



Assessing Producer Readiness for Institutional Procurement

Engaging in institutional procurement involves supplying food or agricultural products to large-scale buyers such as schools, hospitals, universities, elder care facilities, or government agencies. These institutions often purchase significant quantities of food on a consistent basis, making them valuable partners for producers looking to grow their operations. However, institutional procurement comes with specific requirements and challenges, including strict regulatory compliance, logistical coordination, and the need for consistent quality and volume.

This guide is designed to help producers evaluate their readiness to engage in institutional procurement. It covers key areas to assess operational, financial, and logistical capabilities, as well as the ability to build and maintain strong relationships with institutional buyers. By answering the questions in each section honestly, producers can identify their strengths, potential gaps, and areas where additional support, resourcing, or investment may be needed.

Operational Readiness

1. Production Capacity:

- Can I consistently produce the volume and quality of products required by institutions?
- Do I have the necessary infrastructure (e.g., cooling, storage, transportation) to handle large-scale orders?

2. Compliance and Certifications:

- Do I meet food safety standards (e.g., GAP, HACCP certifications) often required by institutions?
- Am I prepared to comply with additional regulatory or buyer-specific requirements?

3. Seasonality and Availability:

- Can I supply products consistently over the institution's required timeframe (e.g., school year, fiscal quarter)?

Financial Viability

4. Pricing and Costs:

- Can I set prices that cover my production costs while remaining competitive for institutional budgets?
- Am I willing and able to negotiate pricing structures, such as bulk discounts or contracts?

5. Payment Terms:

- Can I manage cash flow effectively if payment terms are delayed (e.g., net 30, 60, or 90 days)?

Logistical and Delivery Capabilities

6. Distribution:

- Do I have the means to deliver products directly, or will I work with a distributor?
- Can I meet the institution's delivery schedules and packaging requirements?

7. Traceability:

- Do I have systems in place to track and document my products from farm to delivery?

Relationship and Customer Management

8. Customer Relationships:

- Am I ready to build and maintain relationships with institutional buyers?
- Do I understand their needs, priorities, and procurement processes?

9. Flexibility and Responsiveness:

- Can I adapt to changing institutional needs, such as substitutions, unexpected demand shifts, or last-minute adjustments?

Long-Term Planning

10. Scalability:

- Can I scale my operations sustainably if institutional demand increases?

11. Contracts and Agreements:

- Am I prepared to enter into formal agreements or long-term contracts?

12. Risk Management:

- Do I have contingency plans for crop failures, labor shortages, or other disruptions that could impact delivery?

Suggested Grant Resources

- FEED-NJ (current open call for proposals): <https://www.njeda.gov/feednj/>
- NJDA Underserved, Beginning and Military Veteran Farmers Mini-Grant Program (current open call for proposals): <https://www.nj.gov/agriculture/grants/ufngrants.html>
- Good Food Funding Guide: <https://www.newventureadvisors.net/good-food-funding-guide/>
- Growing Justice Fund: <https://growingjusticefund.org/>
- Tri-State Area Funders: <https://communityfoodfunders.org/directory-focus-area/>

Contact Information

For more information about opportunities to engage in institutional procurement, please contact Warren DeShields at warren@thecommonmarket.org.

For more information about engaging in policies to improve access to opportunities to engage in institutional procurement, please contact Jeanine Cava at jeanine@njfooddemocracy.org.