



FLORIDA FARM TO SCHOOL VIRTUAL PRODUCER TRAINING

Module 3



DIVISION OF FOOD,
NUTRITION AND WELLNESS



Module Three: Selling to School Markets

Module 3 of the Florida Farm to School Virtual Producer Training will provide you with an overview of:

- Timeline of food purchases within the school system
- Steps of the procurement process and standards that schools follow
- Definitions of “local”
- Definitions of Informal and Formal Procurement processes
- Market Channels for selling to schools (direct to schools, distributors, etc.)
- Choosing the right channel to get your Florida goods into schools



HOW DO SCHOOLS BUY FOOD?

For the purposes of this section, we will be using the terms **school district** and **Local School Food Authority (LSFA)** interchangeably.

As a reminder, Local School Food Authority (usually a school district) is the administering unit for the operation of a school meal program.



SCHOOL FOODSERVICE CYCLES

- As a producer, it's important to understand the **unique timing** of School Food Authority planning and procurement to best work with School Food Authorities. As you are learning, all child nutrition programs are different, but here are some general school foodservice trends:
 - **The start (August/September) and end (May/June) of the school year** are busy times for schools (and the summer is typically a busy time for producers!).
 - **Use winter months to connect** with schools or find out the best time for the school district and begin relationship development.
- **Most schools do menu planning in January/February**, however, most menus have flexibility built in, such as:
 - Stating "fruit or vegetable side" which allows for School Food Authorities to substitute an item from the same category.
 - In addition, fresh products can be swapped for frozen or canned.
 - Fresh products are generally preferred by School Food Authorities (and students).
 - Salad bars are often included in the menu and provide lots of flexibility as well, especially for smaller quantities, seasonal offerings, and new products (great way to "test" them out).
- **In other words, don't assume that a School Food Authority isn't interested in purchasing your products just because it's not listed explicitly on the menu.**
- School purchasing cycles vary, and solicitations are issued throughout the year.
 - **Formal solicitations** (Request for Proposals/Invitation for Bid) are often issued in early spring (Feb/March), have a set time frame for response and common duration of one school year (though timing/duration may vary).
 - **Informal purchases** are made throughout the year, and can vary in duration (one-time, limited duration).

Start of
School

Menu Planning
(with flexibility)

Formal
Solicitations

End of School

Aug

Oct

Dec

Feb

April

June

Sept

Nov

Jan

March

May

July

PROCUREMENT STANDARDS

Procurement standards and regulatory requirements are guidelines that School Food Authorities must follow to remain in compliance with federal procurement regulations. Because School Food Authorities use taxpayer dollars, controls are put in place to make sure those dollars are used efficiently and effectively.

- **Buy American Provision**
 - Schools are required to buy American-grown and processed food whenever possible.
 - Generally, purchasing locally produced food helps meet this requirement.
- **Free and Open Competition**
 - Procurement must support “full and open competition,” ensuring all competitors are on a level playing field.
- **Responsive and Responsible**
 - Responsive: Vendor/producer must respond to requests in a way that meets all elements of that request.
 - Responsible: Vendor/producer must be able to meet all the elements of request.
- **Federal, Tribal, State, and Local Regulations**
(Products: meat, dairy, eggs)
 - Tribal, state, or local entities might have specific regulations that influence procurement. The local regulations may be more restrictive than federal procurement standards. The more restrictive regulation must be met.
- **Regulations related to Small, Minority, and Women-Owned Businesses (2 Code of Federal Regulations Section 200.321)**
 - The federal government encourages program operators to take steps to contract with small, minority, and women-owned businesses, when possible.
 - This includes dividing solicitation requirements, when economically feasible, to ensure maximum participation.
- **Food Safety**
 - The United States Department of Agriculture Food and Nutrition Service does not mandate food safety requirements. Requirements around food safety differ from state to state and Local School Food Authority to Local School Food Authority.
 - This information is often included in the vendor requirements section of a solicitation but can present as a specification as well. Food safety planning will be discussed in detail in Module 4.



DEFINITIONS OF LOCAL CAN VARY

WHY DEFINE LOCAL?

