

DOCUMENT RESUME

ED 450 986

RC 022 829

TITLE Marketing Fresh Produce to Local Schools: The North Florida Cooperative Experience [and] Cultivating Schools as Customers in a Local Market: The New North Florida Cooperative Experience [and] Acquiring Capital and Establishing a Credit History: The North Florida Cooperative Experience [and] Success of the New North Florida Cooperative: A Progress Report on Producer Direct Sales to School Districts. Small Farmer Success Story. Bulletins 1-4.

INSTITUTION Department of Agriculture, Washington, DC.

PUB DATE 1999-07-00

NOTE 14p.

AVAILABLE FROM Full text at Web site:
<http://www.ams.usda.gov/directmarketing/publications.htm>.

PUB TYPE Reports - Descriptive (141)

EDRS PRICE MF01/PC01 Plus Postage.

DESCRIPTORS *Ancillary School Services; *Cooperatives; *Farmers; Food Service; Lunch Programs; *Marketing; *Rural Development; Rural Farm Residents; Rural Schools; School Business Relationship; Small Businesses

IDENTIFIERS Florida; *Small Farms

ABSTRACT

These four bulletins describe how a group of limited-resource small farmers in northern Florida's Jackson County, the USDA, the West Florida Resource Conservation and Development Council, Florida A&M University, and the Federation of Southern Cooperatives organized the New North Florida Cooperative to increase farm income by introducing improved methods of marketing value-added agricultural products while encouraging innovative farming techniques. The cooperative recognized a considerable opportunity in serving local school districts with fresh agricultural products, and focused its marketing efforts in that area. The first bulletin gives an overview of the cooperative's history and operations. The second bulletin describes how a good working relationship was established with the Gadsden County School District through professionalism and courtesy, purpose and seriousness, accountability and commitment, sample products, and certification as a Department of Defense (DoD) vendor. The third bulletin recounts how the fledgling cooperative acquired capital and established a credit history. A written proposal, certification as a DoD vendor, an endorsement from the Gadsden county food service director, and the fact that the U.S. Department of Agriculture was working with them helped the cooperative obtain loans from their county development council and a local lending institution. The fourth bulletin enumerates the cooperative's success during its first year, and describes the difficulties encountered and how they overcame them. (TD)

**Marketing Fresh Produce to Local Schools:
 The North Florida Cooperative Experience
 [and]
 Cultivating Schools as Customers in a Local Market:
 The New North Florida Cooperative Experience
 [and]
 Acquiring Capital and Establishing a Credit History:
 The North Florida Cooperative Experience
 [and]
 Success of the New North Florida Cooperative:
 A Progress Report on Producer Direct Sales to School Districts.
 Small Farmer Success Story.**

Bulletins 1-4.

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Small Farmer Success Story

Bulletin No. 1 - July 1999

Marketing Fresh Produce to Local Schools: The North Florida Cooperative Experience

Small farmers in the United States are declining in number and experiencing economic difficulty at a time when much of the country is enjoying prosperity. Small farm and ranch operators in the northern Florida region are faced with many obstacles in their efforts to succeed. This situation has been recognized, and initiatives are underway to ensure the continued contribution of small farmers as an important part of agriculture in the United States. This bulletin describes an effort in Florida.

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

These small farmers formed the New North Florida Cooperative (Cooperative). They reached an agreement, establishing the specific responsibilities of the participants and the Cooperative. They identified several concerns that affected the future of their farms and families, including:

- ▶ Limited-resource growers going out of business
- ▶ Keeping participants focused on one market while building a cooperative
- ▶ Dealing with destructive attitudes and perceptions
- ▶ Farmers wanting too much from a cooperative too soon

The management team developed a vision statement reflecting the best possible future and a mission statement describing how the Cooperative would attain that future. The management team also analyzed strategic business options.

The strategy of the New North Florida Cooperative is to increase farm income of small farmers through niche marketing, value-added processing, and alternative enterprises. The Cooperative business plan will be developed to efficiently serve local school districts with fresh, leafy greens as part of the School Lunch Program. In addition to the main product of leafy greens, the Cooperative will diversify into other produce varieties.

The Cooperative consists of three groups:

- ▶ Participants who produce and harvest fruit and vegetables according to set standards and quality specifications.
- ▶ A small labor force of part-time employees who perform value-added processing.
- ▶ A management team that provides leadership, organization, market development, planning, and coordination.

The management team established action plans to overcome hurdles such as marketing, postharvest handling, processing, delivery, and community relations.

Two major barriers were the acquisition of capital and establishing a credit history. The Cooperative had few resources. The management team approached the Jackson County Development Council, a nonprofit organization that helps implement the President's Empowerment Zone

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program, and a local bank for financing. Both institutions agreed to loans, which made possible the purchase of handling and storage equipment, essential to the survival of the Cooperative.

