef, and chicken.

IFM is a project of the Dane County Planning and Development Department. It provides information on local sourcing for growers and large-volume buyers interested in sourcing at Badgerland Produce Co-op Auction and other Wisconsin produce auctions. Contact: Olivia Parry at parry@co.dane.wi.us.

Schools and Health Care Institutions

If you want to approach a local school or health care facility, it is helpful to know what is important to the decision makers at those institutions. To gain their interest and enhance your chances of being considered as a food supplier, present your farm's products in terms of the things these decision makers consider important.

Schools

Schools in Wisconsin are now required to have a Wellness Policy for their students that includes policies on nutritious food. If you can present fresh, local food products as a healthy option for your local school, this can be an attractive benefit to school administrators. For more information on state wellness programs in schools visit:

www.dpi.wi.gov/fns/wellnesspicy.html

Creating food system change where young people have access to healthy food choices and are encouraged to try new foods takes a broad community effort.

Doug Wubben, Wisconsin Homegrown Lunch

Health Care Facilities

Health Care Without Harm is a national campaign to raise awareness among health care workers on a variety of topics that impact the health of patients. One of the topics is the food served at health care facilities. Health care administrators who embrace the goals of Health Care Without Harm may provide you with an opening to talk about fresh, local food. For more information visit: www.noharm.org/us/food/issue The connection of food to disease prevention and promoting good health continues to be featured in the news media, and consumers are seeking out food choices based on health benefits. While this awareness may not translate into sales to health care facilities, it does provide talking points to open the door for further discussion and education on food systems and the merits of buying local.

Wisconsin Produce Auctions

Produce auctions are a one-stop sales outlet for local growers where they can access institutional markets through selling to large volume buyers. The auctions have the ability to provide insurance for both private and public sector institutions,

refrigerated delivery, and can also accommodate the net 30 days billing cycle most institutions use. Some auctions use an order buyer system which shifts the buying responsibility to a professional auction floor trader. USDA grading standards are used and uniform packaging and product size are required where possible. This website provides locations and contact information for produce auctions located in Montello, Withee, Fennimore and Cashton: <http://wisconsinlocalfood.wetpaint.com/page/Produce+Auctions>

Resources for Institutional Markets

Selling to Institutional Markets

www.attra.ncat.org/attra-pub/PDF/farmtoschool.pdf

National Center for Appropriate Technology

A resource guide for bringing food from farm to schools and other institutional programs.

www.uwex.edu/ces/agmarkets/publications/documents/A3811-19.pdf

UW Cooperative Extension

"Selling to Institutions"

www.uwex.edu/ces/agmarkets/publications/documents/A3809.pdf

UW Cooperative Extension and Wisconsin DATCP

"Direct Marketing Meat"—A comprehensive guide for Wisconsin meat producers.

Selling to Food Services

www.leopold.iastate.edu/pubs/other/files/PM2045.pdf

What producers should know about selling to food service markets.

Farm-to-School Programs

www.farmtoschool.org

Center for Food and Justice, Occidental College

Comprehensive resource about farm-to-school food programs nationwide.

Fresh Fruit & Vegetable Programs

www.dpi.state.wi.us/fns/ffvp.html

Wisconsin Department of Public Instruction

Wisconsin received funding through the 2008 federal Omnibus Budget Act for the USDA Fresh Fruit and Vegetable Program. The money provides a fresh fruit/vegetable snack every school day for each student enrolled in 25 selected schools. Some of the previous schools that participated in the program between 2006–2008 used the funding to purchase produce locally.

www.fruitsandveggiesmorematters.org

Produce for Better Health Foundation

Formerly the 5 A Day™ program, the Fruits & Veggies—More Matters® health initiative features a new website detailing the benefits associated with eating more fruits and vegetables.

www.dhs.wisconsin.gov/health/physicalactivity/F&V/brand.HTM

Wisconsin Fruit and Vegetable Nutrition Program,

Wisconsin Department of Health Services

A program to increase fresh fruit and vegetable consumption in elementary and secondary schools.

Healthy Food in Health Care

www.HealthyFoodInHealthCare.org

Health Care Without Harm

Click on "Healthy Food in Health Care: A Menu of Options" for steps hospitals can take to improve their food and how growers can approach institutions.

PROFILE

Wisconsin Homegrown Lunch

Doug Wubben, Project Coordinator

www.ReapFoodGroup.org/farmtoschool

Wisconsin Homegrown Lunch (WHL) is a farm-to-school project co-sponsored by the REAP Food Group and the UW–Madison Center for Integrated Agricultural Systems. Working primarily in Dane County school districts, Wisconsin Homegrown Lunch collaborates with local farmers and school districts to bring fresh, locally produced foods to students through the classroom and lunchroom. Tastings, farm field trips, cooking classes, and other educational opportunities inspire openness among students to try new foods and to connect those foods to real people in their community.

Those working with Wisconsin Homegrown Lunch quickly learned how challenging it would be to incorporate fresh, locally produced foods into school lunches. These challenges include the lack of labor and facilities to prep fresh produce, underdeveloped distribution of local produce, and the higher cost of fresh produce (versus canned or frozen). Of the \$2.25 school meal programs receive for a lunch (prices vary slightly district to district); \$0.68–\$0.85 is allocated for the food, including milk. This challenging budget reality needs to be taken into account when introducing items in meal programs.

The Madison Metropolitan School District posed particular challenges given that one central facility provides all 47 of the district's schools pre-packaged meals—15,000 of them—each day. While the need for “ready-to-serve” foods exists in most schools, smaller school districts may have more flexibility, allowing them to devote extra time to food preparation.

Wisconsin Homegrown Lunch works with school district food services to test and promote new menu items and to facilitate purchasing relationships between the schools and local producers. Local apples, watermelon, tomatoes, potatoes, onions, peppers, sweet potatoes, carrots, and lettuce have been successfully tried at schools.

In Madison, a partnership with the Willy Street Co-op has allowed Wisconsin Homegrown Lunch to start a classroom snack program as a way to provide more fresh foods to students. Once a week during the school year, the co-op's kitchen preps 150–200 pounds of raw carrots, sweet potatoes, or kohlrabi which the district delivers to four schools.

Doug Wubben, project coordinator, states, “Creating food system change where young people have access to healthy food choices and are encouraged to try new foods takes a broad community effort. Wisconsin Homegrown Lunch is fortunate to have many excellent partners in this work. It's a slow, deliberate process, and it's worth it.”



Photo courtesy Wisconsin Homegrown Lunch

Fresh Wisconsin apples offer a healthy food alternative in schools.



Photo courtesy Wisconsin Homegrown Lunch

Samples of heirloom tomatoes are served to students at Maywood Elementary in Monona Grove.



Photo courtesy Lori Compass

Wisconsin Homegrown Lunch Project Coordinator Doug Wubben provides a vegetable lesson to elementary students.

PROFILE

School Initiatives

Renewal Gardens

Renewal Gardens links a local sustainable food system with area teenagers seeking an opportunity to develop employability skills through education and practical experience. Begun in 2003 as a single garden project with four young adults, the project has grown to include three gardens providing hands-on growing, marketing, and sales experience for 40–50 youth from Renewal Unlimited's Youth Services Program and Baraboo Middle School and High School. Customers of Renewal Gardens have included area restaurants, elder housing centers, and natural food stores. They also offer a community supported agriculture (CSA)-type subscription program.

Shirley Tollaksen, manager of the Youth Services Program at Renewal Unlimited, notes that youth work hundreds of hours over the course of the season. All work is performed under close adult supervision, establishing high standards that would be expected in the workplace. In addition to planting, growing, and tending the gardens, youth market their produce locally earning wages generated from sales. During the current season, the program has 18 subscriptions for market baskets of produce delivered from the second week in June through the third week in October. Produce is also donated to the local food pantry.

Nutrition education is an important component of the Renewal Gardens program where growers, as well as customers, learn how to prepare fresh food for maximum enjoyment of the produce. Shelley Mordini, department chair of special education at Baraboo High School, has developed a curriculum which includes garden planning (for which students receive class credits), research, and cooking. She has noticed a dramatic shift in awareness and eating habits in her students.

The Renewal Gardens is a good example of the collaborative effort of diverse partnerships within the community and beyond. At the start, Jay Salinas of the Wormfarm Institute served as project team leader, directing youth in planting, raising, tending, harvesting, and marketing their crops. Heifer International and Growing Power of Milwaukee provided initial training and three years of technical and financial support. Volunteers from the University of Wisconsin-Extension Master Gardener program have contributed time and expertise from the beginning. The land and use of a tractor for primary tillage for one garden is donated by local residents. Deer manure and coffee grounds are donated for the vermiculture windrows, and a local furniture maker donates wood chips for mulch between rows.

Two other gardens are located at the UW-Baraboo campus and Renewal Unlimited. During the summer, a faith-based youth group and the Boys and Girls Clubs tend those gardens. Mordini also teaches a "college for kids" for one week in the summer and at the UW-Baraboo garden. Contact: Shirley Tollaksen at stollaksen@renewalunlimited.net or Shelley Mordini at smordini@baraboo.K12.wi.us

Got Dirt?

Gardening Initiative

The purpose of this initiative is to increase access to and consumption of fruits and vegetables through school, childcare and after school vegetable gardens. The initiative has the following components:

Training: Hands-on skill building experience for teachers, child-care providers and after school coordinators to prepare them to start gardens as well as how to find other expertise in their community.

Resources: The Got Dirt?

Toolkit, information on various gardening techniques (cold frames, microfarms, container gardens, and classroom activities), and ideas for nutrition education.

Funding for this initiative is provided by the UW School of Medicine and Public Health from the Wisconsin Partnership Program. For more information about the initiative go to <http://dhs.wisconsin.gov/health/physicalactivity/gotdirt.htm> or contact Amy Meinen at amy.meinen@wisconsin.gov or Bill Wright at wright_wp@co.brown.wi.us

[Great Lakes]

Farm-to-School Network

The Wisconsin Institute of Sustainable Agriculture (WISA) at the UW-Madison is the lead agency in a six-state area for a new national program to encourage schools to engage students in healthy eating habits and serve more locally grown food. WISA will build on the grassroots efforts of the many farm-to-school initiatives currently underway, as well as those just getting started.

Contact: Sara Tedeschi at smtedeschi@wisc.edu

DISTRIBUTORS

Food distributors are a key component of the food system in the United States. Restaurants, caterers, convention centers, school and college food services, and other types of food services all rely on distributors to supply the food and food-related products they need to serve their customers. Often, all needed food and food-related products can be ordered from one or two distributors.

Opportunities for farmers to sell their food products to local or regional food services are limited by time, staffing, and money constraints for farmers and food services, alike. Distributors meet the needs of food services for specific quantities of specific products at a specific time. Distributors can also meet the needs of farmers by handling marketing, ordering, billing, and delivery tasks, thus allowing the farmers to concentrate on their production. If you would like to tap into the food service market, consider working with a distributor.

We went to the stores ourselves and didn't use distributors. But distributors can save you a considerable amount of cost and you can't deliver it for what they can. It's going to cost you well over 30% to deliver to outlying areas.

Troy DeRosier, Crystal Ball Farms

Selling to Distributors

Benefits

- Sell large quantities of product to one location
- Can concentrate on production skills rather than marketing
- Fewer contacts needed to sell products
- The distributor can smooth out the problem of seasonal availability by buying from local farmers in season and sourcing products elsewhere when the local products are unavailable

Challenges

- Less farmer-to-consumer connection
- Less brand identification
- Price for product will be competitive



Photo courtesy Wisconsin Milk Marketing Board

Key Considerations When Selling to Distributors

Typical requirements for farmers who sell to a distributor include:

- *Product liability insurance.* The amount of insurance required varies depending on the product and quantity that the farmer is selling. See page 115 for more details.
- *“Hold harmless” agreement.* Farmers may be asked to sign an agreement accepting responsibility for any injury that may result from people eating their product. It is a good idea to develop an on-farm food safety plan. See Good Agricultural Practices (GAP)/ Good Handling Practices (GHP) in the section starting on page 112.
- *“Non-compete” agreement.* If farmers choose to sell to both distributors and their potential retail customers, they may be asked to sign an agreement that the farmers will charge their retail outlets the same base price the distributor does.
- *Product analysis and nutrition labeling.* These may be required for processed products.
- *Consistent packaging and sizing.* Products are offered to a distributor’s customers in standard sizes. Farmers need to package the products accordingly.
- *On-farm storage.* Farmers may have to hold their products until the distributor has a need for them.
- *Transportation.* Farmers may need to arrange shipping for their product to a distributor’s warehouse. This may involve hiring a truck, purchasing a truck, or coordinating delivery with a distributor-owned truck.
- *Quality product.* Just like all other markets, product quality will be the number one way to create a demand for your product.

We will give our wholesale markets a one- to two-week notice of what will be available. If you can't supply it, let them know ahead of time. They don't want empty shelves and if they're expecting something from you and you don't provide it without letting them know ahead of time, they won't buy from you again. They're very unforgiving if you don't communicate your situation with them, and you need to understand that.

Richard de Wilde, Harmony Valley Farm



Marketing through distributors allows you to sell a large of quantity of product to one location.

Scheduling a Meeting with the Distributor

The process for creating a relationship with a distributor is similar to that of a grocery store or restaurant. Refer to page 49 for a more detailed approach of creating the relationship with your buyer. The following list of questions is specific to distributors.

Ask These Questions

- What expertise can you bring to my area of business?
- How are your fees structured? Percentage or flat fee?
- What is included in your services? Shipping? Invoicing? Storage?
- What food products do you specialize in? Specialty foods? Dairy? Condiments? Beverages? Meat?
- Are you familiar with refrigeration issues pertaining to perishable food products?
- Where do you have good contacts? What stores do you sell to?
- Who is responsible for advertising? Product demonstrations? Stocking shelves? Shipping?
- How do we set sales goals and objectives? How often do we review sales projections?
- May I accompany you on sales calls throughout the year?
- Who is responsible for storage and/or refrigeration?
- How are returns and out-of-date products handled?
- Who assumes liability for the product throughout distribution?

PROFILE

Harmony Valley Farm

Richard de Wilde

www.HarmonyValleyFarm.com

New growers can access many different markets depending on their size, inclination, and investment. Success comes from paying attention to detail, and providing what customers want, in a timely manner, while doing everything with an eye toward professionalism.

“I learned very early on when we began selling at our first farmers’ market that we needed to be professional in our approach,” says Richard de Wilde. As owner of Harmony Valley Farm near Viroqua, de Wilde has expanded his business over 30 years into many venues, including farmers’ markets, community supported agriculture (CSA), restaurants, and wholesalers. This wide range of experience has allowed him to develop an extensive market for his produce.

“We started selling at the St. Paul Farmers’ Market in 1974, when it was extremely competitive and was probably at the low point of those types of markets.” He continues, “I didn’t even know to bring a table to put the produce on. Over a few weeks I realized that there was a lot of room for improvement and quality because a lot of the produce was going back home unsold.

“I was determined not to take any of mine home, so I decided that we’d have the best looking, best quality produce, and keep our price. It really worked. We began taking our produce in sparkling clean condition and selling what we had even if our prices were even with or slightly above others. It was the perception of quality that made the difference. So we extended that effort of quality to everything we did—wholesale, retail, CSA—everything.

“Also, after the first year, when we did a half-acre, it became very clear that price was everything. You can improve your efficiency with harvesting but when it goes to sale, price is everything.

“I decided that if we were going to make our program work, we had to receive a premium price. My philosophy is if you want a premium price, give people premium quality. Part of that is having produce absolutely clean; no buyer should get dirt on their hands. Later on we learned more about selling and growing things in rich, mineralized soils where produce will grow better and taste better.

“It doesn’t matter if you’re a new grower or an established one; paying attention to detail is so important in selling a quality product. Leave that radish with a defect as compost in your field; don’t sell it. Ask yourself if you would want to buy it and act accordingly. Your reputation with customers is earned and built. When you’re starting out, you don’t really have one yet so it’s very important that week after week you provide a good quality product. That’s how you build your reputation. If you adopt that attitude, it will do you good.



Photos courtesy Harmony Valley



During the growing season, Harmony Valley’s chef writes and prepares weekly menus based on seasonal produce and meat products available for farm residents, guests, and hard-working crew members. Menus are also offered to CSA members to encourage them to expand their tastes for different produce.

It doesn’t matter if you’re a new grower or an established one, paying attention to detail is so important in selling a quality product. Your reputation with customers is earned and built.