- Local may need to be defined for specific programs (e.g., state incentives).
- Defining local allows School Food Authorities to track purchasing and create benchmarks.
- Defining local allows schools to use Geographic Preference for purchasing (which will be discussed in later in this section).

WHAT IS "LOCAL"?

- School Food Authorities and school districts define for themselves what "local" means. The definition of local is flexible. SFAs may determine "local" definition based on local and regional food availability and program goals.
- This may be defined by the state for a particular program if there is a state incentive program (e.g., increased reimbursement for purchases of local food).
- A definition of local can also vary based on product, time of year, or could even be a "tiered" definition.

POSSIBLE DEFINITIONS OF "LOCAL"

- 20-mile radius
- 50-mile radius
- 100-mile radius
- 200-mile radius
- Within the county
- Within the region (tri-county, etc.)
- Within the state



GEOGRAPHIC PREFERENCE

The Geographic Preference Option for Child Nutrition Programs Final Rule (CFR 225.17(e), effective July 1, 2024; also, see: USDA Geographic Preference Option QA Memo)

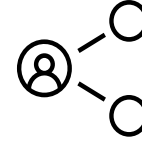
- **The Geographic Preference Option (Passed in the 2008 Farm Bill)** allows School Food Authorities “to use a geographic preference for the procurement of unprocessed agricultural products, both locally grown and locally raised.”
- **The Geographic Preference Option Final Rule:**
 - Grants authority to School Food Authorities to define local.
 - Defines unprocessed agricultural products.
 - No longer just a preference, can be a specification in advertisement.
 - When School Food Authorities use Geographic Preference, it doesn’t change how much you as a producer would be paid for a product, **but** changes the bid price just for comparison.
 - Provide “Defined Scoring Advantage” or “Local as Specification”
 - **Defined Scoring Advantage Sample Language Example:** “Up to 10 points for geographic preference: Vendors within a 25-mile radius will be given 10 points. Vendors within a 25- to 50-mile radius will be given 5 points. Vendors within 50- to 250-mile radius will be scored 2 points.”
- **Here is an example from** Washington of language you might find in a Request for Quotes from a School Food Authority using Geographic Preference Option:
 - “Any vendor who receives YES for WA grown category will receive a 10% price preference. This means that 10% of their price will be deducted FOR COMPARISON PURPOSES ONLY. After the price reduction, prices will be compared between vendors and the lowest price responsive and responsible bidder will be selected and that vendor will be awarded the bid.”



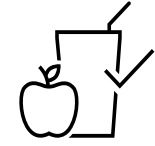
HOW SCHOOLS SOURCE LOCAL FOODS



**Direct from
Producers**



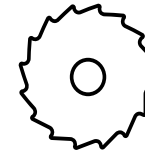
Distributors



**Food Service
Management
Companies**



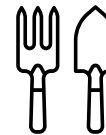
**Local
Retailers**



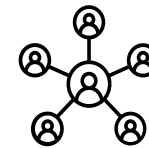
Processors



USDA Foods



Gardens



**Food Hubs and
Aggregators**



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HOW SCHOOLS SOURCE LOCAL FOODS *CONTINUED*

- Food service management companies manage vendor contracts but may not manage day to day procurement processes.
- Depending on location, there may be well-developed procurement channels for school districts to utilize when sourcing certain products.
- There are also third-party marketing services to support local procurement, these include companies such as Farm Logix, platforms like Market Maker, and online databases housed by non-profits (like CAFF) or State Agencies.
- Additionally, State Farm to School Coordinators, State Departments of Agriculture, Cooperative Extension offices, and local/regional non-profits working in the food systems are all excellent resources for sourcing local foods.



HOW SCHOOLS INCORPORATE LOCAL PRODUCTS

There are many ways that schools incorporate local products:

- **Meals**, including breakfast, lunch, and dinner
 - Also, condiments, entrée ingredients, spices, salad bars
- **Harvest of the Month and State plates**, or other state-endorsed campaigns
- **Snacks**, including the Fresh Fruit and Vegetable Program
- **Taste tests and educational activities**
- **Special events**, such as community meals, fundraisers

School districts may not start right away with large amounts of local product in meals.

