



# FARM TO INSTITUTION

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## Guiding Market and Pricing Decisions for Small- and Medium- Scale Farms

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National Institute of Food and Agriculture



MSU CENTER *for* REGIONAL FOOD SYSTEMS





# FARM TO INSTITUTION (FTI)

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## GOALS

- Foster marketing relationships
- Enhance sustainability

## OBJECTIVES

- Identify prominent features of FTI models
- Measure interest, barriers and ability to participate
- Develop tools to measure farm production costs and guide pricing decisions
- Create materials to guide farmers' decisions to participate

# SURVEY OF MI VEGETABLE FARMERS

- To determine interest and willingness to sell to institutions and barriers associated with FTI
- Partnered with USDA NASS Michigan Field Office
- 25-question paper survey mailed to 825 farmers
- 311 responses from farmers with active farms

## Interested in selling to institutions

K-12 schools	47%
Hospitals	41%
Colleges/universities	40%

# SURVEY OF MI VEGETABLE FARMERS

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## Top three responses

### Factors for selecting markets

Fair prices (89%)

Reliable payment (87%)

Market's value of local food and farming (80%)

### Motivators to sell to institutions

Supplying healthy foods to customers (77%)

Fair, steady prices (77%)

Supplying local food to consumers (76%)

### Concerns about selling to institutions

Timely payments (69%)

Prices too low (65%)

Regular communication needed with customers (61%)

Data analysis by Caitlin Fisher, University of Michigan School of Public Health



# INTERVIEWS WITH MI DISTRIBUTORS

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- **Purposeful sampling of specialty distributors**
  - Rooted: Have long-standing relationships with farmers (3)
  - Strategy: Use local as a marketing strategy (3)
  - All Local: Use local as a niche market (2)
  - Up-and-comers: Moving toward local sourcing and marketing (2)
- **Selection criteria**
  - In business for more than 3 years
  - Currently sourcing from local farmers
  - Planning to sell to or currently selling to institutions

# INTERVIEWS WITH MI DISTRIBUTORS

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Attributes of “Localness”	
<b>Motivations</b>	Supporting local movement (8)
	Cost effectiveness (5)
	Nutritional benefits (4)
	Customer demand (4)
<b>Benefits</b>	One-on-one relationship (6)
	Fresh product (5)
	High buyer volume (3)
<b>Challenges</b>	Food safety implementation for small growers (10)
	Demand exceeding supply (5)
	Government regulations (5)
	School year and growing season misalignment (4)

Interviews and analysis conducted by Shakara Tyler, Michigan State University

# OUTCOMES AND OUTPUTS

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## Michigan

- Understanding of FTI actors' motivations and behaviors
  - Social relationships
  - Farmers' interest, ability and challenges
  - Specialty distributors' motivations, benefits and challenges
- Two journal articles under review
- One journal article forthcoming
- Conference presentation at Farm to Cafeteria Conference



# OUTCOMES AND OUTPUTS

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## Vermont

- Understanding of FTI actors' motivations, behaviors and tradeoffs
  - Understanding cost measurement and price discovery strategies of diversified farmers
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- Two Masters theses (Noelle Sevoian & Florence Becot)
  - Four journal articles under review
  - Report with VT-FEED quantifying institutional purchases (quantities and dollars)



# NEXT STEPS

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## Michigan

- Prototypes to describe prominent FTI supply chain models
- Fact sheets to help guide farmers' decisions to participate in different models of FTI
- Additional journal articles on FTI data

## Vermont

- Outreach bulletins and lesson plans on FTI marketing and cost measurement and price discovery
- Research on strategic partnerships to scale up local food systems



# THANK YOU

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