PRACTICAL FARMERS *of Iowa*

Local Food Systems Research Report

Building Wholesale Success With Local Food

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Written on behalf of Practical Farmers of Iowa

Practical Farmers of Iowa | practicalfarmers.org

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Introduction

This project began with a simple belief: Iowa needs more local food production.

I am a fruit and vegetable farmer in Iowa, and I believe our communities would benefit from more farmers growing more food for Iowa consumers through institutions like schools and hospitals, and through other wholesale buyers like restaurants and grocery stores. In 2001, the Leopold Center for Sustainable Agriculture published a landmark study – "Food, Fuel, and Freeways: An Iowa Perspective on How Far Food Travels, Fuel Usage, and Greenhouse Gas Emissions" – that found Iowa imports most of the food we eat from out of state. I want to help food producers in Iowa expand production and feed more Iowans.

In 2015, my wife and I moved to Iowa to start a vegetable farm, and we quickly became connected to Practical Farmers of Iowa and the resources and community that have grown around it. Our farm business has changed a great deal over the years. We started out producing maple syrup and raising pigs on pasture, and those enterprises are no longer part of the business at all. In part because of PFI programs like the Savings Incentive Program and the Farm Business Coaching program, we have adjusted our business many times. We are still driven by our mission to provide excellent food to our community. We are also driven by the need to achieve financial sustainability as a farm business.

I have been learning about and working to develop local food systems since I was a student at Carleton College in Minnesota. There, I worked with fellow students to push for greater collaboration with the campus food service management company. We also sought to increase purchases from producers who were local or community-based, fair agricultural employers, ecologically responsible and humane in their treatment of livestock.

After college, while serving with FoodCorps in Montana, I helped develop the local procurement program at Missoula County Public Schools Food and Nutrition Services. I developed recipes and helped source local wheat flour, dry pinto beans, honey, butternut squash, broccoli and onions for the schools.

I have worked in institutional kitchens, restaurants and bakeries. And I have worked on a dairy farm, a vegetable farm and a fishing boat. I have been on both sides of the relationship between local food farmers and wholesale food buyers. I am motivated to help farmers build sustainable businesses and to help consumers eat better food.

So, when Practical Farmers of Iowa asked if I would be willing to interview farmers and other local-food stakeholders about the challenges and successful strategies for increasing sales of local food, I was both excited and prepared to work with them on the project.

How can more Iowa food farmers succeed in wholesale markets, and what kinds of support would help them do it? To explore that question, I drew from my own experience as a farmer, along with conversations with 14 food farmers and five stakeholders working in Iowa's local food system.

There are many great ways for Iowans to buy local food directly: through farmers markets, farm stands, community-supported agriculture shares and other direct-to-consumer channels. But fewer food farmers are selling to wholesale buyers. That matters because wholesale buyers like schools, hospitals, grocery stores and restaurants serve a much larger segment of the population than direct-to-consumer markets do. These buyers can purchase and move food in larger volumes, and for some farmers they can offer a path to meaningful business growth.

This is not just a business question. It is also a question of scale and of who gets to eat local food. One producer I interviewed said she continues to pursue wholesale markets – even when the prices are lower and the challenges are greater – because so much food moves through Iowa that's grown and produced elsewhere, and she believes more of it should come from here. Another producer told me that, growing up, her parents would never have shopped at a farmers market or bought directly from a farm. She wants her products to reach people like her parents too.

That idea came up repeatedly in my conversations. For many producers, access to wholesale outlets is not only about increasing sales. It's also about reaching more people with local food. It's about making local food available in places where people already eat and shop, not only in places where they have to seek it out.

This is part of why the Local Food Purchasing Assistance Program and the Local Food for Schools Program were such remarkable opportunities before they were defunded in early 2025. Those programs helped farmers receive fair prices, and they helped direct local food grown by Iowa farmers to low-income Iowans and public school students who would not typically have access to it. These federally funded programs were designed to help local governments purchase local food and strengthen local food systems.

They did help build those connections. Many farmers were in the middle of investing in their businesses, buying walk-in coolers and vegetable washing lines to meet the demand created by the programs, when the funding was suddenly cut. The defunding came quickly, and for many Iowa food farmers it was destabilizing and deeply disappointing.

In 2012, Practical Farmers of Iowa interviewed farmers and wholesale buyers about how they buy and sell local food. In "Scaling Up," the report PFI published based on those interviews, authors Sally Worley and Marc Strobbe identified many of the same barriers that still exist today, including challenges with pricing, volume, infrastructure and buyer expectations.