- They may prefer to start with **a one-time event or tasting**.
- These opportunities can provide a pathway for relationship development and future purchases, which we will discuss further in future modules.



PROCUREMENT METHODS

Informal Procurement

Micro-purchase

(Equally Distribute)

Federal Threshold =
\$10,000

Simplified Acquisition Contract

*(Requires Price Quotes -
RFQs)*

Florida Threshold =
\$50,000

Formal Procurement

Sealed Bids (ITBs)

&

Competitive Proposals (RFPs)

*(Requires public
advertising)*



PROCUREMENT METHODS *CONTINUED*

School Food Authorities utilize a variety of procurement methods. The type of method applied is generally dependent on the dollar value of the purchase.

Micro-purchase

- Micro-purchase threshold (Federal) – \$10,000 (or the state/local threshold – most restrictive threshold applies)
- Non-competitive (solicitation not required) but must not limit competition
- Must be equally distributed across qualified suppliers
- Per procurement transaction (NEW Oct 1, 2024)

Informal Procurement

- Simple Acquisition, formerly Small purchase threshold (Federal) – \$250,000 (or the state/local threshold – most restrictive threshold applies)
- Price/rate quotes (“Three Quotes and Buy”)
- Requires specifications of product; document at least three quotes
- This might be an over the phone or an email request for a price quote

Formal Procurement

- Invitation to Bid (ITB) to award a fixed price contract
- Request for Proposals (RFP) to award either a fixed-price

Although these may seem complicated, the procurement processes are important to ensure full and open competition is achieved and taxpayer dollars are used appropriately.

MISCONCEPTION: “Schools pick the lowest bid.” – YES, but not always



WHAT'S IN A SCHOOL SOLICITATION?

Solicitations are how school districts communicate:

- What products they're looking for
- When they need them
- How much they need
- Any requirements they have for potential vendors

Solicitations are used both to:

- Solicit information from potential vendors (such as local producers)
- Establish terms for a contract

Background Information

Description of goods and services

Procurement method

Technical requirements

Timeline

Terms and conditions



UNDERSTANDING PRODUCT SPECIFICATIONS

Now that you know where to look for solicitations to find out what schools are looking to purchase, we will dive into the details of meeting their product standards, or specifications. These are often described in the solicitation in detail and include:



Specifications describe product standards required to meet the needs of the school market you are seeking to sell to.

They are not one-size-fits-all, but commonly include:

- **Product & Variety:** for example, heirloom/variety typical to the region
- **Quality standards & size:** for example, minimally processed foods and seconds
- **Quantity & pack size:** for example, wholesale pack sizes versus sales by unit



UNDERSTANDING PRODUCT SPECIFICATIONS *CONTINUED*



Specifications are based on industry standards. School buyers may be accustomed to receiving Grade A products and wholesale pack size from distributors. However, that does not mean that these standards are necessary for their operation.



There is flexibility! The school district can change its specifications, but only through a written amendment to the solicitation before it is announced.



Potential vendors must be able to meet the required specifications stated in the solicitation, or they will be considered “non-responsive.”



Producers can support this process by helping SFAs understand what standards are feasible for local producers to meet. In fact, your ability to deviate from standards might make your products more attractive to school buyers.

- For example, small apples that don’t meet other standards may be a great fit or schools. They’re better for little hands and can be offered whole to students, minimizing processing time on the part of school food service.





MEETING COMMON SCHOOL VENDOR REQUIREMENTS

Common requirements for potential vendors seeking to sell to school markets include:

- **Post-Harvest Handling Practices:** Harvest and wash-station procedures, product traceability and labeling information, and packing requirements (including details like new boxes or reusable crates)
- **Food Safety Practices:** Third-party certification programs (e.g., Good Agricultural Practices (GAP)/Good Handling Practices (GHP), required infrastructure (e.g., stations and cold storage), and food safety plans (including documentation of practices)
- **Payment Systems:** Invoicing requirements, payment schedules and lag times (often no payment upon delivery), and registration in required vendor systems
- **Insurance and Licenses:** Product liability insurance, auto insurance (in the case of delivery), business licenses and Perishable Agricultural Commodities Act (PACA) licenses (for regional school markets)
- **Distribution Logistics:** Delivery locations, schedules, and equipment requirements (like for accessing loading bays)

Some vendor requirements are mandatory (in order to comply with federal rules), while others are determined by the school district (for example, food safety or delivery requirements). Regardless, a producer responding to a solicitation must comply in order to be eligible for selection.