Richard de Wilde, Harmony Valley Farm

Markets for Harmony Valley Farm



- **Community Supported Agriculture (CSA)**
Weekly neighborhood deliveries of certified organic, seasonal produce to more than 1,600 families
May through January
- **Farmers' Market**
Dane County Farmers' Market late April through early November
- **Retailers, Wholesalers, and Fine Restaurants**
Distribution throughout Wisconsin and urban areas of neighboring states (Minneapolis-St. Paul/Chicago)
- **Graziers Organic Beef, Chicken, and Turkeys**
Raised with other family-run farming partners, packaged meat sold direct to consumers

"We determined early on that we were going to be the best when it comes to packing a wholesale pack; that they're neatly assembled in the box and not just thrown in. Having all bunches being uniform and leaving defective ones out is a sign of quality and attention to your customer, and people notice that. Whether it's at a farmers' market display table or selling it in a store or CSA, every time they open a box, we want them to think, 'Wow, that's pretty.' Then they're more likely to reorder.

"I think that is why we can sell \$1.5 million of vegetables off 100 acres here. And you know what? We don't have a sales person—it sells itself. That beats having to find new customers because the last one didn't like what you delivered.

"We send out an availability sheet and people order or they don't. Nobody calls them. Half of our sales are to our large 1,600-family CSA. We do one

farmers' market in Madison, we go directly to stores in Madison and the Twin Cities and a couple of stores in Milwaukee, and the rest sells through distributors in Minneapolis and Chicago. Whole Foods is our biggest account.



Photos courtesy Harmony Valley

Only the best quality items find their way into the CSA boxes.

"Are these markets others can work towards? Definitely. There's such rapid growth in these areas that we can't meet the demand for any of them. In fact, I've introduced Whole Foods to a couple of new growers just this year. But this doesn't mean it's an easy ride. You do need volume if you're going to sell to them because their distribution system is to 30 stores. If you only have a small volume, then go to a farmers' market or maybe restaurants. Match your market to your volume. Some may wonder what I mean by large volume. I'd describe it as pallet quantities where one pallet, depending on whether it's leafy greens or heavy roots, can be somewhere between 250 to 1,000 pounds. We like to see a pallet have a value of \$1,000.

"Our volume comes from 60 varieties of vegetables and roots, including winter squash, and we only grow that many because of our long CSA season. We deliver CSA boxes from early May through January. To have enough variety for early season CSA boxes, you need early crops, asparagus, rhubarb, strawberries, chives, and early salad greens. We've fine-tuned it for our wholesale market and we do larger quantities for those varieties that are most profitable.

"It's not about what sells because you can sell anything if the price is low enough. It's about what sells at a profit. We've developed a fairly complicated cost analysis spreadsheet that gives us a reasonable indication of the profitability of each crop. We've dropped or added crops over the years based on that.

"As far as investments, especially if you want to be fairly large starting out, you'll have to plan for labor saving but simple

Whether it's at a farmers' market display table or selling it in a store or CSA, every time they open a box, we want them to think, 'Wow, that's pretty.'

Richard de Wilde, Harmony Valley Farm

equipment such as tractor-mounted seeders and cultivators. Beyond that you need a packing and washing facility whether your market is CSA or a farmers' market. Also, you will need a refrigeration system. We have four cold coolers because different vegetables need different temperatures. One of these we use to keep our seed viable from year to year. Having good quality produce that's been properly cooled will help you get your premium price.

"Unfortunately there's not a lot of good pricing information available for new growers. That's where developing a good relationship with your buyers can help. We've reached a level of trust with some wholesale markets that I can ask what I should be selling them for, and they'll tell me. As a rule, you should start high because you can always come down in price.

"One of the biggest changes we've seen in the past few years concerns promotional techniques. The Internet has really changed our approach and I would emphasize to anyone not to underestimate its power for business. I was slow to master it but there are other people here who can handle it.

"We're now transitioning away from paper, although we do adapt a newsletter for our farmers' markets. We mostly send out our email newsletter a day ahead of our CSA box delivery telling our customers what's in it along with a picture of everything in the box. We will give our wholesale markets a one- to two-week notice of what will be available. If you can't supply it, let them know ahead of time. They don't want empty shelves, and if they're expecting something from you and you don't provide it without letting them know ahead of time, they won't buy from you again. They're very unforgiving if you don't communicate your situation with them, and you need to understand that.

"This goes back to dependable delivery and that's just being professional. No matter how much promotion you do—paper or Internet—your best advertisement is giving your customers beautiful quality.

"Besides our produce business, we began a beef business because we had a customer base and we were thinking of what else we could sell them. We have grass areas on the farm that don't grow vegetables but will grow to weeds and brush if it's not clipped down. So we added beef cattle to graze those areas. Plus, we use the manure to help decrease our fertilizer inputs.

"I believe the organic market will keep growing and the future for anyone wanting to get into it is very, very great. The thing large organic farms can't do is personal service, farm visits, meeting people face to face at farmers' markets, and that is something smaller farms can respond to.

"New growers need to find a place in the market to match their land, facilities, abilities, and scale of production. For example, if you have a small land base or capacity, you probably shouldn't go into the wholesale distribution market. Find a different market that will work and do your best to provide a quality product in a timely manner. Be professional in your approach. Find your niche and become a dependable, known, and loved farm. Then you'll have your security."



Transplanting is done in rich, mineralized soils where produce grows well and tastes better.

Besides our produce business, we began a beef business because we had a customer base and we were thinking of what else we could sell them.

Richard de Wilde, Harmony Valley Farm



A farmers' market stand offers a different venue for many of the 60 vegetable and root varieties produced at Harmony Valley.



Photos courtesy Crystal Ball

PROFILE

Crystal Ball Farms

Troy & Barbara DeRosier
www.CBFOrganic.com



Crystal Ball Farms delivers directly to stores in a 90-mile radius and provides home delivery in a 50-mile range.

We felt bottling our own milk and marketing it ourselves was the best option to maintain a decent price and control our destiny.

Troy DeRosier, Crystal Ball Farms

Glass-bottled milk and home delivery are making a resurgence in Wisconsin. Dairy farm families bottle their own milk, while adding value to their farms and communities. Troy and Barbara DeRosier have found new markets for their milk bottling business.

The DeRosiers decided they needed a better income from their 100-cow dairy herd near Osceola. They wanted something more substantial where they had more control over their end product. Their search led them in the direction of home bottling and seeking new markets.

“We felt bottling our own milk and marketing it ourselves was the best option to maintain a decent price and control our destiny,” Troy DeRosier explains. “We made the transition in the fall of 2003 and it’s worked very well for us.”

Adding a bottling facility to an existing farmstead took extensive planning. It requires three full-time and six part-time employees. “We started our organic farm at a time when there wasn’t a good market for organic milk. That’s certainly changed, as the organic market has expanded greatly since then,” Troy says.

Making Plans

To get ideas he could apply to his farm, DeRosier spent time visiting East Coast farms that were bottling and marketing their milk. “There was no software or business plan anywhere for what I wanted to do,” he relates. “It was a couple-year process and we hired an outside source to do a business plan and the financials, and it took about nine months to get up and running.”

Getting out and viewing other successful operations helped give them a concept of what goes on in a bottling plant. They needed to know where the labor was required and DeRosier says it also gave them some ideas about marketing. “I’m pretty good at marketing anyway so it was helpful in many little things,” he notes.

Although the DeRosiers couldn’t find resources to help them, there are now several programs available. He remarks, “DATCP has a value-added focus in their programs. They’re very good at helping direct people as far as whom to talk with and where to go.”

Recovering production and distribution costs was always at the front of their decision. “We used our cost of production and the margin we felt we needed for it to be worthwhile,” DeRosier explains.

Before one bottle was filled, DeRosier commissioned a survey at stores to determine what customers were looking for and how they liked it packaged. “We worked with a few key stores before we built our plant,” he notes. “Then, because we worked with those stores, they were willing to stock our product after they saw the results and knew we were serious about what we were working on.”

Creating Their Market

Crystal Ball dairy provides some of its products for sampling at stores. “That gives us a close touch with the consumer,” he says. “The stores set up a special day for us to give demonstrations and samples of our products. We get a chance to talk about our farm and how we handle our cows. We get to tell them our story and that’s what really sells.”

Crystal Ball Farms literally created its market. Taking its milk, processing and bottling it on the farm, and delivering it to stores changed their financial position and may fuel a further expansion now that they’re able to market all the milk they produce.

“We deliver directly to stores in a 90-mile radius and home delivery in a 50-mile range,” DeRosier explains. “About one-third of our business is deliveries, and we have two trucks on the road most days. We’ve made changes to more efficient vehicles, but we have to pass along the increase in fuel prices. I hate to do that because I’m still farmer-oriented, but I don’t have any choice.”

Decision to Use Glass Bottles

“The survey we did determined that we were going to use glass bottles for our milk,” he says. “Glass fits very well with the organic and high-end markets. We market half-gallons because if we went to gallons we would have to go to plastic. The way we set up the plant and process the milk all fits together. If we were going to use plastic containers we’d have to set the plant up differently and we’d have a different price point. You can get more for a half gallon because the smaller container has a higher value.”

Crystal Ball customers pay a deposit on the glass which DeRosier hopes they will return because the price of each glass bottle has risen above the cost of the return. “We have our label on all our bottles so we don’t do much advertising anymore,” he adds. “Any expansion of our market is mostly by word of mouth.

“We’re working with the state [of Wisconsin] now to put in a receiving bay to bring milk in to add to our supply,” DeRosier says. “We’re not sure we want to expand our herd because it’s easier to get help in the creamery than for the farm.”

Working with Distributors, Schools, Hospitals

DeRosier suggests that anyone looking to enter this market consider using distributors instead of doing deliveries themselves. “We went to the stores ourselves and didn’t use distributors. But distributors can save you a considerable amount of cost and you can’t deliver it for what they can. It’s going to cost you well over 30% to deliver to outlying areas.

“I think there’s room for other bottling dairies in Wisconsin,” he notes. “But I would look at other markets. I think the glass bottle market is pretty well saturated. There’s some room but only so much market because it’s a high-end product. With high fuel prices we’re working with hospitals now because they’re trying to buy more local products because it costs so much to haul it in.”

There’s a federal mandate requiring schools to improve their nutrition and they’re emphasizing doing it locally. “We are doing a pilot program with one school,” he says. “We’re not sure where it’s going yet because of the nine-month market with three months down. But it is a possibility for further expansion.”



Photo courtesy Crystal Ball

Milk from DeRosiers’ 100-cow dairy is packaged in glass bottles and is also made into butter, ice cream, and cheese products.

The stores set up a special day for us to give demonstrations and samples of our products. We get a chance to talk about our farm and how we handle our cows. We get to tell them our story and that’s what really sells.

Troy DeRosier, Crystal Ball Farms



The dairy has an on-farm processing facility and retail store.

COLLABORATIVE MARKETING

Working together to accomplish marketing goals is often referred to as *collaborative marketing*. This may include farmers and consumers or nonprofit groups working together to benefit the farmer. A present shift in public perception is that local farmers need the support of their communities to stay viable. By working together, groups can provide a market for small farmers who can then afford to stay on the land. It is a circular system in which all participants can benefit and customers gain access to farm products in abundance.

Collaborative Marketing Benefits

- Can accomplish goals together not achievable alone
- Allows producers to focus on growing
- Can pool products and gain access to large-volume markets

Challenges

- Group decisions may override individual ones
- Group meetings may be needed to determine direction
- Efforts may be disrupted by staff or budgeting changes

Resources for Collaborative Marketing

www.uwcc.wisc.edu/
University of Wisconsin Center for Cooperatives
Provides information and outreach programs on cooperatives.

www.extension.umn.edu/distribution/businessmanagement/DF7539.html
Minnesota Institute for Sustainable Agriculture (MISA)
Outlines steps needed to organize a farmer-owned marketing cooperative.

www.extension.umn.edu/distribution/businessmanagement/components/7539_d_1.html
University of Minnesota Extension
A resource guide for identifying agencies, organizations, and businesses that may be able to provide technical and financial assistance, as well as other services.

www.uwex.edu/ces/agmarkets/publications/documents/A3811-3.pdf
UW Cooperative Extension
“Cooperatives: Their role for farm producers”

PROFILE

Collaborative Marketing Organizations

Grass-Fed Beef Cooperative

An initiative of beef producers to bring local grass-fed beef to state dinner tables and allow cooperative members to access premium wholesale and retail markets in Wisconsin and neighboring states. The cooperative lets producers pool their beef and work with local processors to develop a dependable, consistent, year-round supply of locally grown beef in retail size portions and cuts for consumers.

Contact: Laura Paine at laura.paine@wi.gov

Homegrown Wisconsin

www.HomeGrownWisconsin.com

Homegrown Wisconsin is a cooperative effort of certified organic, family farms in Southern Wisconsin. These families share common philosophies about farming and eating, as well as an order and delivery system that moves food from the farm to consumers' tables in less than a day. Organic and sustainable farming practices are used to grow delicious produce, while fortifying the soil in which it is grown. These farmers supply hundreds of varieties of Wisconsin's best seasonal produce, including antique and heirloom varieties—some grown exclusively for their partner restaurants—that are delivered year round. Founded in 1996 with the mission of delivering local, seasonal, high-quality produce to restaurants in Madison, Milwaukee, and Chicago, the cooperative has grown steadily. It now provides a Community Supported Agriculture (CSA) program to Chicago.

Contact: Deb Hansen at manager@homegrownwisconsin.com

Wisconsin Home Harvest

Wisconsin Home Harvest is a network of certified organic and sustainable growers in Southwest Wisconsin. The network started its marketing efforts with several restaurants in the Wisconsin Dells tourism area and expanded to locally owned cafés in the rural communities in which growers lived. Further research by the network found there was interest and opportunity to position and sell sustainably raised, locally-grown products with grocers. School fundraisers featuring value-added products have been introduced. The network has started a collaborative CSA which, as it grows, will allow certain growers to specialize with specific products. Contact: Mary Tylka at mrytylka@aol.com

CHAPTER 4

Market Development, Licensing, Labeling, Regulations

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CHAPTER 4

Market Development, Licensing, Labeling, Regulations

When planning to raise farm products for sale, you need to know and understand a variety of issues. Some relate to selling your products, such as basic market development and pricing strategies. Others relate to how food products are handled from harvest to sale and how your products are positioned in the marketplace. Food safety is of paramount importance. It starts on the farm and is a consideration from post-harvest handling to processing, packaging, and distribution. Rules and regulations, including licensing and labeling standards, are designed to help you present safe food products for public consumption. They can also affect the products you choose to market, given the planning and preparation that may be required to start your business.

MARKET DEVELOPMENT

The three previous chapters of this guide highlight the initial steps for developing your farm business, including market selection, handling, and distribution. Successful marketing strategies directly affect purchase decisions. How can you develop an identity for your farm products so that buyers seek them out? Promoting your business raises awareness in the marketplace. Developing a recognizable product or brand is important to the vitality of your business.

Product Promotion

Promoting your farm products involves making your farm or market name recognizable to the public. In direct marketing, you have an advantage of talking directly to your customers. This creates special relationships with those who buy your products. With intermediate marketing, you need to develop an awareness of your farm and the products you have available. You start by deciding on a farm name—and often product names—and perhaps develop a farm logo and informational materials.

Promotional tools can include advertising, sales promotion, public relations, Internet websites, and online specials, to name a few. For more information on how to promote your farm, see the resources listed at the end of this section.

Internet Marketing

The Internet is a powerful tool for reaching out to a large, diverse audience and a useful tool for local marketing. A website allows you to convey a lot of information about your farm, your production practices, and your values without overwhelming potential customers. While there is a cost in both time and money to set up an Internet-based system, it is available at any time of day or night. For example, Pick Your Own farms can alert customers to peak picking times. Or, agritourism enterprises can advertise their hours, location, and special events. Listing your farm with an online directory—or several directories—can help local customers find you. Developing your own website can be a great publicity and sales tool as an increasing number of people turn to the Internet to find information and do their shopping. The Internet is one possible approach for managing the ordering and billing for retail or institutional sales; however, be sure to back up electronic records.

