

# DAYTONA BEACH FLORIDA

## INSTITUTIONAL PRODUCE BUYING PROGRAM

### FINAL PROGRAM REPORT

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#### ABSTRACT

The Partners plan to implement a new channel of trade for fruits and vegetables between producers and institutional buyers located in the Daytona Beach Metropolitan Statistical Area. In short, the program includes improved marketing initiatives and program enhancements to the Daytona Beach Farmers' Market to attract institutional buyers. Included among the marketing strategies are:

- creating an institutional food buyer data base
- offering special pricing for institutional buyers
- hiring a part-time institutional buyer manager
- offering containers and hand-trucks for loading
- offering art work for menus (locally grown)
- offering a special "loading zone" for institutional buyers
- mailing a newsletter to institutional buyers
- suggesting uses for locally grown products
- improving the market's layout
- offering special shopping hours

Over 1,500 Institutions are targeted by the program including hotels (208), resorts (33), motels (254), bed & breakfasts (17), restaurants (682), banquet facilities (31), taverns (55), cocktail lounges (43), nightclubs (39), colleges (5), fraternal organizations (31), fraternities/sororities (4), hospitals (2), adult daycare centers (7), childcare centers (103), Salvation Army and similar organizations (9), and golf courses (35).

The project will offer an alternative to the large national and regional food distribution firms for institutional food buyers for fruits and vegetables. This will result in direct from farmer to buyer purchases, fresher fruits and vegetables for end-users, and lower prices for buyers as a result of savings from regional warehousing and transportation. Further, local fruit and vegetable growers will benefit from increased local demand, higher profits, and an improved appreciation contributing to the local economy.

The project is sponsored by the Florida Department of Agriculture and the Daytona Beach Partnership. The Department of Agriculture will offer leadership, consultation and review of the evaluation process and findings. The Partnership will manage the day-to-day aspects of the project and perform the evaluation. It is planned to share the results of the project with similar markets throughout the state and act as a demonstration project for alternative distribution processes for farmers.

## **GOALS AND OBJECTIVES**

### Goal

Successfully offer a new channel of trade between produce growers and institutional food buyers within the Daytona Beach Farmers' Market that results in more locally grown produce being used by local institutions and lessening the reliance on national and regional food distributors.

### Objectives

1. Identify Daytona Beach Metropolitan Statistical Area Institutions and their food buyers
2. Educate institutional food buyers of the availability and quality and buying of locally grown produce
3. Improve the existing farmers' market to accommodate institutional food buyers
4. Offer special pricing and convenience services to institutional food buyers at the Market including pricing, packaging and loading assistance
5. Market to end-users the quality of locally grown produce through "branding" that results in customer demand for locally grown produce from institutional food providers.
6. Measure the effectiveness of the project through pre- and post-research from institutional food buyers

## **PLAN OF WORK (STRATEGIES)**

1. Identify Daytona Beach Metropolitan Statistical Area (MSA) Institutions and their food buyers

*How we are going to do it:*

- partner with area professional membership organizations including the Hotel/Motel Association, Restaurant Association, Small Accommodations Association and the Chamber of Commerce to identify all institutions in the MSA and specifically identify produce buyers within each institution.

*Status: The Partnership held two Town Hall meetings to explain our Institutional Produce Buying Program. All invited groups endorsed the program, pledged their support and provided data to build a master institutional database. STRATEGY COMPLETED.*

- create a database that includes all institutions and the names of their produce buyers by industry category using a database management software program.

*Status: Software was purchased, installed and staff was trained on how to use the database program. To date (February 2002) over 1,100 contacts have been entered into the database. Also, an ad was placed in the News-Journal and Pennysaver newspapers asking for institutional food buyers to call our new hotline 386-671-FARM. Status Update: since February 2002, another 800+ prospects were identified and added to the program's outreach efforts. STRATEGY COMPLETED.*

2. Educate Institutional Food Buyers of the availability and quality and buying locally grown produce

*How we are going to do it:*

- create an initial direct mail piece that introduces the program to institutional produce buyers. The publication will also include a history of the market, profiles of the farmers, descriptions of their produce and uses of locally grown produce in institutional food preparation.