BRINGING IT TOGETHER: RESPONDING TO SCHOOL SOLICITATIONS

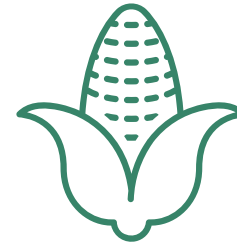
When responding to a solicitation, remember to take the opportunity to stand out as a local vendor! **To additionally differentiate yourself as a local vendor, you can offer to:**



Host field
trips or
farm visits



Come in for
classroom
visits



Provide
materials for
cafeteria
education



Support
school/
community
events



UNDERSTANDING WHAT MOTIVATES A SCHOOL NUTRITION DIRECTOR

Do not assume that all schools have the same motivations and requirements! Knowing the current landscape of the school meal program you want to work with will help you decide how to best approach the School Nutrition Director, avoid common pitfalls, and ultimately make the sale.

You should make an opportunity to meet with the School Nutrition Director (or other school buyer) to learn about their specific needs and requirements.

Here are some key points to discuss together:

- **Program goals:** Understanding the buyer's professional and personal motivations may provide producers an opportunity to negotiate requirements based on shared values and priorities.
- **Product needs:** Ask about the kinds of products they are interested in purchasing locally—how much and how often do they need products to be processed, and how are they used to receiving local products? You may also consider asking what they plan to make with the product. This question may reveal that there are unidentified flexibilities or new product opportunities.
- **Sourcing practices and preferences:** Find out if they are interested in purchasing directly from you or if they prefer to work through a distributor. Depending on past experiences, they may have hesitations about sourcing through certain market channels. Be sure to find this out, so you can address potential issues proactively.
- **Solicitations and procurement:** Ask what type of procurement method they typically use for the products you're interested in selling, and what the timing is for those solicitations. It's important to understand that certain products may commonly be purchased informally, while others may need to be purchased through formal methods, due to the dollar value of purchases.
- **Payment:** Understanding the school's invoicing and payment processes is critical to anticipating cash-flow requirements and avoiding delays.
- **Contingencies:** It is important to make plans for addressing the unexpected such as missed delivery, crop failure, natural disasters, etc. These things happen. What's important is that you establish clear expectations and have a mutual understanding for addressing them. This reduces risk and helps maintain working relationships.



APPROACHING SCHOOL NUTRITION DIRECTORS

It is important to be patient when approaching school food service directors; working directly with farmers may be as new to them as working with schools is to you!

Here are a few things you can do to help jumpstart relationship building and build trust:

- Communication is key
- Be prepared for your conversation
- Always make an appointment
- Share your expertise (and passion!)
- Remember, developing trusted relationships takes time
- Avoid judgment and don't disparage school food



MEETING WITH SCHOOL NUTRITION DIRECTORS

There are many opportunities for producers to connect face-to-face with school buyers, and this is often incredibly beneficial, as it provides a critical opportunity for building trust and addressing market-specific questions about procurement processes and vendor requirements. Some ways to connect directly with school buyers include:

- **Attending relevant conferences and trade shows.**
 - **Examples:** Florida Farm to School Conference, Association of State Departments of Agriculture Conference, State School Nutrition Association Conference, Sustainable Agriculture Working Group Regional Conferences, etc.
- **Hosting farm visits:** As a producer, this is a strategy to connect with schools by showing them your farm, ranch, or business operation and to make school nutrition professionals feel comfortable about and interested in your products and practices.
 - If possible, taste testing on-site is a good opportunity for school buyers to sample the quality of products you grow, raise, catch, or produce. Be sure to keep food safety at the forefront.
- **Collaborating with schools:** These events are a great time to make an initial connection with school buyers and establish next steps to follow up with a more detailed conversation.
 - **Production planning meeting:** Producers can host a meeting with a school's Food Service Director or other school nutrition professional after a solicitation has been responded to and a contract awarded.
 - **During this meeting,** you and the school can collaboratively plan the school menu and make decisions about what and how much to plant to prepare for the next school year, within the scope of the contract. As you know, it is best if this happens between the months of December and March for produce, and at other times of year for additional products, for planning purposes.





