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Small-Scale Farmers Supplying Produce Commercially: Five Issues and Associated Buyer Questions and Implications for Extension

Abstract

To assist a cooperative of small-scale farmers in selling produce to a commercial buyer, Extension personnel translated industry standards for supply into practices suitable for such producers. This multiyear effort led to identification of five relevant issues: capability, quality, food safety, consistency, and sustainability. The commercial buyer questions behind these issues are presented, and the implications for Extension assistance in terms of training, technical support, and resources used are discussed.

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Background and Project Description

Extension has long labored to connect small-scale farmers with commercial markets through various efforts. Gao and Bergefurd (1998) surveyed chefs about demand for high-value herbs to determine the income potential for small-scale farmers on limited acreage. Middendorf (2007) assessed information needs in the organic sector through focus group discussions and interviews with growers and retailers. Curtis, Cowee, Havercamp, Morris, and Gatzke (2008) implemented a multiple-method assessment to examine the gourmet restaurant market for local agricultural products. Wise et al. (2013) compared survey results to explore supply and demand for local food products across producers, restaurateurs, and consumers. Munden-Dixon, Furman, Gaskin, and Samples (2015) conducted surveys of food hub personnel and a needs assessment of farmers to connect hubs with farmers.

In 2011, Extension began an effort to assist a cooperative of small-scale farmers in supplying fresh produce to a major grocery retailer. In cooperation with the U.S. Department of Agriculture, Extension initiated the effort on behalf of the cooperative by approaching the grocery retailer directly. Details and implications of the effort are described herein.

Much of the effort involved helping the cooperative's members follow industry standards for supplying fruits and vegetables. Over several years, Extension personnel—through meetings, conference calls, and correspondence with the commercial buyer—detailed these standards, translated them into practices suitable for small-scale farmers, and provided applicable training to the cooperative's members. This process involved identification of five pertinent issues: capability, quality, food safety, consistency, and sustainability. The issues stemmed from the commercial buyer's questions and were addressed in part through the use of available Extension materials. In Table 1, the issues and associated commercial buyer questions are identified, Extension's response is summarized, and examples of relevant Extension resources are provided.

Table 1.

Small-Scale Farmer Outreach: Summary of Five Issues, Buyer Questions, and Extension Assistance and Resources

Issue	Question	Extension assistance rendered/example resource
Capability	Can you supply the produce?	Provided Extension publications on crop production Assisted with selection of commercial varieties Provided on-farm technical assistance with planting and harvesting Example: <i>Southeastern U.S. 2012 Vegetable Crop Handbook</i> (http://media.thegrower.com/documents/2012_SEVG.pdf)
Quality	Can you meet the specifications?	Provided buyer specifications and information on varieties Trained cooperative on grading, quality, and packing methods Provided integrated pest management technical assistance Example: USDA AMS grades and standards information (https://www.ams.usda.gov/grades-standards)
Food safety	Is your produce GAP-certified?	Provided Extension bulletins on produce food safety Trained cooperative on food safety standards and certification process Provided on-farm food safety technical assistance Example: <i>Food Safety Begins on the Farm: A Grower's Guide</i> (https://ecommons.cornell.edu/handle/1813/2209)
Consistency	Can you meet the quantity needs and timetable?	Provided Extension publications on production and scheduling Assisted with coordination of planting and harvesting Trained cooperative on communications and management Example: <i>Commercial Watermelon Production</i> (http://extension.uga.edu/publications/detail.cfm?number=B996)
Sustainability	Can you supply on a long-term	Provided Extension bulletins on enterprise budgets Located industry information with benchmarks of expenses Assisted cooperative with communications with

basis? commercial buyer Example: *2009 MALTAG Conventional Vegetables Planning Budgets*
(<http://www.caes.uga.edu/content/dam/caes-website/departments/agricultural-and-applied-economics/documents/extension/budgets/non-beef/2009ConvVegbudget.pdf>)

Note. USDA AMS = U.S. Department of Agriculture Agricultural Marketing Service. GAP = good agricultural practices. MALTAG = Mississippi, Alabama, Louisiana, Tennessee, Arkansas, and Georgia.

Issues, Questions, and Implications

Capability: Can You Supply the Produce?