Resources for Market Development

<http://learningstore.uwex.edu/Direct-Marketing-C12.aspx>
 UW Cooperative Extension
 #A3811-13 “*Developing Your Farm’s Marketing Plan*”
 #A3602 “*Direct Marketing of Farm Produce and Home Goods*”
See page 12—visualize a marketing plan and keep up with changing trends in the marketplace.
 #A3811-18 “*Market Research: Surveying Customers to Determine Their Needs*”
 #A3811-1 “*Strategies to Attract and Keep Customers*”
 #A3811-6 “*To Your Customer’s Door: Direct Delivery*”



Photo courtesy Marcus Hasheluber

Developing a brand identity and a label is one way your farm is recognized in the marketplace. Labels help you tell the story of your company to customers.

Branding, Labeling, and Third-Party Certification

While part of marketing is connecting your name to your product to help customers recognize a brand, the key step is making sure your customers always experience a quality product when they buy that brand. If you direct market and have face-to-face contact with your customers, your face and name are your brand. People recognize you and know the products you are selling.

If your marketing path takes you two or three steps away from face-to-face contact with your customer, then it becomes important to find other ways to help your customers recognize your products. Developing a brand identity and a label to support your brand is one way to gain recognition. It can be as simple as applying preprinted stick-on labels with your company name and logo. It could involve developing your own website or glossy brochures with photos of you and your farm, information about your farming practices, and your mission statement.

Labels can also help you present a larger image of your products to customers. Your brand might be just you or your farm, but you can add to your image by using labels that make a statement about your farming practices.

Labels that indicate you are following sustainable farming practices or your farming practices benefit the environment are typically called “eco-labels.”

Labels Based on Production Practices

- **Free-Range.** This label tells customers that poultry products or eggs come from birds not raised in cages and which have space to roam. There is also a cage-free label for eggs. USDA does have requirements for eggs; however, neither label requires third party certification. The USDA does not define or certify free-range or free-roaming claims for any meat or poultry products.
- **Grass-fed.** This label identifies meat products coming from animals fed on grasses and forages, never grains. The grass-fed label is under USDA regulation with standards having been defined for meat.
- **Naturally Raised.** This label is used by livestock producers to indicate to customers that certain production practices have been followed—in most cases that no growth-promoting antibiotics or hormones have been used—and that meat products have no artificial ingredients or added color and have been minimally processed. At the time of this guide’s publication, the label was in the process of coming under USDA regulation standards.

For more information on the current status of marketing claim standards for labels based on the above production practices, go to:

www.ams.usda.gov/AMSV1.0/

Enter the label name in the search box.

Other Labels Regulated by USDA

- **USDA Inspected and Meat Grade Labels.** USDA inspection stamps assure consumers a meat product is accurately labeled.



Meat stamped with a USDA label has been evaluated for class, grade, or other quality characteristics. See the resources on page 96 for more information on meat labeling.

Labels Based on Third-Party Certification of Production Practices

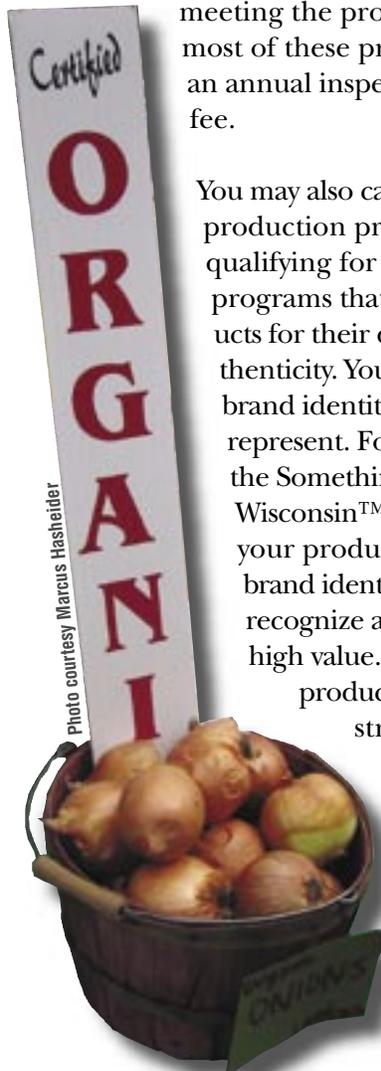
- **USDA Organic.** The National Organic Program (NOP) develops labeling standards for organic agricultural products. Farmers who want to use the word “organic” in marketing materials are required by law to be certified. The NOP accredits certifying agents who inspect production and handling operations to certify farmers meet USDA standards.
www.ams.usda.gov/Search on “organic program”
- **Food Alliance Midwest.** This label means a farm is certified by Food Alliance Midwest, a nonprofit program and regional affiliate of Food Alliance. These programs operate a comprehensive third-party certification program for sustainably produced food. In addition to offering certification of farming practices, marketing opportunities are offered to enrolled farmers through partnering with other organizations working to connect potential buyers with sources of local food. Food Alliance–certified farmers become preferred sources for those buyers.
www.localfoods.umn.edu/foodalliance
- **Animal Welfare Approved.** This Animal Welfare Institute program and food label is a nonprofit endorsement for farms meeting certain standards for humane treatment of farm animals.
www.animalwelfareapproved.org/
- **Certified Humane Raised & Handled.** This consumer certification and labeling program is for eggs, dairy, meat, or poultry products. Food products carrying the label are certified to have come from facilities that meet certain quality standards for farm animal treatment.
www.certified-humane.org/whatis.html
- **Healthy Grown™ Potatoes.** This label identifies a Wisconsin-branded product grown under verifiable reduced-pesticide, sustainable agriculture standards and certified by Protected Harvest, a nonprofit organization.
www.healthygrown.com

Some eco-labels are regulated by the U.S. Department of Agriculture (USDA). There are a variety of eco-labels available for farmers, but some of these labels have little criteria and can be confusing for customers, as well. If you choose to use eco-labels that are not widely recognized research exactly what they mean so you can explain them to your customers.

Be aware that the use of multiple labels can actually be a turn-off for customers who can become confused and annoyed trying to sort everything your product stands for.

The labels in the column to the left are a few examples of labels that involve third-party certification. To use the label, your farm must be enrolled in the certification program and must meet program criteria. You must set up a recordkeeping system to track your farm operations to verify that you continually meet those criteria. An inspector visits your farm to check your records and confirm that you are meeting the program criteria. For most of these programs, there is an annual inspection/certification fee.

You may also capitalize on your production practices by qualifying for voluntary programs that recognize products for their quality and authenticity. You can tie into the brand identity these programs represent. For example, using the Something Special from Wisconsin™ (SSfW) logo gives your product a “Wisconsin” brand identity consumers recognize as top quality and high value. SSfW-labeled products also enjoy a strong competitive edge with consumers. Surveys indicate that more than 70 percent of Wisconsin consumers are more



likely to purchase a product made or grown in Wisconsin than one from outside the state. The Buy Fresh Buy Local membership marketing campaigns promote locally grown foods. Most programs also offer membership benefits such as listings in directories.

Labels Based on Voluntary Participation

- **Something Special from Wisconsin™** offers an online directory featuring member businesses that have at least 50 percent of their product's or commodity's value-added attributable to Wisconsin ingredients, or to Wisconsin production or processing activities. This program is a marketing tool to promote unique, authentic, Wisconsin products. www.datcp.state.wi.us Keyword "Something Special"
- **Buy Fresh Buy Local.** This branding label is used in Wisconsin and other states to identify programs supporting local food production. The Buy Fresh Buy Local label also connects consumers to the many and varied sources for local foods, from grocery stores to restaurants and farmers' markets. Buy Fresh Buy Local partners—restaurants, markets, and farmers—are encouraged to use the branding broadly. www.foodroutes.org/bfbltoolbox_1.jsp

Resources for Labeling and Third Party Certification

www.mosesorganic.org/guidebook.pdf
Midwest Organic and Sustainable Education Service (MOSES)

"Guidebook for Organic Certification."

<http://ecolabelling.org/type/food/>
An independent guide to eco-labels.

www.leopold.iastate.edu/pubs/staff/ecolabels/index.htm

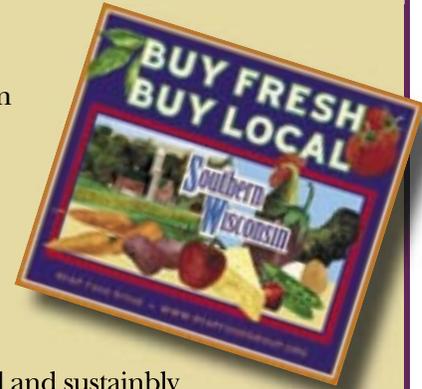
Iowa State University
Eco-label market research report.

PROFILE

Buy Fresh Buy Local Southern Wisconsin

www.reapfoodgroup.org

Buy Fresh Buy Local Southern Wisconsin is a project of the REAP Food Group. The program is designed to develop a market for local and sustainably grown foods in restaurants and institutional food service operations. Buy Fresh Buy Local's two primary goals are: 1) fostering increased purchasing relationships between food service organizations and local producers, and 2) educating consumers about the value of locally grown food.



Program staff provide networking resources, communication tools, marketing materials, and hands-on facilitation to chefs and farmers to promote increased purchasing relationships.

Because consumers are placing increased importance on locally grown foods, the Buy Fresh Buy Local label also helps connect consumers to the many and varied sources for local foods, from grocery stores to restaurants and farmers' markets. The attractive Buy Fresh Buy Local label evokes the agricultural heritage of Wisconsin. Buy Fresh Buy Local partners (restaurants, markets, and farmers) are encouraged to use the branding broadly. Media-focused PR tells the stories of chefs who serve local foods, while special public events such as "Burgers and Brew" educate consumers about the value of eating locally. Looking for the logo, consumers see how easy it is to enjoy local foods on a regular basis.



Photo courtesy Pinn-Oak & Tony Mantuano

The farm's trademark WisconsinLamb™ is sold using the slogan "We Sell Flavor."

PROFILE

Pinn-Oak Ridge Farms, LLC

Steve and Darlene Pinnow

www.WisconsinLamb.com

Value-added farming is one way for farmers—whether they grow produce or produce meat products—to increase their profits and opportunities. Steve and Darlene Pinnow carved a niche by developing their WisconsinLamb™ trademark, using a unique slogan “We Sell Flavor,” and selling directly to restaurants, grocery stores, culinary schools, farmers’ markets, and private individuals.

When we made the decision to market at the high end, I felt we needed something to readily identify it. Wisconsin has a good name with consumers and I was looking for something that was regional rather than local. We attached the product we sell to it and then worked through a lawyer to trademark WisconsinLamb™ which we use on all the labels of products we sell to stores and restaurants.

Steve Pinnow, WisconsinLamb™

“I would consider myself a professional direct marketer,” says Steve Pinnow, who with his wife Darlene, owns Pinn-Oak Ridge Farms, LLC near Delavan. “I got into it when ‘value-added’ became the buzzword in the 1980s while we were raising pigs.” Pinnow explains that his first lamb sale came at a time when the market was seeking more lamb products. “Anyone getting into direct marketing should try to have a unique product,” he notes. “Then when you’ve got their attention, you need to have volume to meet the demand, and you have to be consistent.” Pinnow says those three key components are essential to success. His approach—at the time the food market was “crying desperately for good-quality lamb and it just wasn’t there”—was to quit raising pigs and develop a feeder lamb program. Until then, he says, the lambs they raised were mostly used as lawn mowers and 4-H projects.

“Local, local, local’ has become the new buzzword and the demand is going to be there,” he explains. “I’ve seen a shift in restaurants and consumers in that they do want to buy local. If you have the product and it’s a quality product, you won’t have any trouble selling it.”

Lamb Protocol Developed

To increase his market share, Pinnow developed a protocol under which he created his marketing trademark, WisconsinLamb™. “We used an Agricultural Development and Diversification (ADD) program grant to develop our protocol for raising lambs,” he recalls. “At the time, I needed more lambs because I couldn’t meet the demand by myself. So I developed a program where I could access feeder lambs from other farmers that met my requirements. Produce growers have done it and now we’ve done it with animals, and I believe we’re the first to do this with lambs.”

Pinnow works with 30 farmers who raise their lambs with no antibiotics, are born on pasture, and are raised to 110 pounds when he buys them. “Last year, we bought 700 feeder lambs that were raised under our protocol. Meeting our protocol is demanding but our suppliers get \$12 more per head than they would on the commodities market,” he says. “So we’re keeping other local farmers in business and we’re raising a very fine product.”

He feeds the lambs for 30–60 days until they reach 130 pounds when they're ready for market. "Our feeding program is highly nutritious and because lambing occurs at three different times during the year, I can stretch the availability of my products throughout the whole year," he says.

Every one of the 2,100 lambs Pinnow markets each year goes through his barn. "We sell lamb that has never been frozen to 60 stores and restaurants," he says. "Plus we sell to individuals and through the Internet which has become a great marketing tool."

Branding Makes a Difference

Pinnow points to one ingredient that sets his products apart—branding. "When we made the decision to market at the high end, I felt we needed something to readily identify it. Wisconsin has a good name with consumers and I was looking for something that was regional rather than local. We attached the product we sell to it and then worked through a lawyer to trademark WisconsinLamb™ which we use on all the labels of products we sell to stores and restaurants."

Pricing is a consideration for new producers and Pinnow suggests developing a business plan that will work for your situation. He also suggests producers take a close look at pricing products. "That's the one thing I would look closer at if I were starting over because I was under-pricing my product from the start. But that's changed and now I'm about 50–75 cents per pound above the wholesale commodity market and I still can't fill the demand."

On-Farm Processing Planned

Developing a consistent processing schedule helps keep his inventory at a minimum. "We have 40 stores on our weekly call list," he explains. "I call them on Monday to get the orders for that week. Then I'll take the lambs for processing on Tuesday and make my deliveries on Wednesday. I don't need a lot of rented freezer space and it's less handling. Because we sell everything we raise, we don't have any carryover that needs long-term storage."

The Pinnows are building their own processing plant on their farm with a capacity to process 3,000 lambs a year. "We'll hire our own butchers and I'm going to learn myself," he says. "We're also building a commercial kitchen so we can add some value to our other products like making stew or shepherd's pie or other lamb products. We do some of that now with marinated roasts and we're looking at smoked lamb legs."

The commercial kitchen will allow the Pinnows to develop culinary schools. "We've worked very hard on getting connected with culinary associations. Through them we've done lamb carcass cutting classes at their schools for those learning to cook," he says. "After we get our commercial kitchen running, we will do a lot of advertising with culinary students. It may not be a quick turnaround but we think they'll remember us three or five years later."



Pinnows raise their lambs on pasture.

Anyone getting into this type of marketing should try to have a unique product. Then when you have the market's attention, you'll need volume to meet demand and your product must be consistent.

Steve Pinnow, WisconsinLamb™



A cooking demonstration features lamb supplied by Pinn-Oak Ridge Farm.

Photos courtesy Pinn-Oak Ridge Farms

Adapting Production Practices to Supply Your Market

Market development includes creating or expanding the markets for your existing or future products as well as increasing the value of these food products. The latter may also involve adapting your production practices and products to meet consumer demand. Season extension production techniques and value-added processing are both options for meeting market demand.

Season Extension Techniques

Meat, dairy, and processed products may be supplied year round; however, the length of Wisconsin’s growing season may be a challenge for fruit and vegetable growers. A common barrier farmers in northern climates encounter when they try to sell fruits and vegetables locally is their ability to supply produce only during a few months or weeks of the year. Buyers prefer a year-round supply.

Season Extension Advantages

- Increase farm income throughout the year
- Provide products not normally in season
- Secure new markets

Challenges

- Higher production costs (increased energy costs for heating)
- Additional costs of storage facilities
- Limited amount of products can be grown using these techniques

One challenge to growing produce in Wisconsin is the need to carefully plan and budget to make the seasonal income cover expenses for the next growing season. Growers are finding ways to circumvent the challenges posed by seasonal barriers and increase sales. Produce farmers can use a number of season extension techniques, alone or in combination:

- **High tunnels.** Plants are planted directly into the ground within a greenhouse-like structure. These structures are adaptable for year-round production in Wisconsin.

- **Greenhouses.** Plants are typically grown in containers, trays, or shelving units. Year-round production is possible with a heat source.
- **Row covers.** “Floating” row covers are made of a lightweight fabric that sits directly on the plants. “Low tunnels” are covers of plastic sheeting or fabric that are held away from the plants by hoop-shaped frames. This technique helps protect plants from early frosts and can extend the growing season by a couple weeks.
- **Storage facilities.** Winter storage of vegetables, such as root crops, cabbage, onions, garlic, and squash, has allowed some farmers to supply food services, grocery stores, and individual customers throughout the winter. With this technique, be sure to pay attention to proper storage requirements. For more information on post-harvest storage, go to page 49 and refer to the resources on post-harvest handling and storage.