*Status: The Farmers' Market Advisory Board improved our implementation plan by creating a short pilot program with 10 institutions that began in November 2001. Feedback from the pilot institutions has been*

*very positive from both the buyers and the market vendors. One institution purchases over \$1,000 worth of produce each week. The initial direct mail piece is designed, partially printed (cover letter will be printed in April) and will be mailed this May. The program participation card is printed and a sample is included with this status report.*

*Status Update: direct mail piece mailed in May of 2002. Less than 10 kits mailed back due to bad or incomplete addresses/business closing. Market Manager received 41 phone calls as a result of the mailing. Of the calls, all but two said they would try shopping for produce at the market instead of using the local wholesale businesses. The other two phone calls were requests to remove their names from the prospect data base – which we did. Beginning the first Saturday in July, Market vendors were notified to report to the Market Manager all sales of product to institutional food buyers using the program card.*

*For the entire month of July, market vendors reported only 16 instances of buyers using the program. The Market Manager, knowing the vendors were under reporting usage from observation, concluded vendor “competition issues” as a reason for not(or under) reporting program usage. AS a result she began a rent discount program for the month of August as a way to entice vendors to correctly report participation. On the first market day in August, vendors reported 26 users. On the second market day, vendors reported 34 users. Outcomes will continue to be measured through August. Both the rent discount program and program measurement will again take place in January, 2003. STRATEGY COMPLETED*

- invite institutional produce buyers to a special guided tour of the market and a reception to learn about the program

*Status: The Partnership held a special Institutional open house on March 2, 2002. Although the weather included steady rain about 70 prospects attended the market, took our tour and were introduced to the Market Vendors. Also, a special fact sheet was hand delivered to all Market vendors again outlining the program and explaining the importance of building relationships with the Institutional prospects. STRATEGY COMPLETED*

- place publicity stories about the up-coming project in the newspaper, local television news, and have project manager serve as guest on popular local radio talk shows

*Status: Numerous news stories in print and radio media have been pitched and placed over the past six months. The Partnership has not been successful in achieving television coverage. However, we have added Internet publicity to our plan and to date have received coverage on various state and local Farmers’ Market and Agriculture web sites. STRATEGY COMPLETED – effort continues*

### 3. Improve the existing Farmers’ Market to accommodate institutional food buyers

*How we are going to do it:*

- hire a Farmers’ Market consultant to review the layout, customer accessibility, specific vendor placement, garbage locations, cardboard recycling locations, parking and signage for the market.

*Status: Amy Workowski, a master’s graduate in organizational psychology from Northwestern University performed a review of the Farmers’ Market and all research areas outlined in this proposal. The report was forwarded to the Farmers’ Market Advisory Board. STRATEGY COMPLETED*

- consultant also charged with identifying special locations for institutional produce buyer parking and box/hand truck locations.

*Status: Work performed. STRATEGY COMPLETED*

- Farmers’ Market Advisory board to review consultant’s report

*Status: The Market Advisory Board reviewed the report and endorsed many recommendations including those related to garbage removal, Institutional food buyer parking and signage. Since the Farmers’ Market is 30 years old and many of the vendors have participated for generations, the Board was uncomfortable moving some of the very-long term vendors as suggested in the report. Adopted*

*recommendations to traffic/flow and parking regulations took effect July 1, 2002 (middle of the slow season). The timing was purposeful to test the changes for efficiency and began changing the habits of customers used to the former layout and policies. New signs identifying the Farmers' Market were installed in mid-July. Also, proposed changes to Market policy concerning cardboard recycling took effect the first week in August. By recycling appropriate cardboard, the Market should limit expected increases in garbage removal slated to take effect in October. STRATEGY COMPLETED*

- publish improvements in newsletter for feedback from vendors

*Status: The Partnership hand delivered a fact sheet including all improvements and implementation dates to all vendors and responded to all questions. No changes we made in response to Market vendor questions. STRATEGY COMPLETED*

- project manager implements market improvements

*Status: All changes have been implemented garbage removal showing the greatest success. STRATEGY COMPLETED*

4. Offer special pricing and convenience services to institutional food buyers at the Market including packaging and loading assistance

*How we are going to do it:*

- hire part-time institutional produce buyer program manager to implement the program and forge relationships with institutional produce buyers

*Status: Barbara Joyce was hired to serve as program manager. She has been very effective in building relationships with the pilot Institution buyers. She even knows their cars when they park in their reserved parking spaces. STRATEGY COMPLETED*

- design and create institutional buyer "discount card" and direct mail to buyers.