FARM TO SCHOOL MARKET CHANNELS



FARM TO SCHOOL MARKET CHANNELS

It is important to identify the best market channels for selling to schools based on your operation's capacity and goals.



Understand how to:

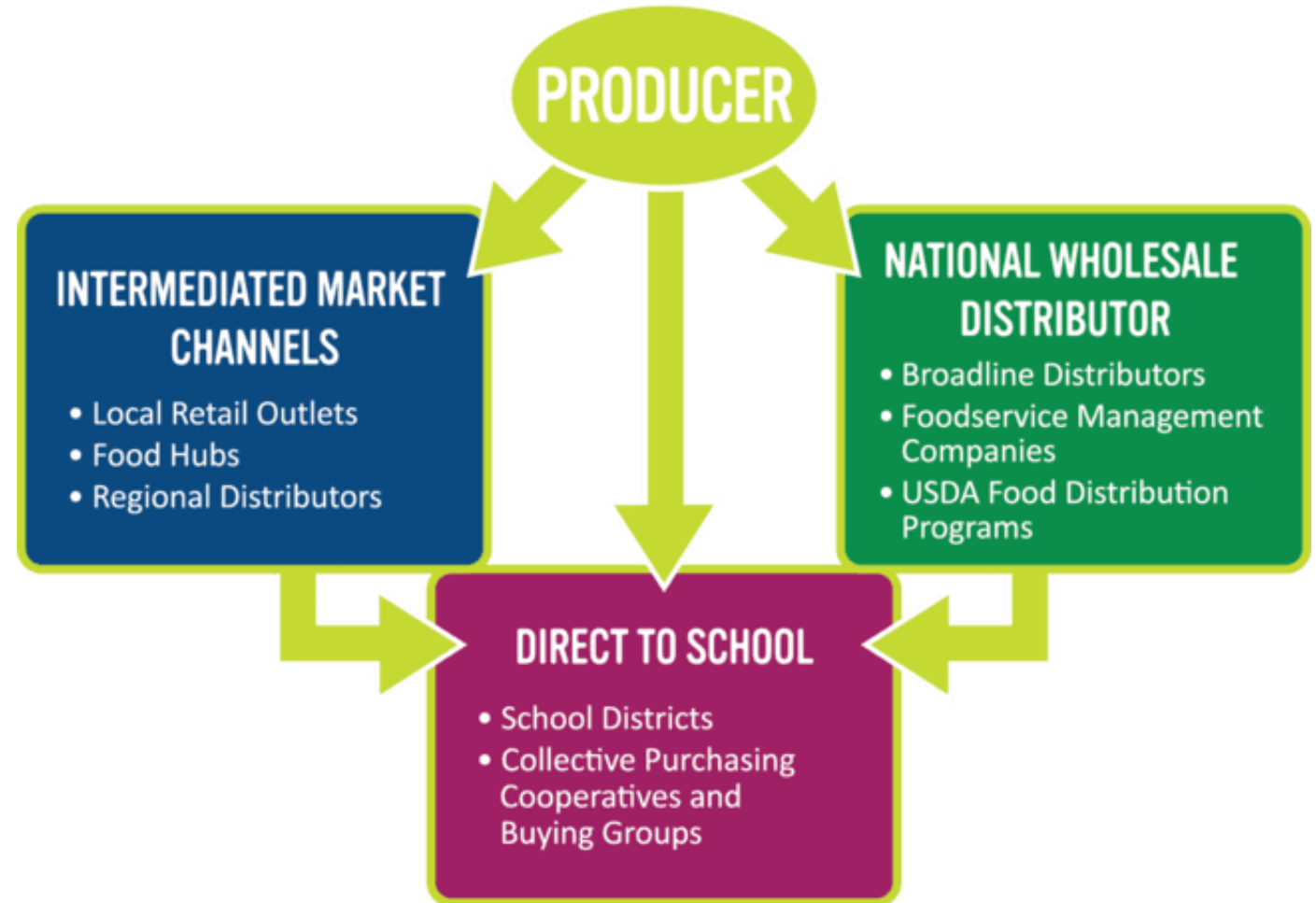
- Read and respond to a solicitation
- Meet the vendor requirements of school markets
- Meet the product-quality standards of school markets
- Approach and communicate with school buyers



HOW DOES YOUR PRODUCT GET TO THE SCHOOL?