The idea of using an extended-season approach has worked well for us. Bill Warner, Snug Haven Farm

Farmers who produce meat, dairy, or poultry products can use season extension techniques, as well. The most common is storage of the product for later sale. Locate cold storage warehouses near you by contacting an intermediate market representative, such as a grocer or distributor, and ask them for contacts. Meat lockers may be able to provide short-term cold storage for products they process for you. Consider matching your marketing efforts to the location of cold storage warehouses. If the nearest warehouse is in a town 30 miles away, for instance, look for opportunities to sell your stored product in that town or nearby markets.

Resource for Storage Options

<http://datcp.state.wi.us/fs/business/food/publications/pdf/CharacWIFoodDistribSystem.pdf>

Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP)

This report provides an initial documentation of Wisconsin’s food system, including directories of the state’s largest producers, processors, and warehouses.

PROFILE

Snug Haven Farm

Judy Hageman and Bill Warner
spinach@snughavenfarm.com

Snug Haven Farm has modified the traditional definition of farming and extended-season marketing. With their one-acre spinach production under a hoop house system, Judy Hageman and Bill Warner have extended the season at the beginning of the year when few greens are available in Wisconsin. They operate a four-season farm in a region credited with a 150-day growing season.

“We grow an acre of spinach under hoop houses,” Bill Warner explains. Warner, along with Judy Hageman, resides on the 50-acre farm where Judy’s father lived for 90 years. “Although we’ve been selling at the Dane County Farmers’ Market since 1989, we began farming here in 1995 with two-thirds of an acre that now has nine hoop houses on it. Last summer we added the other third of an acre with four more structures.

“Our specialty is spinach grown in hoop houses over the winter, and is unique because it’s incredibly sweet due to the freezing and thawing process it needs. Spinach is 95 percent of our winter crop. The rest is arugula which is a spicy green plant that’s part of the mustard family.

“Most people think of extended-season growing as late in the year. That’s where we’re different. We extend the season at the beginning of the year at a time few, if any, have greens available in Wisconsin.

“After a long winter, people are looking for some fresh greens but there isn’t a lot of selection available in April. A few vendors have something to offer and we have spinach. For four months we’re ahead of other growers because of how we’ve developed our early production system. We’ll have tomatoes ready in July and flowers available earlier than most. In November and December we’re at the Monona Terrace market and then it moves to the Senior Center for January through March and the first half of April.

“Aside from these markets, our biggest business is with restaurants. We sell to one or two in Madison and from four to six in Chicago. Our CSA [Community Supported Agriculture] market started about nine years ago and evolved from selling to six people for a month and a half until that season’s production was over to selling the next year all winter. Just by word-of-mouth it’s grown to be a third of our business. It’s similar to a CSA but it’s only spinach; nothing else. They pay for one or two pounds every two weeks dropped off at different sites.



Bill Warner and Judy Hageman grow spinach in hoop houses during the winter as a specialty crop.

Most people think of extended-season growing as late in the year. That’s where we’re different. We extend the season at the beginning of the year at a time few, if any, have greens available in Wisconsin. We’re four months ahead of other growers because of how we’ve developed our early production system. Bill Warner, Snug Haven Farm



Madison elementary students enjoy spinach fresh from Snug Haven Farm’s hoophouse on a farm field trip, part of the Wisconsin Home Grown Lunch program.



Spinach needs to be subjected to freezing and thawing to acquire the sweetest taste. It was that taste that got Snug Haven into restaurants.

The point is that he saw enough value in our product that he was willing to double the price he paid to ensure that he had a supply. I think there's a lesson here for new growers or even established ones. If you have a good quality product, there are buyers out there that will pay very well for it.

Bill Warner, Snug Haven Farm

“Spinach needs to be subjected to freezing and thawing to get that sweet taste. It’s that taste that got us into restaurants. We always plant in September and will harvest all winter. We’re ready to hit the first market Saturday in April. Anyone deciding to try this should realize that it takes 20 days for winter germination, even in a hoop house, versus 3 days in the summer.

“We don’t heat our hoop houses unless it gets colder than -10°F outside because then it’s about 10° to 15° above inside. Any lower than that and we need to use heat to avoid damaging the plants. Once spinach is damaged, it’s no good because when we sell to the high-end market it can’t have brown tips on it.

“January and February become the most expensive months for using our LP heaters, but the crop we get pays for it. We generally do our final cutting about early to mid May and then we’ll replant in mid September.

“In 1994 it was a warm March and we had all this spinach ready and no place to go with it. Finally, I took a bunch of it to the co-chef at L’Etoile to see if he could use it. After trying it, he said it was the best-tasting spinach he had ever eaten and would take all we had. The following winter he wanted everything we could grow.

“We sold it to him for a price we thought was fair but he said he’d pay \$3 a pound more than we were asking. I think he realized that if we didn’t make any money for our efforts he wouldn’t have a supply for very long.

“Then I asked what it would take to make it more valuable to him and he said that if it didn’t have stems and was washed, it would cut his labor costs. So then we cut it one leaf at a time and washed and bagged it. It was a clear signal that we had a market if we helped him, too.

“The point is that he saw enough value in our product to double the price he paid to ensure that he had a supply. I think there’s a lesson here for new growers or even established ones. If you have a good quality product, there are buyers out there who will pay very well for it.

“He gave us the names of several restaurants so I took them samples, too. I said I’d call back in a week but they’d call me before I got back to them asking how much spinach they could get. That was nice.

“The idea of using an extended season approach has worked well for us. The difference is that we’ve stretched our extended season to be at the beginning rather than at the end of the year.”

Value-Added Food Processing and Artisan Food Products

In the broad sense, “value-added” is a term used to identify farm products that are worth more than the commodity market price because of an added feature. For example, the product raised according to a special standard. Or, the product may be part of an agritourism enterprise in which its value is tied to the entertainment or educational experience provided. In the narrow sense, value-added refers only to processing a raw product into something of higher value.

Many farmers who market locally are interested in value-added products as a way to earn a greater portion of the consumer’s food dollar. Processing raw commodities into ready-to-eat foods can also broaden your market to include customers who are not interested in making their own jam, salsa, bread, sausage, and other products.

Value-added processing requires inspected and approved kitchen facilities. The categories of allowed and restricted types of processing should be reviewed prior to starting. For more information about food licensing and labeling for various markets, go to page 98.

Ways to Access Inspected, Approved Processing Facilities

There are several ways to access facilities for approved processing.

- Hire a co-packer to produce your product. With this option, you supply the raw materials and perhaps the recipe for your product. You hire an existing food processing business to do the food processing, packaging, and labeling for you.
- Rent existing facilities to do your own processing. This can be a good transition option if you want to test your market idea.
- Invest in facilities and equipment to do your own processing. With this option, you need to consult early with local and state regulators about licenses, permits, and requirements for the facilities. Used equipment is generally acceptable to regulators if properly maintained, and is usually less expensive than new equipment.

Resources for Value-Added

Food Processing

www.uwex.edu/ces/agmarkets/publications/documents/AValueAddedChecklist.pdf
UW Cooperative Extension
“A Checklist for Starting a Value-Added Ag Enterprise”

<http://oregonstate.edu/dept/foodsci/foodweb/>
Oregon State University
This website offers information about value-added production and processing technologies.

PROFILE

Farm Market Kitchen

Mary Pat Carlson, Executive Director
www.FarmMarketKitchen.com



The Farm Market Kitchen, located in Algoma, is a regional shared-use food processing business incubator. It serves as a model program and is being replicated in other counties. The incubator allows small

businesses to process foods by sharing costs of a certified commercial kitchen.

The kitchen includes culinary supplies and equipment that can be used for food preparation and cooking demonstrations, and opportunities for education and training. An on-site Farm Market store provides an immediate sales opportunity for food products produced in the kitchen.

Other advantages include cooperative opportunities enabling users to access additional marketing and networking assistance. The Farm Market Kitchen also offers business planning, access to technical support, and one-on-one product development assistance.

PROFILE

Hidden Valley Mushroom Farm

Mary Tylka
MryTylka@aol.com



Photo courtesy Hidden Valley

Growers must be willing to adjust with the marketplace. Over the past 16 years, Hidden Valley Mushroom Farm has changed how it labels, packages, and markets its products. As the economy, restaurant menus, and food preferences shift, Mary Tylka and

her family have altered how and what they grow to best serve their target markets. Their farm is certified organic and the varieties of mushrooms raised have changed along with consumer preferences.

Hidden Valley sells fresh mushrooms direct to grocery stores and restaurants within a 50-mile radius of the farm. Given their proximity to Wisconsin Dells tourists, they sell on-farm May through September.

They also sell directly to collaborative grower networks that market locally and in the Milwaukee and Chicago areas. Tylka has found it's easier to market her value-added product wholesale because it saves on transportation and paperwork.

Hidden Valley pickled mushrooms are sold to a wholesaler that distributes them to gas stations, grocery stores, and hotels. Initially Tylka had an on-farm certified kitchen to handle the mushroom processing. She now utilizes the certified kitchen at her church and has found it to be a good fit, particularly on small orders, such as supplying a local school fundraiser.

Hodan Center, Inc.

Pat Shemak, Food-Service Director
www.HodanCenter.org



Photo courtesy Hodan Center

Hodan Center, Inc. provides work services, food services, and enrichment activities for persons with disabilities in Iowa, Lafayette, and Grant counties.

Their mission is to help individuals achieve life goals specific to their abilities.

The center operates five resale/retail stores in five counties as well as a full service catering business. About 40 people help prepare and package a line of Papa Pat's Farmhouse Recipes including jams, pickles, cookies, soups, sauces, and other food items.

Papa Pat's is the brainchild of Pat Shemak, the Hodan Center's food-service director, but the name was selected as part of an employee contest. The operation runs a certified kitchen for food processing and sources about 5 percent of its food from local suppliers. Shemak's goal is to increase that to 60 percent within three years. This includes accessing berry fruits and produce such as cucumbers. Last year, the closest he could source some of the volume of rhubarb needed was Poland. Shemak hopes that by working with growers on production plans, he will succeed in sourcing more food locally.

In addition, the Hodan Center is considering a production kitchen approach where they would rent the processing facility to local farmers to make their own products or to hire workers at the center do it for them. The kitchen has the capability to do private labeling from approved recipes.

The Hodan Center has an annual budget of about \$3 million, with nearly \$2 million brought in from resale stores, subcontract production work for area companies, food-service operations, and donations from individuals and businesses.

Artisan Dairy Products and Farmstead Dairy

Dairy production makes a significant impact on Wisconsin's economy. During the past decade, the production and marketing of artisan dairy products made from milk of cows, goats, or sheep has boomed. Artisan products are hand-made, or made using relatively small-scale specialty techniques. Many capture the uniqueness and special identity of each product, as well as the artisan making it. Small-scale producers can become licensed as cheesemakers with the appropriate training and offer products for public sale.

Starting a farmstead dairy requires a lengthy process of researching options, obtaining licenses, and developing a business plan followed by labeling and market development. The investment for developing a milk production and milk processing business is typically high.

There are many resources available to help you navigate these regulations if you decide to market milk products from your farm. See page 108 for more information on licensing, food safety considerations, and other rules and regulations for dairy products.

Resources for Artisan Dairy Products and Farmstead Dairy

www.dbicusa.org

Dairy Business Innovation Center (DBIC)

DBIC provides assistance to starting or expanding value-added dairy businesses.

www.wisconsinartisans.com

Click on "What is the WDAN?" and go to "How to become a dairy artisan."

Wisconsin Dairy Artisan Network

www.uwex.edu/ces/agmarkets/publications/documents/CaseStudiesofWisconsinDairyArtisans.pdf

UW Extension and Center for Integrated Agricultural Systems
"Case Studies of Wisconsin Dairy Artisans."

Funding for Value-Added Enterprises

Dane County Revolving Loan Fund

This fund provides loans to producers and those looking to pursue ag/livestock business expansions and/or value-added agricultural enterprises. Contact Olivia Parry at 608-266-4270 or via email at parry@co.dane.wi.us



Photo courtesy Wisconsin Milk Marketing Board

Both small- and large-scale farms have capitalized on growing markets for artisan dairy products made from the milk of cows, sheep, and goats.

Farmstead Dairy Information

If you are interested in establishing an on-farm dairy plant to process fluid milk products, butter, or cheese, the following information will assist in establishing your facility in compliance with Wisconsin regulations: www.wisconsinartisans.com/pdf/DATCP_Farmstead_Dairy_Requirements.pdf

As you proceed in obtaining the required coursework, licensure, and forms for starting your own farmstead or artisan dairy, be sure to contact DATCP's area food and dairy specialist early in the planning process. You should continue to work closely with the local food safety inspector when your business is up and running.

Resources for Farmstead Dairy Requirements State Regulations on Licensing and Labeling of Dairy Products

DATCP—Division of Food Safety

To obtain contact information for area food and dairy specialists: phone 608-224-4700; email food@datcp.state.wi.us

Cheese & Cheese Product Labeling Guidelines

http://datcp.state.wi.us/fs/business/food/labeling/pdf/cheese_label.pdf

Includes standard-of-identity names and ingredients statements.



Mark, Tom, George, and Charles Crave used innovative approaches to build their family business.

PROFILE

Crave Brothers Farmstead Cheese

George & Debbie Crave
www.CraveCheese.com

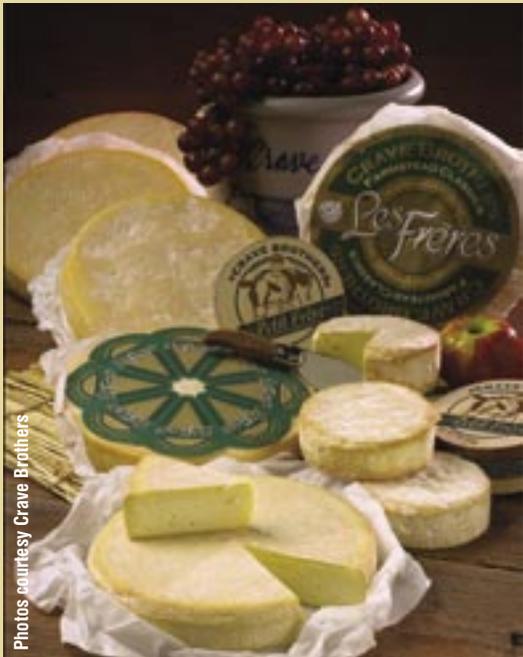
The Crave Brothers Dairy Farm and Crave Brothers Farmstead Cheese of Waterloo have been innovative in their approach to building a sound family business while seeking more and better ways to be environmentally responsible and sustainable.



George Crave is a licensed cheesemaker and manager of the on-farm cheese factory which produces award-winning cheese.

Charles, George, Thomas, and Mark Crave and their families started farming together on a rented farm, milking 57 cows. Today, farm-fresh milk produced by the Craves' 900 cows is pumped underground to their cheese plant, where cheesemakers use a combination of modern-day equipment and Old World techniques to craft the award-winning Crave Brothers Farmstead Classic™ Cheeses. Daily, they make Fresh Mozzarella, Mascarpone, Farmer's Rope® String Cheese, and Les Frères® and Petit Frère® washed rind cheeses. Through the dairy farm and cheese factory, the Crave family enjoys telling the story of modern dairying that emphasizes cow comfort and working in harmony with the land to produce quality milk and artisan cheeses.

"We like to emphasize that we're a farmstead, family business, and are sustainable," Debbie Crave says. "We take great care with the land that we farm to raise corn and alfalfa for our cows. We give our cows individualized care, and we contribute to the local economy and participate in civic events."



Old World techniques matched with modern facilities create distinctive cheeses for the Craves' expanding markets.

We feel good knowing that you can add value to your milk on the farm and make a profit. It takes time and hard work but it can be accomplished. We talked about this idea for about one to two years and really used the resources available to see if it had merit.

Debbie Crave, Crave Brothers Farmstead Cheese

"We've worked with a marketer that helps sell our cheese. They get into stores and food service establishments around the country and tell our story," Crave explains. "We also work with a local distributor to sell our cheeses in Wisconsin and northern Illinois. We host tours to inform potential customers about our cheese and family businesses."

Local distribution is only one method they use for cheese sales. “We do have brokers and distributors that sell into other areas,” Crave continues. “Our customers tell us when they need to receive the product and, if they have a trucker we use them, otherwise we arrange transportation.”

