

Farm to Grocery Best Practices

Producers have several options for selling products: direct sales, farmers' markets, farm stands, food hubs, restaurants, schools, and more. Adding a grocery store to the mix further diversifies markets and builds resilience.

Locally grown items are in high demand in grocery aisles, and rural grocers are often looking to provide new offerings. Why not make the connection between the farm and the local grocery store? This fact sheet offers several considerations and recommendations for partnering with rural grocery stores to sell locally produced food.



Identifying Buyers

First, look for grocers in your area who are already sourcing locally as a sign of potential interest. If they already participate in Double Up Food Bucks, they are highly encouraged to source fruits and vegetables from local producers. Shop Kansas Farms also has an interactive map where rural grocers can indicate their interest in selling local product. Next, reach out! Grocers are early risers, so call earlier in the day and ask for the owner or manager. Offer to stop by the store and talk in more detail.

Ordering and Delivering

Grocers need consistency in what they supply to their customers, so establish a protocol for sharing what is available at the farm. Initially, this may require back and forth with the grocer to identify what products and amounts are delivered at what intervals. Aim to establish a standing order with the grocer and identify the frequency of delivery (weekly, biweekly, monthly). For example, 10 pounds of tomatoes per week from July to September.

Billing

Discuss with the grocer payment expectations – how soon you expect payment after receipt and acceptable forms of payment. Invoices are most common when working with grocery stores. Include items delivered (number and unit cost), total amount, and payment due date. Be sure to specify whether delivery or freight costs are included (grocers may be paying delivery cost as a lump sum per order from their main distributor).

Pricing

When setting prices with the grocer, you will want to offer a wholesale rate. At the farmers' market or farm stand, you're able to charge a premium. Wholesale accounts like grocery stores are typically able to move a greater volume of product, resulting in a lower unit price.

This doesn't mean a local producer must match the wholesale distributor's price. Customers will still pay a premium for local produce. Depending on the amount of processing, packaging, shipping and handling costs, pricing for wholesale will be different for each producer and buyer relationship.

Buy Local Foods Pricing and Invoicing Guide:

<https://www.buylocalfood.org/upload/resource/PricingAndInvoicing.pdf>

Setting Your Price Guide: www.agmrc.org/business-development/business-management/feasibility--development-business-financials/setting-your-price

Meat Price and Yield Calculator, Cornell Cooperative Extension: <http://calculator.meatsuite.com>

USDA Agricultural Marketing Service Specialty Crops Terminal Markets Standard Reports:

<https://www.ams.usda.gov/market-news/fruit-and-vegetable-terminal-markets-standard-reports>

USDA Agricultural Marketing Service National Weekly Retail Activity Reports:

www.ams.usda.gov/market-news/retail



Grading and Packing

Set expectations with the grocer for grading and packing. Following grading and packing standards ensures that you are speaking the same language with the grocer.

Some retail outlets may require additional labeling on the product, like a PLU number or barcode. If this is required, you may consider ordering labels through a 3rd party company. An internet search for produce label companies should return several options to consider. From the Land of Kansas also offers support for barcodes.

USDA Grades and Standards:

<https://www.ams.usda.gov/grades-standards>

Wholesale Packing Resource Guide:

www.sare.org/wp-content/uploads/Wholesale-Packing-Resource-Guide.pdf

Wholesale Success: A Farmer's Guide to Selling, Postharvest Handling and Packing Produce:

<https://bit.ly/3nxBuZx>

Grading and Packing Guidelines by Crop, Cornell Cooperative Extension:

<https://cvp.cce.cornell.edu/submission.php?id=503>

Product Liability Insurance

Check with the grocery store to see if they have any product liability insurance requirements for their suppliers.

Licensing Requirements

Be sure to follow all licensing requirements as set forth by the Kansas Department of Agriculture and all other applicable regulatory agencies.

Kansas Department of Agriculture:

Email kda.fsl@ks.gov or call 785-564-6767.

Kansas Department of Agriculture Licensing Guides:

<https://agriculture.ks.gov/kda-services/licensing-guides>

Other Food Safety Requirements

Check with the grocery store owner if they have any additional food safety requirements, such as GAP certification or others.

Food Safety Guides, K-State Research & Extension:

www.ksre.k-state.edu/foodsafety

Additional Resources

K-State Research & Extension Local Food Resources:

www.rrc.k-state.edu/localfoods/index.html

Shop Kansas Farms:

<https://shopkansasfarms.com>

Kansas Rural Center:

<https://kansasruralcenter.org>

Minnesota Extension Farm to Grocery Toolkit:

www.misa.umn.edu/publications/farm-grocery-toolkit

Acknowledgments

We thank the following individuals for reviewing and contributing to this fact sheet: Cal Jamerson, K-State Research & Extension; Rick McNary, Shop Kansas Farms; Londa Nwadike, K-State Research & Extension/University of Missouri Extension; Jenny Osner, Hired Man's Grocery & Grill; Gabe Spurgeon, South Baldwin Farms/Kansas Specialty Crop Growers Association; and Kaitlin Stanley, Kansas Rural Center.