Supporting more farmers to engage successfully in wholesale marketing would strengthen Iowa's local food system. It would help build local production capacity, support farm business growth and make a positive impact on the local economy.

Common Challenges in Wholesale Marketing of Local Food

The challenges facing producers who wish to sell to wholesale markets are both operational and structural.

Operational Challenges

Getting to the right price for the market

Wholesale markets can offer an opportunity to sell a higher volume of products with less labor inputs. However, every farmer needs to calculate what price to ask from wholesale food buyers to make the sale and still make a profit. Sometimes the price for a locally raised product is so significantly different from the conventional price that food buyers will never be able to fit the local product into their budgets.

Based on my experience and interviews, it's important for producers who want to sell wholesale to find a price range that will cover their costs of production – and then negotiate prices with each wholesale buyer that's interested in buying the product. A food hub manager told me that some producers are offering tiered pricing based on volume. If a wholesale customer purchases a low volume of product, they pay the higher end of the producer's wholesale price range. If the customer sees an opportunity to get a lower price, they may be motivated to move a larger volume of product.

It's also important for producers to understand how their buyers capture value in their operations. Often, there's a connection between the price a buyer is willing to spend on a local product and the value that buyer can capture at the consumer end of the transaction. Restaurants or grocers market local products to their retail customers through the menu or store signage. That approach lets them charge a higher price to the end consumer for an entrée with local greens or local heirloom tomatoes in the store.

If a buyer is less able to capture that value on the consumer end, they may not be able to justify paying a higher price for the product. Take an elementary school, for example. It's possible that a school buying a lot of local products and preparing delicious meals could increase paid lunch participation. But it's more difficult to make the value proposition of local food to a second grader than to a customer of a fine dining restaurant.

Producers must set prices to make a profit, otherwise their farm business is not working. One farmer offered a word of caution about lowering prices to move perishable product at the end of its marketable shelf life. Farmers who drop their price to move products devalue their product – and potentially devalue comparable product from other local producers. On the other side, keeping prices stable and increasing them regularly and incrementally can be a good strategy for growing a farm business, generating customer loyalty and increasing the value of farm products.

Producing the volume needed for wholesale markets and finding the right velocity of sales

To sell to wholesale markets, producers need enough volume to meet demand. In my experience, many farmers would gladly increase their production volume if they were confident they could sell all of what they could grow or produce. The challenge is finding a balance between what you can grow and what you can sell.

For certain wholesale markets, volume and regularity are key. A grocer told me in our interview that what he is trying to do in the store is help customers develop a habit of buying high-quality local products. He wants a customer to come into the store, try a local lettuce, have a great experience and then come back every week to buy that local lettuce again. If the lettuce is available one week and gone the next, the grocer hears more customer complaints. That discontent makes him less likely to purchase from the local lettuce grower in the future.

Velocity is how quickly your products move through the market. As farmers, we cannot get a pig to market weight or grow another half-acre of peas within a week or two. We need to manage our production to provide a steady supply of food for as long as we can. If I plan to grow enough volume for a certain number of wholesale customers – and then overcommit sales agreements with those buyers and sell out too quickly – my velocity is too fast.

Sales velocity can be too slow, too. One producer shared an insight gained from a course for small food businesses offered by a chain grocer through the Iowa Center for Economic Success. The course, "Placing Iowa Products on the Grocery Store Shelf," cautioned growers against competing against themselves in a small city or rural area. If your products are at the local restaurant, the two local groceries and the farmers market, you can, in a sense, compete with yourself and decrease the velocity with which your product moves.

Growing for uniformity

Food is not perfect. But certain wholesale buyers need products that are as close to uniform as possible. One vegetable farmer shared that making uniform bunches of cilantro is still challenging for her and her farm employees. She grows cilantro for multiple wholesale markets. For her grocery store customers, the bunches need to be the same size. By contrast, the restaurants she sells to pay by weight. While they receive bunched cilantro, bunch uniformity does not make much difference.

I talked with an institutional kitchen manager who said that a challenge in working with a local chicken producer was that some of the drumsticks were inconsistent in size. This matters when the institution is roasting 60 pounds of drumsticks at a time. With 48 drumsticks per sheet tray, the small drumsticks overcook by the time the largest ones are cooked through.

Choosing the right product for the right market

In most cases, common food products are a better fit for wholesale markets than niche or unique foods. A farm finance professional told me that if you must educate your customer about your product, it is going to be more challenging to sell, especially to wholesale markets that are used to conventional food products. For example, aronia berries may be an excellent crop that's well suited to Iowa production. But without significant processing and added sweeteners, they can be a difficult sell to large food buyers.