*Status: The card has been designed and printed. It will be included in the May direct mail piece to Institutional buyer prospects. STRATEGY COMPLETED*

- create and display signage for special institutional buyer parking and loading areas at the Market

*Status: Signs were not effective in keeping non-institutional food buyers from using the reserved spaces. So, the program manager combined the signage with taping off the spaces. This strategy has worked. STRATEGY COMPLETED*

- provide "boxes" to transport purchased produce and hand-trucks to ease movement through the Market

*Status: As part of the new garbage program, strong boxes are set aside for collection by the program manager for use by Institutional buyers. STRATEGY COMPLETED*

- offer assistance with loading of product

*Status: The Program Manager and other Farmers' Market staff assist buyers with loading of purchases. The value-added service has been very popular especially with buyers with large orders. STRATEGY COMPLETED*

- create a large order program for institutional produce buyers so they can place orders weekdays by calling a special phone number, make their purchase and have their order delivered.

*Status: The order form has been designed on paper. It will be printed and ready for implementation in May.*

*Status Update: the internal order form for phone orders was printed in late June. Phone orders began in July for watermelons only as they were the most requested product that in large quantities required special arrangements. Several buyers used the service for food service needs of large groups, convention delegates or tour bus visits. The service will be expanded to include citrus in October as the product becomes*

*available. STRATEGY COMPLETED*

- establish the hot-line USA-FOOD (confirmation of number pending) to take large orders weekdays from 8:30 a.m. - 5:30 p.m.

*Status: A special program phone number was established, but not USA-FOOD. Instead, 671-FARM was secured, installed and activated. The Advisory Board felt "FARM" was better than "FOOD." STRATEGY COMPLETED*

- design and print "large order" order forms

*Status: The order form has been designed on paper. It will be printed and ready for implementation in May. The form*

*Status Update: The order forms were printed in Late July, 2002. Use of the order forms for large institutional orders will begin in October 2002 (when citrus returns to the market). However, during the summer's watermelon season many large orders were taken and successfully filled absent the formal order form to accommodate food service needs of some buyers. STRATEGY COMPLETED*

- use Partnership credit card machine and create billing program for phone orders.

*Status: Pre-survey showed little use of credit cards, preferred cash or billing process. As such, the Partnerships credit card machine was not needed. Will review once program is fully implemented.*

*Status Update: The review showed little interest among vendors to use credit card machines. Also, institutional food buyers typically do not use credit cards for ordering or making purchases. Several vendors have independently set up billing processes with buyers. This approach, so far, has been successful. STRATEGY COMPLETED*

- establish internal accounting process for large orders

*Status: Completed proposed accounting process. It has been reviewed and endorsed by the Partnership's accounting firm. STRATEGY COMPLETED*

- implement delivery program for large orders with Farmers

*Status: Currently under development*

*Status Update: Upon receiving special phone or paper (faxed) orders. Those vendors capable of providing the product (if a specific vendor is not requested) are notified by the Market Manager. All bids are presented to the buyer in six to 24 hours. Delivery requirements of the buyer are included in the bid request. The process has yet to be used because every such order included a specific vendor for the product. In all eight instances, no delivery problems occurred. STRATEGY COMPLETED*

- organize the delivery of large orders on a schedule

*Status: Currently under development*

*Status Update: Manager established a process where buyer delivery preferences were included in the initial phone or paper order. Thereby, empowering the vendor to make direct transportation arrangements with buyers. STRATEGY COMPLETED*

5. Market to end-users the quality of locally grown produce through "branding" that results in customer demand for locally grown produce from Institutional food providers.

*How we are going to do it:*

- create a local version of the "Fresh from Florida" logo for use on menus and other institution printed materials

*Status: STRATEGY COMPLETED*

- create awareness posters for institution kitchens, food lines and cafeterias

*Status: Designed, currently being printed will be distributed with direct mail piece in May.*

*Status Update: Posters printed and mailed with direct mail kit. Large size posters were also printed and displayed in several downtown directory cases. The posters have been nominated by the Daytona Beach Partnership for an award at the 2002 Florida Main Street Conference in November 2003.*

*STRATEGY COMPLETED*

- enlist participating institution will be asked to provide a recipe using locally grown produce  
*Status: Recruited 24 well-known restaurants to offer recipes using Market produce for use in marketing materials.*

*Status Update: Received 10 recipes so far, more are promised. STRATEGY COMPLETED*

- the recipes along with photographs of the chefs and logos of their institutions will be developed for a display ad campaign to be featured in the food section of the local newspaper

*Status: Ads began running in Fall of 2001 in the Restaurant Row section of the newspaper.*

*Status Update: the campaign continues with strong positive feedback by the participating eateries.*

*STRATEGY COMPLETED*

6. Measure the effectiveness of the project through pre- and post-research from institutional food buyers

*How we are going to do it:*

- create, distribute, code and report a paper and pen survey for all institutional food buyers prior to the program's implementation to measure current usage of locally grown produce and receive ideas for additional improvements to the market that would be helpful for buyers.