One reason for the expansion in herd numbers, as well as the cheese plant, was to provide opportunities for future generations of the Crave family. Four brothers farm together and each has a different role. George is a licensed cheesemaker and manager of the cheese factory; Charles is records manager and in charge of feeding; Thomas is in charge of equipment maintenance, crop planting, and harvesting; and Mark manages the young stock, herd, and employees.

The Craves are recognized as innovators and industry leaders in using technology to transform their business. For example, manure produced from their herd is turned into a dependable, renewable source of clean and sustainable energy. A sophisticated, computer-controlled, anaerobic digestion system that generates electricity—enough to run their rural Wisconsin farm and cheese plant and power up to 30 area homes—runs on organic waste. Also, once the liquid has been separated from the manure, the remaining solids are recycled and used as cow bedding and in a line of organic potting mixes.

The Crave family is always looking for new ideas and keeps current on packaging. “Being environmentally sound is very important to us,” Crave notes. “We are committed to continuing our farm’s emphasis on green energy and sustainable farming. We’re pleased that our farm can serve as a model for other dairies in the state.”



Photos courtesy Crave Brothers

Five unique cheeses are made every day. Craves promote their cheeses through a simple brochure at trade shows and conferences. They also developed sell sheets and offer recipes that incorporate their cheeses. The website is an important marketing tool.

One reason for the expansion in herd numbers, as well as the cheese plant, was to provide opportunities for future generations of the Crave family.

Debbie Crave, Crave Brothers Farmstead Cheese



Milk from the Craves’ 900-cow dairy herd is pumped underground to the on-farm cheese factory.

PRICING PRODUCTS FOR VARIOUS MARKETS



Pricing is a balancing act and you need to know your cost of production to set a base price for your products. You need to set a price high enough to reward yourself for your work. This is balanced with the needs of your customers who are looking for full value for the price they pay.

When pricing your products for market, you need to develop a pricing program for each product. This will allow you to incorporate all expenses, such as materials, transportation, packaging and marketing costs, yet obtain a fair return on your labor. Setting prices is typically the hardest thing farmers do when they market products.

Setting Prices

When you direct market, you take responsibility for obtaining pricing information, deciding on a pricing strategy, and setting the prices for your products. When you are selling directly to the consumer, you also are doing the marketing work. It takes time and effort to market a product, prepare it for sale, package it, promote it, and get it into the hands of your customers. You need to charge enough to pay yourself for all that effort. You may encounter customers who complain about your price. Don't be too quick to lower your price in response to complaints. Recognize the value in your own product and charge a price that reflects that value, but realize not everyone will agree with your pricing decisions.

If you choose to market your products to an intermediate buyer—someone who is not the end consumer of the product—you need pricing information to help negotiate the terms of sale. In some cases, you might be offered a “take it or leave it” price for a raw product. Should you take it? Knowing the wholesale

prices for your product on the open market can help you decide. For information on wholesale prices, go to the resources on page 94.

What if you have a product of exceptional quality or a specialty product that costs more to produce than the typical commodity? You'll need to do your own research on prices for similar products. Be ready to explain why you deserve the price you are asking. Provide buyers with information about your production methods or special product features to help them capture a good price from the end consumer.

Sometimes you need more than a high quality food product to obtain the price you want. Well-designed packaging, a label that supports a brand identity, or third-party certification can add value to a product in your customer's eyes. However, packaging, labeling, branding, or certifications all have a cost in money and time and you must earn enough extra to cover these costs.

Pricing Strategies

You must decide on a pricing strategy—or strategies—that work for you. Pricing is based on market demand and the supply available; the greater the demand with a limited supply, the higher the price. In some cases, where large quantities are available, products may still command a high price depending on demand. Combining pricing strategies can help you find a variety of ways to market your products. Variety in your marketing keeps you from being dependent on just one buyer and lets you market different grades of product in different ways. Your pricing may also depend on the buyer. Supplying a consistent, quality product may offset price dips occurring in other markets.

Price Based on Costs—“Cost Plus”

“Cost plus” should be the basis of your pricing program. If you lose money on what you grow, other pricing strategies will not matter. With “cost plus,” you use financial records to determine the cost of producing the product, packaging and marketing it, and delivering it to your customer. You then decide what profit you need to make and add that amount to the other costs to arrive at the price you will charge a customer.

Enterprise budgeting is important for this pricing strategy because it helps you track your costs of production. In addition to costs of growing, be sure to include the time, labor, and other expenses you put into processing, packaging, labeling, advertising, and selling your product. Some enterprises involve holding a product in storage. You need to account for the cost of holding that inventory. Delayed payments are another hidden cost. If you sell to an intermediate buyer such as a distributor or a restaurant, you may wait at least 14 days and perhaps up to 60 days between delivery of the product and payment. For more information on calculating your cost of production, go to page 5 and refer to the resource for enterprise budgets.

Price Based on Perceived Value

This pricing approach allows you to take into account the intangible things valued by many customers—humane handling of livestock, for instance, or the knowledge that you practice good environmental stewardship on your farm, or the special “taste of place” no other farm can match. Customers may attach more value to your products and reward you for using farming practices they like. In turn, you can charge more than the average price for similar products. Pricing information, however, can be difficult to find, since so much of a product’s value depends on the customer’s tastes and preferences.

You may need to persuade customers that your farming practices merit the higher price. Achieving a value-based premium price may require investing time in marketing activities and educating customers.

Price Based on Retail Price

Consumers pay retail prices for food at the grocery store, yet setting retail prices can be difficult. The Economic Research Service of the U. S. Department of Agriculture (USDA) reports average retail prices for crops and livestock. Prices change monthly, depending on the season and which products are in short or abundant supply. Retail grocery prices in your area can differ greatly from the national average. If your area is far from shipping terminals, for example, transportation costs will probably be reflected in higher retail food prices.

While USDA numbers can help you monitor retail prices and their seasonal fluctuations, checking grocery store prices in your area will provide the most helpful information. Look at prices on products similar to yours. If you have a specialty product—such as grass-fed or Food Alliance labeled or exceptional quality—compare prices in stores that carry similar products to see what you might charge. Remember grocery store retail prices reflect a percentage mark-up from what the producer was paid. Some grocery stores routinely offer certain products at a loss to bring customers into the store. This is a sales strategy that most farmers can’t match.

Price Based on Commodity or Wholesale Market Prices

The commodity market price rewards the effort that goes into producing a raw product and getting it to a point of sale. For products such as raw fruits and vegetables, the commodity market price pays the farmer for production as well as first steps in processing and packaging. For example, a farmer might wash vegetables, cut tops off of root vegetables, and pack them into crates prior to selling them to a distributor at the commodity price. Basing your price on the commodity market could be appropriate if you are selling a raw product right from your farm without any special branding, labeling, or marketing efforts.

Wholesale price can mean different things depending on the buyer. It may include some processing, packaging, shipping, and handling costs. Most online resources show wholesale prices on the east and west coasts and perhaps the Chicago terminal price. Shipping costs result in higher wholesale prices in areas far from terminals. Prices paid locally by distributors or other intermediate buyers can provide useful information if you plan to sell to this type of buyer or to other local markets. Determining wholesale prices may take extra work on your part to contact distributors or grocery store buyers in your area to ask about the prices they are paying for their products.

Pricing Based on Costs—“Cost Plus”

Advantage

- Helps verify you are making a profit on your product

Challenge

- Keep detailed financial records to be sure you are correctly figuring your total costs—if you are mistaken, you risk losing profits

Pricing Based on Perceived Value

Advantage

- Achieve profits well beyond what you might expect with other pricing strategies

Challenge

- Finding the right customers who highly value what you have to offer

Pricing Based on Retail

Advantage

- Retail price rewards you for the effort you put into processing, packaging, marketing, and distributing your product

Challenge

- Customers might be accustomed to buying their groceries at stores that offer discounts, so the prices they pay for items might differ from your estimates of average retail prices

Pricing Based on Commodity or Wholesale Markets

Advantage

- Much information is available on market prices for a wide variety of commodities

Challenges

- Prices don't reflect the labor you put into packaging and marketing your product
- Market fluctuations that have nothing to do with the quality of your product can affect your profits

Pricing Based on Buyer Relationship

Advantage

- Mutual decision making on pricing builds strong relationships with your buyer

Challenge

- Buyers can change frequently and another new relationship must be built



Photo courtesy of the Miller
 Developing a strong relationship with your buyers includes having your price goals established. Ongoing communication will create an atmosphere where you can ask for feedback about the quality of your products and discuss pricing in a candid manner.

Pricing Based on Relationship with Buyer

One of the important elements of selling local food products is the opportunity to build relationships with your customers and buyers. The strength of this relationship can have a great effect on pricing. For example, if you share cost of production information, your buyer may offer suggestions on how to best price your product. Sometimes a buyer will tell a farmer that their price is too low. When both you and your buyer mutually decide on a price that is fair, it supports and strengthens the whole local food system.

Understanding the price-setting structure for different markets will help you set prices for your products that are fair, yet still provide a profit for your efforts.

Pricing is always a concern for growers and, in general, farmers tell us what price they want. If the price is high, we usually try it out for awhile and if it doesn't work we try to negotiate with the grower.

Dani Lind, Viroqua Food Cooperative

Resources for Pricing

www.uwex.edu/ces/agmarkets/publications/documents/A3811-9.pdf

UW Cooperative Extension

Specialty crops as profit centers and as a comparison to other crops.

www.newfarm.org/opx/

Rodale Institute

Organic wholesale market prices (market produce).

www.ams.usda.gov/fv/mnacs/terminal.htm

U.S. Department of Agriculture, Agricultural Marketing Service
Conventional wholesale prices from terminal markets.

www.todaymarket.com

Today's Market Prices

Conventional wholesale prices from terminal markets.

LICENSING, LABELING, AND REGULATION REQUIREMENTS

State requirements that affect local food marketers may include inspection of processing facilities, review of labels on packaged food products, inspection of scales, and collection of food samples to be analyzed for contaminants or composition requirements. Department of Agriculture, Trade and Consumer Protection (DATCP) inspectors typically visit local food marketing operations if warranted by consumer complaints.

for commercial purposes, and the room must be properly ventilated. A three-compartment sink or NSF-approved dishwasher will be needed for washing your equipment and utensils. A separate hand sink is also required. Some starting operators rent time in an area restaurant, school, or church kitchen to satisfy the separate commercial kitchen requirement without having to invest in a new, separate kitchen of their own.

Overview of Food Marketing Regulations	
DATCP's Division of Food Safety has regulatory authority over food sold in Wisconsin. Generally, the more food products are processed, the more they are regulated.	
Less Regulation	More Regulation
Raw, unprocessed foods	Processed foods
Single-ingredient foods	Multiple ingredients foods
Shelf-stable foods	Sold at a location off the farm
Sold to the end consumer	Sold to a retailer for sale to consumer
Small sales volume	Large sales volume

- Equipment such as stoves, sinks, and mixers must be of approved design, be easily cleaned, and in good repair. If the equipment bears the NSF certification, you can feel certain that it will meet these design requirements.
- Other utensils like pans, bowls, and spoons must be smooth, non-porous, and easily cleaned. Almost all utensils currently manufactured meet this requirement.

For more information about NSF go to www.nsf.org/regulatory/

For exact legal requirements for commercially processing food in Wisconsin go to www.legis.state.wi.us/rsb/code/atcp/atcp070.pdf

Processed Food Labeling

Accurate information on processed food labels helps consumers make informed choices about food. Labels provide weight and content information to help consumers choose the best value for their money. The ingredient list identifies products consumers may need to avoid due to potential allergic reactions or other health concerns. Your packaged products must be properly labeled with:

- the name of the product
- a listing of the ingredients in decreasing order of predominance by weight
- a net weight or volume statement
- the name and address of the manufacturer, packer, or distributor
- nutrition information, unless exempt

Contact state or local food inspectors for specific questions regarding labeling. DATCP does not require label approval prior to a food product's manufacture or distribution. DATCP's Division of Food Safety does not "approve" labels but its staff will answer questions and provide assistance.

Processed Food Business Licensing

Starting a processed food business will require state and, possibly, federal licensing depending on the products involved. If you plan to primarily sell your products directly to consumers, you will need a retail food establishment license. Internet sales are considered retail sales. If you plan to sell primarily through wholesale distribution, you will need a food processing plant license. Key requirements to obtain either license include:

- The facility must be an approved (commercial grade) kitchen. Using your personal home kitchen is not allowed. If you plan to start the business in your home you will need to construct a separate kitchen room dedicated to this food business. The dedicated kitchen will need to have washable floors, walls, and ceilings. The lighting will need to be adequate

The responsibility to comply with current food labeling requirements rests solely on the manufacturer or distributor of the food products. For specific information about processed food labeling go to <http://datcp.state.wi.us/core/food/food.jsp> or contact the Division of Food Safety at 608-224-4700 or email food@datcp.state.wi.us

Resources for Food Labeling

General Labeling

www.datcp.state.wi.us/fs/business/food/labeling/pdf/food_label_questions.pdf

An 8-page publication covering the most basic information on food labeling called "Frequent Food Label Questions."

General Labeling and Nutrition Labeling

www.cfsan.fda.gov/~dms/2lg-toc.html

U. S. Food and Drug Administration (FDA) publication called "A Food Labeling Guide."

94 pages that includes information on basic food labeling as well as information on nutrition facts, trans fat, and allergen labeling.

DATCP Division of Food Safety Labeling Information
www.datcp.state.wi.us/fs/business/food/labeling/index.jsp
DATCP's Division of Food Safety website provides general information. However, go to the FDA website for the most up-to-date and comprehensive information available.

Food Label Sources

http://datcp.state.wi.us/fs/business/food/labeling/pdf/food_label_sources.pdf

A list of Wisconsin sources for design and printing of food labels.

Meat Business Licensing and Labeling

New processors must meet several standards to obtain a license for a meat business. State of Wisconsin meat plants must meet the same standards as USDA-inspected meat plants and must implement a food safety system called Hazard Analysis Critical Control Point (HACCP). A licensed meat establishment is required to implement HACCP plans and have a Sanitation Standard Operating Procedure (SSOP) in place. The HACCP is a risk-based approach to manufacturing food products that identifies the critical step(s) in the manufacturing process and performs a monitored, quantifiable function in those places where there is a danger of causing or promoting microbiological, physical, or chemical contamination. The SSOP is a written plan that outlines the monitored procedures followed to maintain overall plant sanitation, including daily cleaning, regularly scheduled maintenance, food handling practices, and employee hygiene.

Labeling meat products differs from other processed foods due to the greater risks and requirements that meat processing involves. The State of Wisconsin meat inspection program and meat establishments work together to ensure that meat products produced and sold comply with required standards for safety, identity, and wholesomeness set by the state and federal governments.

For references to specific aspects of meat labeling, see Chapter 55 of the Wisconsin Administrative Code: www.legis.state.wi.us/rsb/code/atcp/atcp055.pdf It explains labeling requirements, including weight, inspection, safe handling instructions, and other pertinent information.

See the first resource below for a summary of the Bureau of Meat Safety & Inspection's labeling guidelines.

Resources for Meat Business

Licensing and Labeling

Wisconsin's State Meat Inspection Program

http://datcp.state.wi.us/fs/consumerinfo/food/publications/pdf/state_meat_inspect.pdf
Standards of safety and purity.

Meat Product Formulation and Labeling

http://datcp.state.wi.us/fs/business/food/labeling/pdf/meat_form_label.pdf

Before a meat or custom/not-for-sale product can be marketed in Wisconsin, its formula must be approved by the Division of Food Safety. Formulations, or formulas, are intended to be a guide to the manufacture of an item of more than one ingredient. In addition to meat, this could include water, spices, cures, flavoring, binders, or extenders.

Other Meat Business Resources

http://datcp.state.wi.us/fs/consumerinfo/food/publications/pdf/start_meat_business.pdf

DATCP
"Starting a Meat Business in Wisconsin"

www.uwex.edu/ces/agmarkets/publications/documents/A3811-15.pdf
University of Wisconsin Cooperative Extension
Direct marketing meat fact sheet.

www.uwex.edu/ces/agmarkets/publications/documents/A3809.pdf
UW Cooperative Extension and Wisconsin DATCP
"Direct Marketing Meat" A comprehensive guide for Wisconsin meat producers.