Small-scale farmers want to sell what they can reliably grow. Commercial buyers want to buy what they can ultimately sell. These objectives are not always congruent. For example, many small-scale farmers can easily grow watermelons, and their local customers usually want large-sized (30-plus lb) seeded watermelons. However, commercial buyers typically prefer a medium-sized watermelon, about 20 lb, that sells easily. Also, seedless watermelons are better sellers, but planting and cultivation are more expensive and involved.

Myriad resources available through Extension provide information on the potential of a certain crop in a particular area. Often, opportunities to supply commercial buyers may have to be foregone because growing a crop is not feasible or profitable for small-scale farmers. For crops that can be grown profitably, Extension can provide guidance in selecting varieties, training on production, and other forms of assistance, depending on the needs of the small-scale farmers.

Quality: Can You Meet the Specifications?

Small-scale farmers typically have limited control over product quality and may have certain customers for which quality is not a major concern. Commercial buyers, particularly in the retail realm, require the highest standards of quality, related not only to marketing aesthetics but also to preservation (i.e., shelf life). Typically, small-scale farmers can sell most of what they grow to various customers at various prices, but commercial buyers will buy only the best possible product with the highest sell-through potential.

Information about direct and indirect produce quality control is available in Extension production, packing, and pest management bulletins. Any commercial buyer likely has product specifications, and Extension can provide training and technical assistance on how small-scale farmers can best meet those specs on the farm and in the packinghouse. Extension also can assist small-scale farmers with establishing best quality practices and obtaining resources for risk management measures, such as spray programs, irrigation, and refrigeration.

Food Safety: Is Your Produce GAP-Certified?

Small-scale farmers may think their produce is generally safe. However, they may be unaware of the genuine risks of food-borne illness and the potential liabilities commercial buyers face (or how the buyers' decisions are influenced by insurers and lawyers). Food safety audits of on-farm practices, based on globally recognized

standards and carried out by third-party certifying organizations, satisfy commercial buyers' need to provide the safest food possible and minimize their exposure.

Extension resources on produce food safety good agricultural practices (GAP) are numerous and continuously being updated. Providing GAP training for both small-scale farmers and their employees is a way that Extension can introduce these groups to practices that minimize the risks of contamination from water, workers, wildlife, and wastes. Usually, a GAP standard operating procedures manual must be developed, and technical assistance can be provided to assist small-scale farmers with improving their practices and preparing them for audits.

Consistency: Can You Meet the Quantity Needs and Timetable?

Small-scale farmers are suppliers of produce; commercial buyers are intermediaries between suppliers and consumers. When circumstances arise that cause delivery to be interrupted, small-scale farmers may suffer minor losses but commercial buyers may incur severe penalties. Commercial buyers commit to delivering certain quantities on a schedule; they need produce at predetermined times and in predetermined volumes. Delays or shortfalls in deliveries from small-scale farmers can be mitigated by commercial buyers, but at a cost to both profits and reputation.

Extension production bulletins are useful in projecting harvest yields and timing, facilitating thoughtful scheduling of plantings and labor needs. Extension resources also can assist small-scale farmers in working and producing together to minimize the risk of delays and shortfalls in deliveries to commercial buyers. Farmer group or cooperative training assists with management of the group and of the supply to commercial buyers. Extension also can provide assistance with obtaining needed infrastructure.

Sustainability: Can You Supply on a Long-Term Basis?

For stability, commercial buyers seek long-term relationships with, ordinarily, larger producers. However, large producers operate differently from small-scale farmers. For many small-scale farmers, production costs and markets change every season on the basis of factors such as input availability, weather, market prices, predation, and transportation costs. With larger producers, these factors are mitigated by practices such as sales and input agreements, irrigation, and pest management. Commercial buyers expect that all suppliers assure perpetual supply through such practices.

National, state, and county Extension entities offer tools such as enterprise budgets, production guides, and market information that can help small-scale farmers plan how to sustain their commercial supply on long-term bases. These tools provide industry information and standard measures for maintaining the production of many crops. Extension can help small-scale farmers incorporate similar, scale-appropriate practices from these tools. Extension also can assist small-scale farmers in communicating to commercial buyers how their use of these practices validates building a long-term supply relationship.

Conclusion

The effort described herein can be applied in other similar situations. By identifying pertinent issues based on buyers' questions, Extension can provide resources and training needed to assist small-scale farmers in becoming suppliers in commercial markets.

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