Within each of these market channels, there are several outlets and approaches to getting your products into the school market.

MARKET CHANNELS FOR SELLING TO SCHOOLS



OVERVIEW OF FARM TO SCHOOL MARKET CHANNELS

There are two primary supply chain models for getting your food into school markets:

Direct to School

40% of schools report they get local food directly from a farmer

Intermediated

63% of school districts participate in Farm to School use intermediaries, such as distributors



DIRECT-TO-SCHOOL: SUPPLY CHAINS

A direct relationship between a local producer and the school.

- **Direct-to-school supply chains** are what many people think of first when they hear “farm to school”: a purchasing relationship directly between a local producer and the school buyer.
- This approach emphasizes the connection between the producer and the consumer (in this case, the students) and is considered a local supply chain model.
- When selling to school markets, producers market their products directly to school districts and coordinate logistics such as distribution/delivery.
- We will discuss a variety of approaches that producers can use to access school markets through direct market channels later in this module.



DIRECT-TO-SCHOOL: BUYERS

School buyers have many names, such as:

- School Food Authorities (SFAs)
- School Nutrition Directors (SNDs)
- School Foodservice Managers
- Procurement Managers



DIRECT-TO-SCHOOL: MARKET CHANNELS

Farmers Markets & Farm Stands

Producers can sell directly to schools through farmers' market channels they may already be utilizing

Community Supported Agriculture

Schools may become a CSA drop site or buy through CSAs

School Contracts & Purchase Orders

Producers can sell directly to school districts utilizing both formal and informal procurement methods



DIRECT-TO-SCHOOL: POTENTIAL BENEFITS

- High levels of customer satisfaction
- Grow your brand and business
- Potential market for lower-grade products
- Direct lines of communication
- Increased competitiveness in bidding processes
- Local decision-making processes





DIRECT-TO-SCHOOL: POTENTIAL DRAWBACKS

- **Increased time spent marketing products:** Establishing and managing relationships takes time. This means valuable time away from the farm and/or increased investment in staffing/labor.
- **Complexity of determining a fair price:** Careful consideration is needed to make sure product price is competitive and allows the producer to recover inputs (labor, production, distribution, insurance).
- **Food safety standards:** Infrastructure improvements may be necessary to ensure post-harvest handling systems align with required food safety standards (in regard to washing, processing, and storage of products).
- **Required documentation and recordkeeping:** Quality management and traceability systems are required to reduce liability in case of “the unthinkable” (i.e., food-borne illness/outbreak).
- **Potential requirement for increased distribution capacity:** School clients are accustomed to certain delivery and drop-off services from vendors.
- **Payment processes often require invoicing:** Payment upon delivery is unlikely and potential lag time may put strain on your operational capacity.
- **Vendor establishment:** Solicitation methods can be complex and procurement processes tough to navigate.

INTERMEDIATED MARKET CHANNELS

- Local Retail Outlets
- Regional Aggregators and Food Hubs
- Value-Added Processors
- Independent Local and Regional Distributors



SELLING TO SCHOOLS THROUGH LOCAL RETAIL OUTLETS AND REGIONAL DISTRIBUTORS

- **Local Food Cooperatives:** These member-owned entities can vary from retail outlets to volunteer organizations. They uphold cooperative principles and prioritize benefits for consumers and producers as community stakeholders.
 - **Benefits and drawbacks:** They can facilitate purchasing arrangements with schools by aggregating, storing, and/or delivering product. However, depending on the structure and mission of these businesses, vendor requirements and fees for these services can be substantial.
- **Regional Distributors:** These businesses can range in scale, though they commonly include small and medium-sized, local/regional, and family-owned businesses.
 - **Benefits and drawbacks:** Not all distributors serve school markets, but when they do, this can greatly reduce the marketing burden for producers. Regional distributors can often be more flexible in working with small producers and may be willing to accept smaller volumes and a wider variety of products.