A packing/processing shed was constructed to house the equipment and provide a comfortable work environment. The Cooperative bought a cutting/chopping machine and a refrigeration storage system that would meet its current needs and allow room to expand.

The Department of Defense (DoD) has developed an innovative program, the Direct Vendor Delivery program (DVD) (contact person, Linda Stanhope, 1- 800-795-5772), to make greater quantities and varieties of fresh fruits and vegetables available to school children. The DVD program facilitates the provision of Federal funding designated for school lunches to school districts for purchases of fresh fruit and vegetables and provides assistance to school district food service directors. This program made the option of purchasing produce from the Cooperative a very economical choice.

The Cooperative recognized a valuable opportunity in serving local school districts with agricultural products. The management team developed a plan to approach customers in the local market. It determined which attributes and business practices the Cooperative would have to embody to be successful, including:

- ▶ Professionalism and courtesy
- ▶ Purpose and seriousness
- ▶ Accountability and commitment
- ▶ Sample products
- ▶ Certification as a DoD vendor and participation in the DVD program

The Cooperative then focused on developing a working relationship with the Food Service Director for the Gadsden County School District. The Cooperative did its best to provide the necessary amounts of high-quality fresh fruit and vegetables on time. As the school year progressed, a positive working relationship developed between the Food Service Director and the Cooperative. Word-of-mouth advertising has made the Cooperative a reputable vendor and is opening doors of opportunity in other school districts.

The preliminary vending experiences during the 1997/98 school year were positive steps in building a long-term, reputable business. The Cooperative's main product was fresh, cut, leafy greens. Small quantities were delivered to Gadsden County schools during the fall. By spring, the amount had increased to more than 1,500 pounds per delivery. The Cooperative was determined to expand the number of produce items available to local schools. Watermelons and strawberries were grown and sold to schools as desserts and additions to the School Breakfast Program. The 1997/98 school year was a year of substantial progress in organization, equipment purchases, and market development. In addition, the Cooperative established a solid sales record. The Cooperative and its participants were pleased with their progress during the 1997/98 school year and are optimistic about increased opportunities during the 1998/99 school year.

The Cooperative worked with its customers to agree upon a fair price. The management team considered the costs incurred during production, postharvest handling, and delivery. An estimate was made, and the management team decided on a reasonable profit level. The added value of washed, chopped, and packaged leafy greens eliminated those labor expenses in school kitchens. Unlike selling value-added leafy greens, marketing strawberries did not allow the Cooperative to set its selling price. To be competitive, the management team had to monitor weekly and daily market prices and set its prices accordingly.

Sales by the Cooperative have offered children in these rural schools additional food choices. Food service managers have noted increases in student participation in the School Lunch Program, as well as increased sales to faculty, staff, and maintenance personnel.

Food service managers have expressed pleasure regarding their business relationship with the Cooperative, citing nutritional benefits and noticeable student acceptance as particularly significant advantages. These positive results were attained through the combined efforts of the Cooperative and the Gadsden County School District Food Service staff.

The first year of the pilot project resulted in many successes and valuable learning experiences, as outlined below.



Successes Over the First Year

- ▶ Innovative partnership for assistance
- ▶ Organizational development
- ▶ Purchasing equipment
- ▶ Market development
- ▶ Building a strong delivery record
- ▶ Improving income for small farmers
- ▶ Teamwork
- ▶ Product trials
- ▶ Proven reputation with Government agencies
- ▶ Establishing a demonstration project
- ▶ Creating community awareness
- ▶ Providing nutritional benefits to children
- ▶ Positive business reputation

Learning Experiences Over the First Year

- ▶ Summer weather unfavorable for growing leafy greens
- ▶ Strawberry production
- ▶ Equipment
- ▶ Efficiency
- ▶ Cooperative effort of small farmers

The first year of the pilot project enabled AMS, NRCS, WFRCDC, and Florida A&M to work together in assisting this group of small farmers in the northern Florida area. These limited-resource growers, who united to form the New North Florida Cooperative, overcame many barriers, developed a stable local market, and established a reputation for providing fresh fruit and vegetables for school children. All participants are looking forward to the second year of the pilot project. With the past successes and learning experiences to build upon, the small farmers are optimistic about additional business opportunities and a better life on the family farm.

