

Tips for Selling to: Produce Distributors

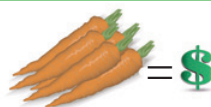
NCAT Marketing Tip Sheet Series

Produce distributors are businesses that aggregate product and resell it in small or large quantities to their customers. Distributors may be an individual with a van or a company with a fleet of eighteen-wheelers. Distributors can purchase from individual farmers, brokers, wholesale buyers, or packing houses.

Distributors sell to a range of customers, from individual restaurants to institutions such as hospitals and schools. Since local food has come into higher demand, some distributors have made the effort to focus their business on providing local produce to their customers.

For this market you can expect:

- Higher volume
- Lower prices



Advantages

★ key point

- Distributors can handle large volumes of product.
- Distributors can contract for a particular product for the whole season.
- Farm product identity could be retained in this wholesale market if the distributor focuses on local products.

Considerations

- While you can sell a larger quantity, expect a lower price per unit.
- Some distributors may not pay for 30 to 60 days. Make sure to keep organized records of money owed to you and be clear about when you want to be paid.
- Distributors have USDA standard pack and grade requirements that you will need to follow, which include clean, new boxes.
- Selling to distributors requires a well organized invoicing and recordkeeping system.



Earl's Organic Produce, San Francisco. Photo: Rex Dufour, NCAT.

Tips

- ★ Contact the distributor to see what products they are looking for as well as volume, price, pack and grade preferences, delivery or pickup schedule, and liability insurance and GAPs (Good Agricultural Practices) requirements.
- Ensure quality by pre-cooling and careful post-harvest handling.
- Consider specialty products that may bring a higher price, such as green garlic, squash blossoms, or pea tendrils that are variations on conventional items.



Key Questions to Ask Yourself about Selling to Produce Distributors

- How do these buyers want produce packed and delivered? What quantities do they want, and how often?
- Do I have liability insurance or a GAPs plan? Do these buyers require either of these items, and how much coverage do I need to have?

Resources

- **ATTRA Publications.** Prices vary for individual publications. Many are free. An inexpensive subscription to ATTRA will give you access to all 350+ publications and databases. Phone 800-346-9140. www.attra.ncat.org
 - *Illustrated Guide to Growing Safe Produce on Your Farm: GAPs* (2011) (English or Spanish)
 - *New Markets for Your Crops* (2008) (English or Spanish)
 - *Scheduling Vegetable Plantings for Continuous Harvest* (2008)
 - *Season Extension Techniques for Market Gardeners* (2005)
- *The Packer* is a weekly newspaper covering fruit and vegetable news, produce shipping, distribution, packing, marketing, and trends in fresh produce in North America. An annual produce and availability merchandising guide lists buyers by commodity and their states and cities. www.thepacker.com
- *Wholesale Success: A Farmers Guide to Selling, Post Harvest Handling, and Packing Produce* is a 255-page manual for the produce wholesale industry. It covers food safety, post-harvest handling, packing and grading standards, fulfilling orders, recordkeeping, billing, and building relationships. The manual includes harvesting, cooling, storing, and packing information for 103 different fruits and vegetables. Phone: 708-763-9920. www.familyfarmed.org/wholesale-success
- **AMS Fresh Fruit, Vegetable, Nut and Specialty Crop Grade Standards** lists the U.S. Agricultural Marketing Service grade (quality) standards for each fruit, vegetable and nut sold as commodities. <http://tinyurl.com/ams-grade-standards>
- *Food Safety and Liability Insurance for Small-Scale and Limited Resource Farmers* gives a brief overview of food safety and liability insurance. From the Community Food Security Coalition, in English or Spanish. www.foodsecurity.org/insurance.htm
- **Como Proteger Su Negocio Agrícola y Producir Alimentos Seguros en Su Granja** is a Spanish [audio](#) version of the Food Safety and Liability Insurance brochure mentioned above. On the Community Food Security Coalition website, you can click on the link to listen to the mp3 version on your computer. You can request a CD of this recording by contacting publications@foodsecurity.org, (503) 954-2970. www.foodsecurity.org/insurance.htm
- **USDA Terminal Market Report** lists current wholesale prices online at <http://tinyurl.com/3znaeuf>
- **Rodale Institute Organic Price Report** can be configured to show organic only or to compare organic and conventional wholesale prices at the current market rates. Prices of fruit, vegetables and grains are listed for six different wholesale terminals across the U.S. www.rodaleinstitute.org/Organic-Price-Report
- **UC Davis Small Farm Program Wholesale Market Resources** explain wholesale buyers and terminal markets: <http://sfp.ucdavis.edu/pubs/sfnews/Archive/93052.htm> and <http://sfp.ucdavis.edu/pubs/sfnews/archive/92091.htm>

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