State Regulations

The State of Wisconsin has developed food regulations for farmers wishing to market to consumers and to grocery stores, restaurants, and institutions. Contact DATCP's Division of Food Safety at 608-224-4700 or email food@datcp.state.wi.us for more information. Read the following pages for a summary of state requirements by product and market.

Local Regulations

Counties, townships, and cities are local government units that may have regulations that apply to your business. Some typical kinds of regulations include:

- Limits on size or location of advertising signs
- Permits required for excavating or new building construction
- Local health codes regarding food preparation and sale
- Zoning regulations on types of enterprises that can be conducted in certain areas
- Requirements for size and placement of parking areas
- Requirements for bathroom and hand washing facilities (especially for agritourism enterprises)

Local government officials and farmers who have started new enterprises agree that it is far better to work together early to avoid problems, rather than trying to fix things that were not properly done or permitted. County and city governments divide up their responsibilities among departments, and the department names can vary from place to place. Rural townships may have their own planning and zoning guidelines. It is best to check with both county and township officials before proceeding on any farm business expansion.

To find out the name(s) of local officials:

- Check your county's website.
- Call the county courthouse administrative office.
- Check the Wisconsin Towns Association website: www.wisctowns.com/town_sites.html

Weights and Measures

The same weights and measures laws apply to direct marketers of farm produce as to all other retailers. Scales must meet standards for commercial scales set by the National Institute of Standards and Technology (NIST). They must be "legal for trade", National Type

Evaluation Program (NTEP) approved (if put into service after January 1, 1997), and be able to be calibrated. Scales do not need to be registered, but are subject to inspection by a state or local representative of weights and measures.

If a commodity is weighed at the time of sale, the scale's indicator must be visible to the consumer. By law, liquid commodities shall be sold by liquid measure and non-liquid commodities shall be sold by weight. The law permits other methods of sale only where the method is in general use and does not deceive the consumer. One exception is eggs. They are sold by both count and size. Closed containers of apples must comply with the USDA grade standards, which must be stated on the container.

Chapter 91 of the Wisconsin Administrative Code provides rules for selling fresh fruits and vegetables. Some, like apples, corn and cantaloupe can be sold by weight or count, while others, like asparagus, beans and potatoes must be sold only by weight.

If an item is packaged before sale, it must be labeled according to the requirements of Chapter 90 of the Wisconsin Administrative Code. The label must list the name of the food, any ingredients other than the raw product, net weight, liquid measure or count as required—metric translations are optional but may be helpful in targeting certain ethnic markets—name and address of the processor, packer or distributor, a declaration of quantity and any other information required by law, such as grade and sizes for eggs. No quantity declaration is required for packages weighed at the time of sale and for clear packages of six or fewer fruits or vegetables, if the fruit or vegetable is sold by count. If all packages are of uniform weight or measure, an accompanying placard can furnish the required label information.

When a local food producer advertises any pre-packaged food product and includes the retail price in the advertisement, the ad must list the package contents by weight or volume or state the price per whole measurement unit. (For example, \$1.25 per pound.)

See page 117 for a link to the Agriculture, Trade and Consumer Protection (ATCP) chapters of the Wisconsin Administrative Code.

State Requirements by Product and Market

VEGETABLES—Raw	
Type of Sale	Regulations
Producer Selling from Farm	No license required
Producer Selling Door-to-Door or at Farmers' Market	No license required
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	No license required
VEGETABLES—Cut	
Type of Sale	Regulations
Producer Selling from Farm	Retail food establishment license required Processed in commercial kitchen
Producer Selling Door-to-Door or at Farmers' Market	Finished product must come from a licensed retail food establishment, food processing plant, or mobile retail food establishment Additional license depends on type of cut vegetable sold Local ordinance may apply Finished product must be fully labeled
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	Finished product must come from producer's licensed retail food establishment or food processing plant Finished product must be fully labeled
VEGETABLES—Frozen	
Type of Sale	Regulations
Producer Selling from Farm	Retail food establishment license required Processed in commercial kitchen
Producer Selling Door-to-Door or at Farmers' Market	Finished product must come from a licensed retail food establishment or food processing plant Additional license depends on type of vegetable being sold Local ordinance may apply Frozen vegetables must be kept frozen Finished product must be fully labeled
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	Finished product must come from producer's licensed retail food establishment or food processing plant Finished product must be fully labeled

State Requirements by Product and Market

VEGETABLES—Pickled (acidified)	
Type of Sale	Regulations
Producer Selling from Farm	Retail food establishment license required Processed in commercial kitchen Process requires scheduled process (recipe), variance, and HACCP plan
Producer Selling Door-to-Door or at Farmers' Market	Finished product must come from a licensed retail food establishment or food processing plant Local ordinance may apply Finished product must be fully labeled
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	Finished product must come from a licensed retail food establishment or food processing plant Finished product must be fully labeled
CANNED FOOD PRODUCTS (low acid)—Small Scale Processing	
Type of Sale	Regulations
Producer Selling from Farm	Home or farm-based processing not generally feasible for meats or low acid canned foods such as beans, corn, peas, etc. Inadequate processing during the canning of low-acid foods may cause these foods to become unsafe. Small-scale processing is generally impractical because the equipment needed to produce consistently safe food is highly technical and expensive.
Producer Selling Door-to-Door or at Farmers' Market	Not applicable
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	Not applicable
HERBAL AND FLAVORED VINEGAR	
Type of Sale	Regulations
Producer Selling from Farm	Retail food establishment license required Processed in commercial kitchen
Producer Selling Door-to-Door or at Farmers' Market	No license required Finished product must come from a licensed retail food establishment or food processing plant Finished product must be fully labeled
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	Finished product must come from licensed retail food establishment or food processing plant Finished product must be fully labeled

State Requirements by Product and Market

FRUIT—Raw	
Type of Sale	Regulations
Producer Selling from Farm	No license required
Producer Selling Door-to-Door or at Farmers' Market	No license required
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	No license required
FRUIT—Cut	
Type of Sale	Regulations
Producer Selling from Farm	Retail food establishment license required Processed in commercial kitchen
Producer Selling Door-to-Door or at Farmers' Market	Finished product must come from a licensed retail food establishment or food processing plant Local ordinance may apply Additional license depends on cut fruit being sold
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	Finished product must come from a licensed retail food establishment or food processing plant Finished product must be fully labeled
FRUIT—Frozen	
Type of Sale	Regulations
Producer Selling from Farm	Retail food establishment license required Processed in commercial kitchen
Producer Selling Door-to-Door or at Farmers' Market	Finished product must come from a licensed retail food establishment or food processing plant Additional license depends on type of fruit being sold Local ordinance may apply Frozen fruit must be maintained frozen Finished product must be fully labeled
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	Finished product must come from licensed retail food establishment or food processing plant Finished product must be fully labeled

State Requirements by Product and Market

FRUIT-BASED BAKERY ITEMS	
Type of Sale	Regulations
Producer Selling from Farm	Retail food establishment license required Processed in commercial kitchen
Producer Selling Door-to-Door or at Farmers' Market	Finished product must come from a licensed retail food establishment or food processing plant Mobile retail food establishment license required for unpackaged product sales Local ordinance may apply
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	Finished product must come from a licensed retail food establishment or food processing plant Finished product must be fully labeled
BAKERY ITEMS	
Type of Sale	Regulations
Producer Selling from Farm	Retail food establishment license required Processed in commercial kitchen
Producer Selling Door-to-Door or at Farmers' Market	Finished product must come from a licensed retail food establishment or food processing plant Mobile retail food establishment license required for unpackaged product sales
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	Finished product must come from a licensed retail food establishment or food processing plant Finished product must be fully labeled
DRY FOOD MIXES AND BLENDS	
Type of Sale	Regulations
Producer Selling from Farm	Retail food establishment license required Processed in commercial kitchen
Producer Selling Door-to-Door or at Farmers' Market	Finished product must come from a licensed retail food establishment or food processing plant Mobile retail food establishment license required for unpackaged product sales
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	Finished product must come from a licensed retail food establishment or food processing plant Finished product must be fully labeled

State Requirements by Product and Market

JAMS, JELLIES	
Type of Sale	Regulations
Producer Selling from Farm	Retail food establishment license required Processed in commercial kitchen
Producer Selling Door-to-Door or at Farmers' Market	Product must come from a licensed retail food establishment or food processing plant Local ordinance may apply Finished product must be fully labeled
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	Finished product must come from a licensed retail food establishment or food processing plant Finished product must be fully labeled
MAPLE SYRUP	
Type of Sale	Regulations
Producer Selling from Farm, Door-to-Door or at Farmers' Market	No license required Food must be handled in a way that assures food safety Maple syrup must be fully labeled
Producer Distributing to Grocery Store, Restaurant, or Institution	Food processing plant license required Maple syrup must be processed in a commercial facility Maple syrup must be fully labeled
APPLE CIDER	
Type of Sale	Regulations
Producer Selling from Farm	No license required Cider must come from producer's own apples Cider must be pressed and bottled at producer's orchard Cider must be fully labeled including approved warning statement
Producer Selling Door-to-Door or at Farmers' Market	No license required Cider must come from producer's own apples Cider must be pressed and bottled at producer's orchard Local ordinance may apply Cider must be fully labeled including approved warning statement
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	Finished product must come from a licensed food processing plant Must comply with juice HACCP and 5-log reduction Finished product must be fully labeled
HONEY	
Type of Sale	Regulations
Producer Selling from Farm, Door-to-Door or at Farmers' Market or Distributing to Grocery Store, Restaurant, or Institution	No license required for honey sold as beekeeper's own that has no added color, flavors, or ingredients Honey must be handled in a way that assures food safety Honey must be fully labeled including Graded or labeled "Ungraded"

State Requirements by Product and Market

LIVESTOCK—Cattle, Swine, Sheep, Goats, Ratites	
Type of Sale	Regulations
Producer Selling from Farm	<p>Retail food establishment license required</p> <p>Livestock must be processed at a state or federally inspected facility</p> <p>Meat may be weighed on-farm with approved scale or weighed by package at processor</p> <p>Product storage must be clean and located in a clean, neat area (house or shed allowed)</p> <p>Product storage must be used exclusively to store meat sold to customers</p> <p>Frozen meat must be maintained frozen</p> <p>Unfrozen meat products must be maintained at internal temperature of 41°F or below</p> <p>Meat must be fully labeled</p>
Producer Sells Live Animals <i>and</i> Consumer Arranges for Processing	No license required
Producer Selling Door-to-Door or at Farmers' Market	<p>Mobile retail food establishment license required</p> <p>Local ordinance may apply</p> <p>Livestock must be processed at a state or federally inspected facility</p> <p>Meat may be weighed on-farm with approved scale or weighed by package at processor</p> <p>Product storage must be used exclusively to store meat sold to customers</p> <p>Product storage must be located in a clean, neat area (house or shed allowed)</p> <p>Unfrozen meat products must be maintained and delivered at internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)</p> <p>Meat must be fully labeled</p>
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	<p>Warehouse license required</p> <p>Livestock must be processed at a state or federally inspected facility</p> <p>Registration as meat distributor required</p> <p>Warehouse freezer and producer's vehicle must be inspected to ensure it is sanitary and that frozen meat will be maintained frozen</p> <p>Unfrozen meat products must be maintained and delivered at an internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)</p> <p>Meat must be fully labeled</p>

State Requirements by Product and Market

CAPTIVE GAME ANIMALS/EXOTICS—Pheasants, Deer, Bison	
Type of Sale	Regulations
<p>Producer Selling from Farm</p>	<p>Retail food establishment license required Livestock must be processed at a state or federally inspected facility Meat may be weighed on-farm with approved scale or weighed by package at processor Product storage areas must be located in a clean, neat area (house or shed allowed) Product storage must be used exclusively to store meat sold to customers Frozen meat must be maintained frozen Unfrozen meat products must be maintained at internal temperature of 41°F or below Meat must be fully labeled</p>
<p>Producer Sells Live Animals and Consumer Arranges for Processing</p>	<p>No license required</p>
<p>Producer Selling Door-to-Door or at Farmers' Market</p>	<p>Mobile retail food establishment license required Local ordinance may apply Livestock must be processed at a state or federally inspected facility Product storage must be used exclusively to store meat sold to customers Product storage must be located in a clean, neat area (house or shed allowed) Frozen meat must be maintained frozen Unfrozen meat products must be maintained and delivered at internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.) Meat must be fully labeled</p>
<p>Producer Distributing from Farm to Grocery Store, Restaurant, or Institution</p>	<p>Warehouse license required Registration as meat distributor required Livestock must be processed at a state or federally inspected facility Warehouse freezer and producer's vehicle must be inspected to ensure it is sanitary and that frozen meat will be maintained in a frozen state Unfrozen meat products must be maintained and delivered at an internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.) Meat must be fully labeled</p>

State Requirements by Product and Market

RABBITS	
Type of Sale	Regulations
Producer Selling from Farm	<p>No license or inspection required for home slaughter or sale</p> <p>Producer maintains custody of meat until sold</p> <p>Meat can only be sold directly to consumer</p> <p>Meat must be handled in a way that assures food safety</p> <p>Frozen meat must be maintained frozen</p> <p>Unfrozen meat products must be maintained at internal temperature of 41°F or below</p> <p>Meat must be fully labeled including “Not inspected”</p>
Producer Selling Door-to-Door or at Farmers’ Market	<p>Mobile retail food establishment license required</p> <p>Local ordinance may apply</p> <p>Rabbit must be processed at a licensed food or meat processing plant</p> <p>Frozen meat must be maintained frozen</p> <p>Unfrozen meat products must be maintained and delivered at internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)</p> <p>Meat must be fully labeled including “Not inspected”</p>
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	<p>Finished product must come from a licensed retail food establishment or food processing plant</p> <p>Frozen meat must be maintained frozen</p> <p>Unfrozen meat products must be maintained and delivered at internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)</p> <p>Meat must be fully labeled including “Not inspected”</p>
AQUACULTURE—Farmed Fish and Seafood	
Type of Sale	Regulations
Producer Selling from Farm	<p>Retail food establishment or food processing plant license required</p> <p>Fish must be fully labeled</p>
Fee Fishing	<p>Fish eviscerated and filleted as a service to paying fee fishing customers is not licensed by Division of Food Safety</p>
Producer Selling Door-to-Door or at Farmers’ Market	<p>Mobile retail food establishment license required</p> <p>Frozen fish must be maintained frozen</p> <p>Unfrozen fish products must be maintained and delivered at an internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)</p> <p>Fish must be fully labeled</p>
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	<p>License required depends on license type at farm</p> <p>Frozen fish must be maintained frozen</p> <p>Unfrozen fish products must be maintained and delivered at an internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)</p> <p>Fish must be fully labeled</p>

State Requirements by Product and Market

POULTRY—Farm-Raised Chickens, Ducks, Geese, Guinea Hens, Squab, Turkeys	
Less than 1,000 birds per year	
Type of Sale	Regulations
<p>Producer Selling from Farm</p>	<p>No license or inspection required for home slaughter and sale Birds must be healthy and come from producer’s own flock Poultry can only be sold directly to consumer Producer maintains custody of birds until sold Processed poultry must be handled in a way that assures food safety Frozen poultry must be maintained frozen Unfrozen poultry must be maintained at internal temperature of 41°F or below Poultry must be fully labeled including “Not inspected”</p>
<p>Producer Selling Door-to-Door or at Farmers’ Market</p>	<p>Mobile retail food establishment license required Local ordinance may apply Poultry must be processed at a state or federally inspected facility Frozen poultry must be maintained frozen Unfrozen poultry products must be maintained and delivered at internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.) Poultry must be fully labeled</p>
<p>Producer Distributing from Farm to Grocery Store, Restaurant, or Institution</p>	<p>Warehouse license required Registration as meat distributor required Poultry must be processed at a state or federally inspected facility Warehouse freezer and producer’s vehicle must be inspected to ensure it is sanitary and that frozen meat will be maintained frozen Unfrozen poultry products must be maintained and delivered at internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.) Poultry must be fully labeled</p>