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

- ▶ Small Farmer Success Story: Acquiring Capital and Establishing a Credit History
- ▶ Small Farmer Success Story: Cultivating Customers in a Local Market: The New North Florida Cooperative
- ▶ Small Farmer Success Story: Successes of the New North Florida Cooperative

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

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

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

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Small Farmer Success Story

Bulletin No. 2 - July 1999

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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



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

Preliminary Vending Experiences During the 1997/98 School Year

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

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

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

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

Table 1. Delivery Schedule for Leafy Greens in Fall 1997

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

Table 2. Delivery Schedule for Leafy Greens in Spring 1998

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

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

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

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

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

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

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



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

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Small Farmer Success Story

Bulletin No. 3 - July 1999

Acquiring Capital and Establishing a Credit History: The North Florida Cooperative Experience

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

A cooperative, like any other business, needs access to capital to finance operations and make necessary purchases. If a cooperative doesn't have sufficient equity capital, it has to borrow the money and go into debt. There are two types of debt, short- and long-term. Short-term loans are used to finance operating expenses or material inputs and are paid back usually within a year. Long-term loans are obtained to finance fixed assets, such as land, equipment, or vehicles, and are paid back over a number of years.

For a cooperative to acquire a loan from a traditional lending institution, such as a bank, it must have good credit or substantial collateral. Since the Cooperative in Florida was made up of limited-resource growers, it had little or no resources. As a new business venture, the Cooperative did not have a credit history either. As a result, the New North Florida Cooperative was concerned about its ability to establish a good line of credit, and it needed to be able to borrow money to acquire the necessary equipment to begin operations.

A major concern of the participants was what would happen if the Cooperative failed to repay a loan. They did not want to put their own farms or businesses in jeopardy if the Cooperative experienced financial difficulties. This concern was unfounded. The Cooperative as an entity is responsible for its own debts. The participants are not responsible, through their property or finances, for the debts of the Cooperative.

In preparing to meet with lending institutions, members of the management team tried to anticipate the questions and concerns of the loan officer. The management team identified several critical factors that they felt had to be conveyed to lending institutions and loan officers to enhance their ability to obtain a loan.

1. Professionalism
2. Seriousness of purpose
3. Certification as a Department of Defense (DoD) vendor (contact person, Linda Stanhope, 1-800-795-5772)
4. Proven success
5. USDA cooperation at local and national levels to demonstrate credibility

To illustrate it was a professional organization, the management team developed and submitted a concise written proposal that detailed the need for the loan and what the Cooperative intended to do with the money. The written proposal and the formal presentation demonstrated that they expected to be taken seriously and promoted self-confidence among Cooperative representatives.



While professionalism is an important first step, a lending institution is concerned about a client's determination to succeed in business and to repay the loan in a timely manner. The management team showed a confident purpose and resolve in its meetings with the lending institutions, thereby demonstrating that the Cooperative was serious about business success and timely loan repayment.

The management team took a copy of its DoD Order for Supplies and Services certification as a School Lunch Program provider to its meetings with lending institutions. This showed its resolve to become a respected vendor to the School Lunch Program and not just a sporadic or occasional provider. It also showed the lending institutions that this fledgling cooperative of small farmers was taking its business seriously enough to realize the need to work with DoD and to follow DoD procedures. Probably the most important aspect of the DoD certification was that it lent credibility to the Cooperative from the Federal Government.

The Cooperative had approached the lending institutions for financial assistance to improve its business efficiency and capabilities. It had met and was continuing to meet a delivery schedule with the local school district. The money the management team requested was not for initial start-up costs but, rather, to purchase equipment to improve its effectiveness and expand its operation. The Gadsden County Food Service Director's endorsement of the Cooperative was very helpful in convincing the loan officer to approve the loan.

The fact that USDA was working closely at both the local and national level with the Cooperative also lent credibility to the management team's request for a loan. The lending institution could see that these various agencies within USDA had sufficient confidence in the Cooperative to actively assist it with technical expertise and resources.

The Cooperative first applied for and received a loan from the Jackson County Development Council (JCDC). JCDC is a community-based, nonprofit organization established to work with the community to increase local economic opportunity through the Empowerment Zone/

Enterprise Community Program. A second loan was secured from a local lending institution. The loans enabled the Cooperative to purchase necessary postharvest handling equipment and establish an efficient value-added operation.

Acquiring capital and establishing a credit history were important steps in taking the Cooperative from a promising concept to a viable business that enabled money to flow to and within the community. Looking back, the Cooperative realizes how important these steps were to its success. The effort in preparing for the loan interview paid off for the New North Florida Cooperative.

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

- ▶ Small Farmer Success Story: Marketing Fresh Produce to Local Schools
- ▶ Small Farmer Success Story: Cultivating Customers in a Local Market
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Small Farmer Success Story

Bulletin No. 4 - July 1999

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

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

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

Successes During the First Year of the Pilot Project

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



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

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

Learning Experiences During the First Year of the Pilot Project

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

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

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



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

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

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

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

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

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

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

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

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EFF-089 (3/2000)