*Status: The Partnership mis-budgeted this implementation task. Instead of a survey to all institutional food buyers, a sample was used. The survey showed a very small percentage of local institutions purchasing produce from the market - no more than 2 percent. The survey also showed parking, payment options and large orders as barriers to use of the market - all areas addressed in the program. STRATEGY COMPLETED*

- create, distribute, code and report a paper and pen survey for all institutional food buyers post implementation of the program to measure use, gather suggestions for further improvement and to prepare an outcomes report.

*Status: Will be performed in June.*

*Status Update: Phone surveys were performed of all known users of the program in July and August. Feedback was very positive. Only negative comments were that some participants wished they had "time" to come to the market to purchase produce every week. These respondents were thanked for their commitment to the Market and mailed (or faxed) a fact sheet on the market's phone order and paper ordering alternatives. Other feedback showed sincere appreciation for assistance in loading vehicles by Market staff.*

*Additional phone surveys were made to a sample of 50 prospects that have not used the program. Of the 50 prospects, 41 surveys took place. Reasons for not participating, for the most part, were not directed at the program. The reasons were:*

- happy with wholesaler	35%
- risk management policy	30%
- location/to far	20%
- bad past market experience	10%
- does not trust produce quality	5%

*Additional in-house follow-up research will be conducted in January (six months after full program implementation). STRATEGY COMPLETED*

## **BUDGET STATUS (through 2-28-2002)**

<u>ITEM</u>	<u>COST</u>	<u>SOURCE</u>
Administrative support (split)	7,000	DBPA
\$ expended to date: \$5,000	\$ available: \$2,000	
Insurance	6,865	DBPA
\$ expended to date: \$6,865	\$ available: 0	
Publicity	2,450	DBPA
\$ expended to date: \$2,000	\$ available: \$450	
Institution Buyer Parking and other signs	325	DBPA
\$ expended to date: \$325	\$ available: 0	
Print Ads	7,800	DBPA
\$ expended to date: \$5,700	\$ available: \$2,100	
Promotions Items	1,250	DBPA
\$ expended to date: \$284	\$ available to date: \$966	
Two hand trucks	72	DBPA
\$ expended to date: \$72	\$ available: 0	
Database software	120	DBPA
\$ expended to date: \$120	\$ available: 0	
Administrative support (split)	4,000	FSMIP
\$ expended to date: \$3,000	\$ available to date: \$1,000	
Institutional Cultivation Consultant/Database	8,700	FSMIP
\$ expended to date: \$7,000	\$ available to date: \$1,700	
Market Layout Consultant	800	FSMIP
\$ expended to date: \$800	\$ available: 0	
Outcomes Consultant	3,900	FSMIP
\$ expended to date: \$1,950	\$ available to date: \$1,950	
Initial Direct Mail Piece	2,150	FSMIP
\$ expended to date: 0	\$ available: \$2,150	
Institution Discount Card	595	FSMIP
\$ expended to date: \$595	\$ available: 0	
USA-FOOD phone number	480	FSMIP
\$ expended to date: 0	\$ available: \$480	
(line item experienced billing problems - total expected to be spent once billing issues resolved)		
Large Order forms	65	FSMIP
\$ expended to date: 0	\$ available: \$65	
Local version "Fresh from Florida" for menus	250	FSMIP
\$ expended to date: \$250	\$ available: 0	
Awareness posters for institutions	1,340	FSMIP
\$ expended to date: \$340	\$ available: \$1,000	
Recipes by institution chefs/newspaper food section	3,600	FSMIP

\$ expended to date: \$2,400

\$ available: \$1,200

## **BUDGET SUMMARY**

\$ expended to date: \$36,701

\$ available: \$15,161

Total FSMIP funds used to date: \$16,335

FSMIP available to date: \$9,545

Total DBPA funds used to date: \$20,366

DBPA available to date: \$5,616

TOTAL GRANT FUNDS REQUESTED FOR REIMBURSEMENT: \$16,335