State Requirements by Product and Market

POULTRY—Farm-Raised Chickens, Ducks, Geese, Guinea Hens, Squab, Turkeys	
More than 1,000 birds per year	
Type of Sale	Regulations
Producer Selling from Farm	<ul style="list-style-type: none"> Retail food establishment license required Poultry must be processed at a state or federally inspected facility Product storage must be used exclusively to store poultry products sold to customers Product storage must be located in a clean, neat area (house or shed allowed) Frozen poultry must be maintained frozen Unfrozen poultry products must be maintained at internal temperature of 41°F or below Poultry must be fully labeled
Producer Selling Door-to-Door or at Farmers' Market	<ul style="list-style-type: none"> Mobile retail food establishment license required Local ordinance may apply Poultry must be processed at a state or federally inspected facility Product storage must be used exclusively to store poultry products sold to customers Product storage must be located in a clean, neat area (house or shed allowed) Frozen poultry must be maintained frozen Unfrozen poultry products must be maintained and delivered at internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.) Poultry must be fully labeled
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	<ul style="list-style-type: none"> Warehouse license required Registration as meat distributor required Poultry must be processed at a state or federally inspected facility Warehouse freezer and producer's vehicle must be inspected to ensure it is sanitary and that frozen meat will be maintained frozen Unfrozen poultry products must be maintained and delivered at internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.) Poultry must be fully labeled
EGGS	
Type of Sale	Regulations
Producer Selling from Farm	<ul style="list-style-type: none"> No license required Eggs must be sold directly to consumer Must be handled in a way to assure food safety Used carton labels can't be misleading (remove original labeling when re-using cartons)
Producer Selling Door-to-Door or at Farmers' Market	<ul style="list-style-type: none"> Mobile retail food establishment license required Food processing plant license required Eggs must be kept at 41°F or below Eggs must be fully labeled
Producer Distributing from Farm to Grocery Store,	<ul style="list-style-type: none"> Food processing plant license required Eggs must be fully labeled

State Requirements by Product and Market

DAIRY—Fluid Milk, Cream, Butter	
Type of Sale	Regulations
Producer Selling from Farm (Farmstead Dairy Plant)	<p>Dairy Farm license required for persons or businesses to operate a dairy farm</p> <p>Dairy Plant license required to process all dairy products</p> <p>License required for persons to be in charge of or supervise the making of butter that will be sold</p> <p>Dairy products must be maintained at internal temperature of 41°F or below</p> <p>Dairy products must be fully labeled</p>
Producer Selling Door-to-Door or at Farmers' Market	<p>Mobile retail food establishment license required</p> <p>Dairy products must be maintained and delivered at internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)</p> <p>Dairy products must be fully labeled</p>
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	<p>No additional license required when dairy products come from producer's licensed dairy plant</p> <p>Dairy products must be maintained and delivered at internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)</p> <p>Dairy products must be fully labeled</p>
DAIRY—Yogurt, Kefir, Ice Cream, Flavored Milk, Sour Cream	
Type of Sale	Regulations
Producer Selling from Farm (Farmstead Dairy Plant)	<p>Dairy Farm license required for persons or businesses to operate a dairy farm</p> <p>Dairy Plant license required to process all dairy products</p> <p>Dairy products must be maintained at internal temperature of 41°F or below</p> <p>Dairy products must be fully labeled</p>
Producer Selling Door-to-Door or at Farmers' Market	<p>Mobile retail food establishment license required</p> <p>Dairy products must be maintained and delivered at internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)</p> <p>Dairy products must be fully labeled</p>
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	<p>No additional license required when dairy products come from producer's licensed dairy plant</p> <p>Dairy products must be maintained and delivered at internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)</p>

State Requirements by Product and Market

DAIRY—Raw Milk Cheese	
Type of Sale	Regulations
Producer Selling from Farm (Farmstead Dairy Plant)	<p>Dairy Farm license required for persons or businesses to operate a dairy farm</p> <p>Dairy Plant license required to process all dairy products</p> <p>Dairy products must be maintained at internal temperature of 41°F or below</p> <p>License required for persons to be in charge of or supervise the making of cheese that will be sold</p> <p>Dairy products must be fully labeled</p>
Producer Selling Door-to-Door or at Farmers' Market	<p>Mobile retail food establishment license required</p> <p>Dairy products must be maintained and delivered at internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)</p> <p>Dairy products must be fully labeled</p>
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	<p>No additional license required when dairy products come from producer's licensed dairy plant</p> <p>Dairy products must be maintained and delivered at internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)</p> <p>Dairy products must be fully labeled</p>
DAIRY—Pasteurized Milk Cheese	
Type of Sale	Regulations
Producer Selling from Farm (Farmstead Dairy Plant)	<p>Dairy Farm license required for persons or businesses to operate a dairy farm</p> <p>Dairy Plant license required to process all dairy products</p> <p>License required for persons to be in charge of or supervise the making of cheese that will be sold</p> <p>Dairy products must be maintained at internal temperature of 41°F or below</p> <p>Dairy products must be fully labeled</p>
Producer Selling Door-to-Door or at Farmers' Market	<p>Mobile retail food establishment license required</p> <p>Dairy products must be maintained and delivered at internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)</p> <p>Dairy products must be fully labeled</p>
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	<p>No additional license required when dairy products come from producer's licensed dairy plant</p> <p>Dairy products must be maintained and delivered at internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)</p> <p>Dairy products must be fully labeled</p>

FOOD SAFETY, FOOD LIABILITY, AND FARM INSURANCES

Marketing Fresh, Raw Fruits and Vegetables

Farmers in Wisconsin are considered an “approved source” for fruits and vegetables they raise themselves. They can sell any quantity, to any person or business, without a food license. Even though no licensing is required, farmers still have to take reasonable care to avoid contamination of their produce with disease organisms. Food safety starts in the field and continues through the process of harvesting, washing, packaging, storing, and transporting fruits and vegetables.

Marketing Eggs

Farmers can sell shell eggs produced by their own laying flock on their farm. No license is required if selling on their farm, but farmers are required to be licensed if they are selling off their property such as to grocery stores, restaurants, or food services. Farmers are considered an “approved source” for shell eggs if they are licensed, follow the safe handling guidelines for shell eggs, and properly label the eggs as defined in Chapter 88.08 of the Wisconsin Administrative Code. Eggs are a perishable product, and must be handled properly to ensure food safety. See page 117 for a link to the Agriculture, Trade and Consumer Protection (ATCP) chapters of the Wisconsin Administrative Code.

Marketing Processed or Prepared Foods

You must be licensed to sell processed or prepared foods. This requires an approved kitchen separate from a home kitchen. Those selling a canned pickled product are encouraged to take a training course in safe canning procedures. The training courses also teach how to conduct pH testing of your product. For more information, call the Division of Food Safety at 608-224-4700 or email food@datcp.state.wi.us

Marketing Meat or Poultry

Farmers can sell meat and poultry products that have been processed at licensed and inspected processing facilities. The rules vary depending on the type and quantity of meat you are selling and to whom you are selling it. For more information on rules and regulations for meat and poultry, go to pages 103 and 106.

Marketing Dairy Products

Dairy products can be produced, processed, and sold directly from the farm with appropriate licensing and in a facility that meets state and federal standards. Training and certifications are required for making cheese and butter. For more information on marketing dairy products, go to page 108.

Food marketers must be familiar with and comply with state and federal food laws. In Wisconsin, the Department of Agriculture, Trade and Consumer Protection (DATCP) is responsible for administering laws concerning weights and measures, packaging and labeling, food advertising and trade practices, and food production and protection (food safety).

Contact DATCP’s Division of Food Safety regional office as your first step to obtain food safety information as it relates to food marketing or food processing. Call either the Madison office at 608-224-4700 or the Eau Claire office at 715-839-3844.

Food Safety Guidelines

Wisconsin’s Food Law states only safe and wholesome food can be offered for sale. It is illegal to manufacture, prepare for sale, store, or sell food unless the food is protected from dust, insects, and any other unclean, unhealthy, or unsanitary condition. To prevent contamination, equipment must be suitable for the type of product being sold.

Learning about safe food handling is good business for any farmer who wants to market a food product. When you sell a food product to the public, even if you aren’t required to have a license, you still need to follow safe food handling practices. Handling food safely can protect your customers from illness and you from liability. Some of the best practices for handling food are common sense, but some practices are not obvious. Restaurant and food service personnel are well-trained in food safety. If you are bringing food products to sell to them, they need to see you are handling products correctly or they may refuse to accept a shipment from you.

Food sold directly from the farm often comes under greater scrutiny than food sold through the typical distributor or grocery store channels. Some in the food industry have a perception that food right from the farm is less safe. Farmers can overcome that perception by carefully

following the food industry standards for safe handling of food. If your potential buyers see you are following good practices, it will increase their comfort level in buying directly from a farmer. For more information on Good Agricultural Practices (GAP) and Good Handling Practices (GHP), go to page 112.

It is helpful to learn the guidelines the food industry follows. Hazard Analysis and Critical Control Points (HACCP) is an internationally accepted protocol for ensuring food safety. The HACCP procedures are useful information not only for farmers, but for anyone who is processing or preparing a food for sale to the public. For more information go to: <http://sop.nfsmi.org/HACCPBasedSOPs.php>

Food Safety Concerns

Cross-Contamination

Cross contamination occurs when disease-causing organisms move from one type of food to another, or from the food handling environment onto food. Some examples include:

- Using a knife and cutting board to cut up a chicken. The knife or cutting board is not cleaned and hands are not thoroughly washed before cutting up lettuce for a salad. The lettuce can pick up salmonella or other bacteria from the chicken residue left on the knife, cutting board, or hands.
- Using a utensil to place pieces of raw meat in a pan for cooking. The same utensil is not cleaned before it is used to remove the cooked meat from the pan, moving the germs from the uncooked meat onto the cooked pieces.

Food Contamination on the Farm

Food contamination can happen in the field during the growing season, harvest and packaging, or transport, all before the products get to point-of-sale. Contamination can be caused by fecal material coming in contact with vegetables or water-borne bacteria. Some examples include:

- A field worker fails to wash hands thoroughly after using the bathroom and returns to picking vegetables.
- Rain water flows across a barnyard and past a nearby packing shed. The water splashes on a crate of lettuce being hauled to the shed, thus contaminating the lettuce with barnyard germs.

Preventing Food Contamination in the Field

Ways to prevent contamination include:

- Keep pets and livestock out of areas where food is grown, processed, packaged, transported, or otherwise handled.
- Be aware of wildlife in your fields, remove or cover wild animal feces if possible, and avoid picking fruits or vegetables from areas right next to wild animal feces.
- Pay attention to the routes you take on your farm. Avoid tracking soil or mud from livestock areas into vegetable or fruit areas.
- Direct rain run-off from livestock areas away from vegetable or fruit areas.
- If manure is used for fertilizer, allow plenty of time for it to break down between spreading and harvest of a crop. The USDA Organic program rules require that manure must be tilled into the soil at least 120 days prior to harvest of a crop that has direct contact with the soil (such as lettuce), and at least 90 days prior to harvest of a crop that does not have direct contact with the soil (such as sweet corn).
- If you irrigate, look for ways to avoid contamination of irrigation water.

Preventing Food Contamination During Packing, Storing, and Transport

Ways to prevent contamination include:

- Wash hands again, and again, and again.
- Keep watch for anything that could cause cross-contamination.
- Make sure water used for washing fruits and vegetables is from a clean source and is not contaminated on its way to the wash area.
- When washing fruits and vegetables, it is generally best to wash them under running water that can drain away rapidly. Soaking a batch of vegetables in a tub of water can cause cross-contamination if one of the vegetables is contaminated.
- Keep clean, washed, ready-to-eat vegetables and fruits separate from raw vegetables and fruits.
- Keep packaging areas clean. Clean packing tables with a disinfectant solution in between batches of fruits or vegetables.
- Don't stack dirty things on top of clean things. Keep meat, poultry, and egg products physically separated from fruit and vegetable products.
- When transporting, don't load produce with non-produce items.

What is GAP/GHP?

There is an increasing focus in the marketplace on good agricultural practices to verify farms are producing fruits and vegetables in the safest manner possible. Third-party audits are being used by the retail and food services industry to verify their suppliers conform to specific agricultural practices. *Good Agricultural Practices* (GAP) include on-farm production and post-production processes resulting in safe and quality food products. *Good Handling Practices* (GHP) include those used in handling and packing operations that minimize microbial contamination of fresh fruits, vegetables and tree nuts.

The U.S. Department of Agriculture (USDA) Agricultural Marketing Service, in partnership with state departments of agriculture, offers a voluntary, audit-based program to verify agricultural practices. GAP/GHP audits verify the implementation of a basic food safety program on the farm. This includes examining the farm practices and handling/packing procedures focusing on packing facilities, storage facilities, and wholesale distribution centers. These audits are based on the U.S. Food and Drug Administration's Guidelines to Minimize Microbial Contamination for Fresh Fruits and Vegetables and are a fee-based service.

USDA-trained and -licensed auditors provide GAP/GHP certification. GAP certification audits are conducted during harvest when harvest crews are at work. GHP audits are performed when the packing operation is running and workers are present. This federal/state audit program does not cover processed fruits and vegetables. (Inspection of food processors is provided by DATCP's Division of Food Safety.)

The GAP certification process covers three sections of the USDA Federal/State Audit Checklist for farm operations that do not pack their own products:

1. General questions
2. Farm review
3. Field harvest and field packing

The GHP certification process is an add-on for farm operations that conduct packing of fresh fruits and vegetables. The process includes three additional sections in the audit checklist:

4. Packing house review
5. Storage and transportation (optional)
6. Traceback (optional)

Every operation must compile a food safety program that outlines the standard operating procedures and policies that are in practice for the requirements in each section of the audit. In certain circumstances, documentation must also be provided to substantiate practices or analyses of possible contamination.

Go to www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5050869 to view the full USDA Audit Verification Checklist. General questions and parts 1–5 apply to GAP/GHP farm operation audits.

Contact Tim Leege at 715-345-5212 or via email at tim.leege@wisconsin.gov

Prevent Food Contamination During Processing and Preparation

Ways to prevent contamination include:

- Wash hands again, and again, and again.
- Watch for anything that could cause cross-contamination.
- Clean and sanitize all utensils, cutting boards, countertops, or other surfaces in between batches of food.
- Wash all vegetables and fruits prior to processing and keep separate from unwashed vegetables and fruits.
- Keep meat, poultry, and egg products physically separated from fruit and vegetable products. In a refrigerator, store raw meats that might drip juices in a container that will not leak.
- Follow safe canning procedures.

Produce from Flooded Areas

Generally speaking, state and federal food safety regulations do not cover flooding situations. Regulations governing manure and pesticides also do not address flooding. However, produce that has come in contact with flood water is considered adulterated and cannot be sold for human or animal consumption. For more information go to www.uwex.edu/ces/ag/issues/ExtensionResponds-Flood.html for resources on flood issues regarding homes, agricultural production, and frequently asked questions.

Go to www.datcp.state.wi.us/flood2008/VegetableFloodGuidelines.pdf for DATCP's June 2008 fact sheet: "Produce from flooded areas: Considerations for growers, packing houses, and processors"

On-Farm Food Safety

Regardless of the size of your farm business or the products grown, all farmers selling food products for public consumption must be aware of food safety and the tips they can observe to minimize contamination.

Public concern about food safety has increased in recent years and farmers should be aware that proper steps need to be taken with their products to eliminate possible avenues of contamination. Safe produce begins with the production and handling practices on the farm. Products grown and sold with little biological contamination are less likely to result in health hazards caused by poor handling during later preparation stages. Farmers and their employees have the critical job of minimizing product contamination by learning about potential sources of contamination and by using Good Agricultural Practices (GAPs).

GAPs are a set of recommendations that can improve the quality and safety of the food products grown. These general guidelines can be incorporated into or adapted by any production system. GAPs focus on four primary components of production and processing: soils, water, hygiene, and surfaces.

Soils

Manure is a good form of fertilizer but contains pathogens which may be harmful if there has been insufficient time for bacteria to break down volatile components. You can minimize the risk of manure contamination by using the following steps:

- Allow a minimum of 120 days between manure application and fruit and vegetable harvest.
- Incorporate manure into soil or use a cover mulch after application to reduce risk of product contamination from rain or irrigation splash.
- Use aerobic composting of manure which destroys microbes.
- Apply manure in fall to allow competing bacteria to neutralize volatile components.



Photo courtesy Luna Circle Farm

Food safety starts on the farm and is a consideration from post-harvest handling through sale to the consumer. Proper handling techniques prevent contamination of food during packing, storing, and transport.

Water

Water used for irrigation, cooling, processing, or cleaning equipment and facilities should be free of microbial contaminants. Avoid using surface water for post-harvest handling procedures. Regularly test your water supply for bacteria contamination. Additionally, water sanitation products are available for produce washing water.