CONSIDERATIONS FOR SELLING THROUGH REGIONAL DISTRIBUTORS

Regional distributor channels can be a good match for producers familiar with wholesale practices and those needing support for distribution to school sites.

There are many examples of regional distributors who source from small and diversified farms in a region (or through food hubs) to meet product demand of larger school markets. Many distributors rely on established suppliers; therefore, engaging in school sales through distributor channels can be a challenge for producers who are more experienced selling direct-to-consumer.

Here are some important considerations for selling to schools through distributors:

- Most distributors will require some kind of memorandum of understanding or even forward contract.
- Use clear communication when constructing a production contract. Good contracts outline clear expectations and plan for the unexpected.
- Most distributors will require a food safety plan, and many require certification such as Good Agricultural Practices (GAP) and/or on-farm inspections of food safety practices.
- Product quality is an important consideration. Be sure to discuss post-harvest handling and review standards outlined in your agreement.
- Most distributors will expect a computerized invoice and recordkeeping program (such as QuickBooks). A program like this is something you'll want to be sure to include in your marketing plan.
- Don't forget to discuss contingency plans with buyers for addressing the unexpected (such as crop failure, natural disasters, etc.) and incorporate them into your contract appropriately (i.e., force majeure clauses).



NATIONAL WHOLESALE DISTRIBUTION CHANNELS

National Wholesale Distribution can be a good match for producers familiar with wholesale practices, those wanting to access school markets to move large product volumes, and those seeking support for distribution to school sites. Most operate on a national scale, but they have regional warehouses and some are highly motivated to buy local products.

- Most schools already receive products from distributors and sometimes refer to these companies as a “prime vendor.” These businesses aim to provide as many products as possible to as many customers as possible, and achieve this by becoming experts at logistics and supply-chain management.
- National Wholesale Distributors rely on large, established suppliers; therefore, vendor requirements, contracting processes, and required product volumes can be hard for smaller producers to meet (and benefit from).
 - Product grading standards are adhered to strictly, most distributors require Grade A standards for unprocessed products.
 - Product traceability and food safety certifications, such as Good Agricultural Practices (GAP)/Good Handling Practices (GHP), are almost always required.
 - Payment schedules for distributors can vary (for example, 30- or 60-day payment schedule is not unusual for broadline distributors). Be sure to clarify expectations in contracting and account for this in your cash flow.



COLLECTIVE PURCHASING MODELS

Some school districts participate in state and regional purchasing cooperatives and buying groups to utilize collective purchasing.



- Producers can potentially establish themselves as an approved supplier so that they can access multiple school markets through a streamlined process, thereby:
 - Aggregating product demand
 - Increasing product volumes
 - Expanding school sales



JUST GETTING STARTED?

Don't overthink it! The first thing to consider when you first start selling to schools, is to start small.

- Just get started, get your foot in the door and you can build your Farm to School business as you are building relationships with school nutrition directors and distributors.
- **Get started with:**
 - **Micro purchases in your local schools**
 - **Events**
 - Harvest of the Month
 - Virtual Farm Field Trip
 - National Farm to School Month (October)
 - Crunch Event Taste Tests with UF/IFAS
 - Fresh Fruit and Vegetable Program



FROM GOALS TO PLANNING

Earlier, we covered the different market channel opportunities that schools provide. The market channel that you select determines how you process and present your product to the school.

- **Market channels for selling to schools:**
 - Direct to school
 - Intermediate markets such as hubs and aggregators
 - Large national distributors
 - USDA Foods or Department of Defense (DoD) Fresh
- **Determining how your product fits into a school menu**
 - Market Channels
 - School Needs
 - Market Price
- **We want to consider what the schools' needs are.**
 - Are they looking for whole or chopped zucchini?
 - Do they prefer string beans over snap peas?
 - This is where the Florida Farm Connect Portal can be your best friend and give you a competitive edge!
 - School districts with Farm Connect profiles are telling you EXACTLY what commodities they need