Hygiene

Proper hygiene and health, clean clothes and shoes, and safe practices can assure safe food. Provide clean and appropriately stocked restroom and hand washing facilities for field and processing employees to decrease the risk of product contamination.

Surfaces

Produce comes in contact with surfaces during harvest and processing. These include containers, transport bins, knives, and other utensils, sorting and packaging tables, and storage areas. Basic GAPs to help ensure clean surfaces include:

- Keep potential contaminants such as soil and manure out of the processing area or facility.
- Remove spoiled produce in the field.
- Clean and sanitize equipment and facilities daily.
- Control animal contamination.

Source: On-farm Food Safety: Guide to Good Agricultural Practices (GAPs), Iowa State University Extension PM 1947a. This publication has several references and resources for more information about general produce food safety, GAPs, and food safety plans with websites listed. www.extension.iastate.edu/Publications/PM1974A.pdf

Resources for On-Farm Food Safety

www.gaps.cornell.edu/educationalmaterials.html
Cornell University
Click On “Food Safety Begins on the Farm”
A Grower’s Guide to Good Agricultural Practices for Fresh Fruits and Vegetables.

www.gaps.cornell.edu/rks.html
Cornell University
Farm and packinghouse recordkeeping worksheets that can be customized to fit a farm’s standard operating procedures.

www.gaps.cornell.edu/Eventscalendar/USDA_GAP_GHP_Audit_Matrix_PP.pdf
Cornell University
Preparing for a USDA GAP/GHP Audit. Shows examples of different logs that can be used in preparing for an audit.

www.oregon.gov/ODA/ADMD/docs/pdf/gap_safety_program.pdf
Oregon Department of Agriculture
Sample Food Safety Program that can be modified to fit a farm operation.

www.uwex.edu/ces/agmarkets/publications/documents/A3811-17.pdf
UW Cooperative Extension
“Fruit and Vegetable Safety on the Farm”

www.oznet.ksu.edu/library/fntr2/foodasyst/foodasys.pdf
Kansas State University
A food safety risk management guide for the producer. Includes an overall checklist for food safety risks during production and marketing of beef, poultry, and produce.

www.wisconsinartisans.com/food_safety_study_guides.html
Wisconsin Dairy Artisan Network
Link to food safety study guides for state dairy licensing.

<http://datcp.state.wi.us/fs/business/food/publications/index.jsp>
Wisconsin Department of Agriculture, Trade and Consumer Protection
Food code fact sheets.

<http://agriculture.sc.gov/UserFiles/file/GAPGHP%20Brochure.pdf>
U.S. Department of Agriculture
GAP/GHP program brochure includes answers to frequently asked questions.

www.cfsan.fda.gov/~dms/prodguid.html
U.S. Food and Drug Administration
“Guidelines to Minimize Microbial Contamination for Fresh Fruits and Vegetables”



Photo courtesy Tara Kindschi

Eggs are a perishable product and must be handled properly to ensure food safety.

Processed Food Safety

Fruits, vegetables, and other food products can be processed on a small scale if safe and sanitary methods of processing and handling are followed. These processed foods include jams and jellies, pickled or acidified fruits and vegetables, herbal or flavored vinegars, and even baked goods.

Farm-based processing is generally not feasible for meats or low-acid canned foods such as beans, corn, and peas. Inadequate processing during the canning of low-acid foods may cause these foods to be unsafe. Small scale processing of these foods is generally impractical because the equipment needed to produce consistently safe food is highly technical and expensive.

Certain kinds of foods are “potentially hazardous.” This term applies to food that may become unsafe if not held at appropriate temperature of 41°F or below or 135°F or above, depending on the product. Potentially hazardous foods of animal origin include products such as milk, milk products, eggs, meat, poultry, and fish. Foods of plant origin that are potentially hazardous include plant foods that are heat-treated, raw sprouted seeds (such as alfalfa sprouts), cut melons, and garlic-in-oil mixtures. Potentially hazardous foods must be handled with appropriate temperature control to ensure food safety.

If you start a small-scale business processing foods such as pickled products, herbal vinegars, dressings, or any food sold in air-tight containers (canned food), state and federal regulations require you use an approved written process, or recipe. You must submit your scheduled process (recipe) to DATCP’s Division of Food Safety (DFS) prior to licensing. DFS does not approve processes, but will review and evaluate the process based on available scientific data resources. You must submit the process, or recipe, to a “competent process authority” for evaluation. A process authority would either provide you with a written statement that your process is safe, or may recommend you do further testing before the process can be approved.

If you intend to sell your product outside of Wisconsin, or use ingredients originating from outside Wisconsin, you must file your process

with the U.S. Food and Drug Administration (FDA). Since almost all processes use an ingredient from an out-of-state source, you will invariably have to file your process with the FDA if you thermally process low-acid or acidified food products. Operating under a Hazard Analysis and Critical Control Points (HACCP) plan requires filing your process with the FDA and is not necessary for acid foods. Retailing an acidified food requires an approved process, applying for a variance, and passing better processing school.

For more information on obtaining an approved written process prior to licensing, call the Division of Food Safety at 608-224-4700 or email food@datcp.state.wi.us

For HACCP guidelines through FDA, go to: www.cfsan.fda.gov/~brd/haccp.html

Liability Concerns

Most farms and farm businesses, and certainly farms with direct and intermediate marketing enterprises, have complex mixtures of potential personal and business liabilities. Insurers nationwide are gaining experience with alternative farm enterprises. Because farm insurance needs are complex, you should work directly with an insurance agent to identify your particular needs and to obtain the kinds of coverage necessary.

Farmers who market products need to regularly review their insurance needs with an insurance agent and attorney. Liability questions are more challenging than those raised by simple physical property coverage. Insurance companies offer a diverse range of coverage. Individual policies are available for physical loss of property, liability, and workers' compensation, as well as coverage for other specific needs. The alternative most local food marketers select is a package policy that combines all types of coverage in one policy.

Liability and Farm Insurances

Farmers are exposed to liability for their enterprises, whether conducted on the premises or away from them, such as while selling at a farmers' market. You are also exposed as a result of injuries to you or one of your employees. If your product causes harm to the buyer, you may be held liable. Liability insurance is

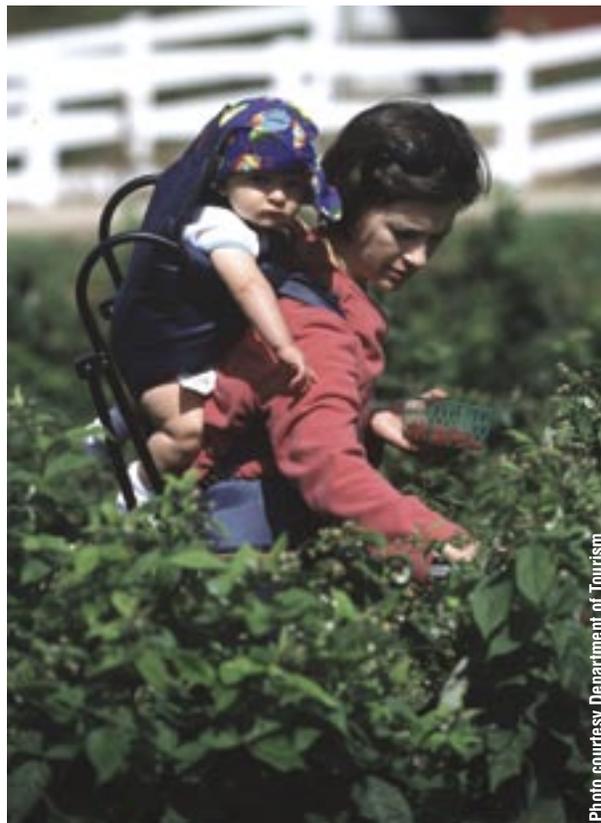


Photo courtesy Department of Tourism

Besides assessing rules and regulations for your business, you must determine the risk involved in your enterprise. Whether selling on-farm or through various markets, farmers need to regularly review insurance needs for their business.

essential to pay for sums you may become legally obligated to pay.

The main areas of insurance needed typically include liability for products sold, for visitors to the farm, for farm workers, as well as coverage for the value of crops grown and property and equipment owned.

Product Liability

Liability for the food that you sell is called "product liability." This is handled differently depending on where and how much product you sell. On-farm sales may be covered through your regular property insurance package, but don't assume that is the case. Ask your insurance agent if you are covered if someone gets sick from food that you sold. If you are selling to grocery stores or food services, they may require you to carry separate product liability coverage. Some farmers' markets require each vendor to carry their own liability coverage. If you are selling product through a distributor, you probably will be required to carry product liability coverage. Following safe food handling and food processing practices are necessary

to limit your liability exposure and to guard against people becoming ill from your products. Some buyers may refuse your product if they realize you failed to follow safe food handling practices.

Premises Liability

Liability for people who visit your farm is called “premises liability.” If your farm enterprises involve having visitors to the farm, ask your insurance agent if your policy covers all liability exposures. For example, a policy may cover visitors who are guests, but not customers of a farm-based business.

When you have a farm enterprise that invites customers to the farm, such as a Pick Your Own farm, a petting zoo, or a corn maze, there are safety measures you can take to minimize risk to your customers such as:

- Make sure the areas that customers visit are free of debris.
- Get rid of wasp and hornet nests near areas visited by customers.
- Eradicate harmful weeds such as poison ivy, stinging nettles, and ragweed.
- Strictly follow re-entry times for any pesticides.
- Lock up farm chemicals, if used.
- Keep farm equipment away from customer areas.
- Post signs to warn of any dangers you are not able to remove.
- Have a well-marked and large enough parking area.



Photo courtesy Department of Tourism
Farmers are liable for the food they sell. Some farmers' markets require each vendor carry their own liability coverage.

Not only do such measures protect your customers, they give you some protection against claims of negligence should an injury occur at your farm.

Workers' Compensation and Employers' Liability Insurance Coverage

You have liability for any farm worker you hire. Most employers—including family farmers—are required to carry workers' compensation insurance for employees. Under Wisconsin law, a person engaged in farming is required to obtain a workers' compensation policy when that person employs six or more employees for 20 consecutive or nonconsecutive days during a calendar year. Employees injured on the job receive medical and wage benefits. If workers' compensation doesn't apply, the injured party can still receive compensation from the employer for monetary loss and possibly pain and suffering.

As with product and premises liability, you need to talk to an insurance agent to discuss insurance coverage needs relating to your employees. If you are exempt from carrying workers' compensation, you still need to make sure you have adequate farm worker coverage on your regular farm property insurance package. Also, farmers who are exempt may still choose to purchase workers' compensation coverage as a benefit to their employees.

As a farm employer, you have liability not only for injuries to your employees, but for injuries or losses they may cause to others. To lessen this risk, post clear guidelines and written job descriptions for your employees and discuss this liability concern with your insurance agent.

Property Insurance Coverage

Farm property includes buildings, vehicles, equipment, and inventory. A clear explanation in the policy is essential so you know what the policy provides.

Farm property insurance includes coverage for different types of farm structures, vehicles, machinery, equipment, inventory, livestock, and crops. Coverage options may vary depending on the type and cause of loss. Losses may include damage to or loss of physical items that are owned, leased, or contracted by your business.

You must know the value of the property or equipment you wish to cover and today's replacement value of these items. You'll also want to evaluate what type of losses will impair your farm operation and for how long.

Read your farm property insurance policy carefully to know the risks covered and any conditions, restrictions, or exclusions that may limit insurance coverage. Review your insurance coverage annually and make any needed adjustments.

Crop Insurance and Livestock Price Insurance

The Risk Management Agency (RMA) of the USDA underwrites crop insurance for farmers. The RMA provides insurance for a wide variety of crops, including many fruits and vegetables. For a list of crops covered, go to www.rma.usda.gov and search "Crops Covered." Then choose the list of crops covered for the most recent year.

RMA's Adjusted Gross Revenue (AGR) product provides protection against low revenue due to unavoidable natural disasters and market fluctuations that occur during the insurance year. Covered farm revenue consists of income from agricultural commodities, including incidental amounts of income from animals and animal products and aquaculture reared in a controlled environment. For more information go to: www.rma.usda.gov/policies/agr.html

AGR-Lite insurance is available through underwriting by the RMA. This whole-farm income insurance policy is based on a farm's five-year history of revenue, plus the current year's farm plan. This type of plan may be attractive to diversified enterprises since coverage is not tied to one specific crop or mix of crops.

Noninsured Crop Disaster Assistance Program (NAP)

USDA's Farm Service Agency's (FSA) program provides financial assistance to producers of noninsurable crops when low yields, loss of inventory, or prevented planting occur due to natural disasters. For more information go to www.fsa.usda.gov and search NAP or go to your local FSA office.

Supplemental Revenue Assistance Program (SURE)

This program, while not an insurance, is available to eligible producers on farms in disaster counties that have incurred crop production losses and/or crop quality losses during the crop year. For more information go to www.card.iastate.edu/iowa_ag_review/summer_08/article3.aspx

Resources for Risk Management and Insurance

www.uwex.edu/ces/agmarkets/publications/documents/A3811-7.pdf
UW Cooperative Extension
"Risk, Liability and Insurance for Direct Marketers"

www.rma.usda.gov/pubs/rme/fctsht.html
USDA Risk Management Agency (RMA)
Online publications and crop fact sheets.

www.rma.usda.gov/tools/agents/companies/RMA
RMA's online agent locator lists crop insurance and livestock price insurance agents.

WISCONSIN ADMINISTRATIVE CODE

The rules of a state agency have the effect of law and are issued by an agency to implement, interpret, or make specific legislation enforced or administered by the agency, or govern the organization or procedure of the agency. "Wisconsin Administrative Code" means such rules as they may be amended from time to time. See the chapters for Agriculture, Trade and Consumer Protection (ATCP) at: www.legis.state.wi.us/rsb/code/atcp/atcp.html

BUY LOCAL, BUY WISCONSIN

The “Buy Local” food movement is one of the fastest growing trends in agriculture today and is an important influence economically, socially, and culturally. Local food initiatives are gaining momentum in Wisconsin and are creating new business opportunities for state farmers.

Wisconsin farmers and small food manufactures produce an abundance of wonderful food. Increasing access to local markets is a win-win solution for the farmer, retailer, and consumer. “Buy Local, Buy Wisconsin” will help create the structure to link all of the players and will provide the producer training necessary to increase locally produced food in our schools, grocery stores, and restaurants.

Mark Olson, Renaissance Farm



The Buy Local, Buy Wisconsin program efforts strengthen connections between producers, retailers, institutions, and consumers by developing and expanding local food markets for Wisconsin farmers and processors.

Buy Local, Buy Wisconsin is a comprehensive program to support local food systems by working with farmers and food buyers to develop new markets for Wisconsin food products. The design and components of this program represent the ideas and experience of individuals from across the state who logged hundreds of hours in research, working group meetings, and online forums for information sharing. The combined efforts of growers, producers, and individuals representing grassroots and non-profit organizations, industry working groups, the University of Wisconsin, and the Department of Agriculture, Trade and Consumer Protection resulted in legislation to fund a statewide program. Senator Julie Lassa unveiled the Buy Local, Buy Wisconsin Bill at the Wisconsin Local Food Summit in January, 2007. The Bill passed in the 2007–09 biennial budget act by Governor Jim Doyle with bi-partisan support in the Legislature and broad support from a diverse coalition of organizations.

The *Buy Local, Buy Wisconsin* program positively impacts farmers, communities, consumer nutrition, the environment, and Wisconsin’s economy by supporting increased availability and demand for locally grown foods. A competitive grant program funds local food efforts that increase the sale of Wisconsin grown or produced food products or expand agricultural tourism in the state. In addition to grant funding, the program:

- Provides technical assistance to farmers, communities, businesses, and nonprofit organizations seeking to increase the sale of Wisconsin produced foods.
- Identifies and addresses hurdles facing regional food system development such as distribution, processing, access to markets, lack of state policy, and institutional purchasing.
- Compliments the work of existing local food programs including *Something Special from Wisconsin*[™], SavorWisconsin.com, Americorps Farm to School project, Wisconsin Eat Local Challenge, and other efforts across the state.

For more information on the *Buy Local, Buy Wisconsin* program, email DatcpBLBW@wi.gov or go to: www.datcp.state.wi.us Search “Buy Local”



**Wisconsin Department of Agriculture, Trade and Consumer Protection
Division of Agricultural Development
Market Wisconsin: Buy Local, Buy Wisconsin**

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