A few of the produce growers I spoke with talked about choosing to market their products to certain wholesale buyers, such as food cooperatives. Food cooperative markets often place a strong preference on procuring local produce over conventional produce. Their retail customers are more likely to support local food production and are often willing to pay more for local food. If they're able to capture the value from retail customers at the other end, these stores may be able to purchase local foods from farmers at higher prices compared to other wholesale food buyers. For these reasons, food cooperatives can be a desirable market for local produce growers.

But growing for a desirable market isn't free of challenges. One challenge can be competition among growers for producing certain crops. Some crops are easier to produce at scale. They may require less labor or less expensive equipment to harvest. Certain crops provide a better profit margin for the grower. So growers who get a sales agreement for certain crops tend to hold onto those profitable agreements.

A produce grower I talked to encountered this dilemma. She wanted to grow and sell bunched kale, but all the stores she visited to pitch her product already had an agreement with another grower. The food cooperative she wanted to sell to asked if she would grow carrots instead. She agreed and is having great success. But as she told me, "I still want that darn kale contract!"

James Nisly demonstrates how quickly his new processor can cube sweet potatoes during his PFI field day on July 27, 2025, in Kalona, IA.

Developing the storage capacity to support production volume

When producing the volume required for wholesale markets, farmers need enough of the right kind of storage to hold products properly until they can be moved to market. This can be a significant challenge, especially when a farm is handling different products with different optimal storage conditions. For certain vegetable crops, it's crucial to remove field heat and chill the crop to the ideal storage temperature to maximize shelf life and maintain product quality.

Some crops are highly sensitive to the ethylene gas emitted by other crops and thus cannot be stored together. Some products need dry storage rather than cold storage. For some farmers, the challenge is simply having enough total storage volume. I talked with a meat producer who has two smaller walk-in freezers and 20 chest freezers and still needs more freezer storage to keep product moving to market at the pace their business needs.

Developing on-farm infrastructure for cold storage or product handling can be expensive. But it can also provide a significant advantage in increasing wholesale sales. The cold-storage capacity of wholesale buyers is often limited. Many restaurants and schools, for example, have relatively small walk-in coolers. If producers can store product on the farm and deliver only what a buyer can use each week, they can help make wholesale relationships more workable.

One example of a creative workaround comes from a group of Amish food farmers who worked with a regional distributor to bring a refrigerated semitrailer to their community. When the producers fill the trailer with produce, the distributor picks it up. There are many ways to work around the challenge of storing product. But if you are going to produce volume, you need the storage and material-handling infrastructure to support it.

Timing wholesale sales

Timing crop production schedules, timing sales agreements and working within tight delivery windows are all important to meeting the needs of wholesale markets. One vegetable grower I spoke with was selling sugar snap peas through a food hub and delivering the peas on a Friday. The peas were stored over the weekend and distributed later the following week. Sugar snap peas, once harvested, quickly begin converting their sugars into starches. So this distribution timeline was too long to maintain quality.

It's also important to understand the timing needs of wholesale customers. Grocery stores, restaurants and school kitchens may need to move through their current stock before bringing in fresh local product. If the local product is already harvested and highly perishable, even a short delay can take days off its shelf life.

A school food procurement specialist shared with me that public schools operate on particularly extended timelines. Food service directors write menus months in advance and often place orders with their broadline distributors two weeks before delivery. It can be difficult to shift their ordering perspective to the shorter timeline that local producers are working within.

Even the time windows when buyers can receive local food can be challenging for producers to meet. One farmer shared that it was difficult to work with a buyer who had a very narrow delivery window, just once a week from 11 a.m. to 1 p.m. That kind of schedule can be especially hard for producers with off-farm jobs.

Structural Challenges

Getting insurance coverage for food farming

Obtaining the right insurance coverage is necessary to work with many wholesale food buyers. Business insurance protects both the buyer's business and the producer's business from risk and potential financial ruin. Typically, producers need at minimum a commercial general liability policy.

Some buyers, especially those serving more vulnerable populations such as the elderly, children and ill or immunocompromised patients, may require vendors to carry product liability coverage. Product liability insurance can protect businesses if someone gets sick from eating food, according to the University of Kentucky College of Agriculture, Food and Environment.

But obtaining the necessary coverage can be a challenge. One farmer told me they had $1 million in product liability coverage and a grocery store they wanted to work with required $1.5 million. An insurance inspector visited the farm and denied the increase in coverage because the entire farm was not, as the inspector said, "as clean as the store parking lot."

In general, insurance agents, underwriters and inspectors are looking for risk and denying coverage to farm operations they deem too risky. I have heard from other farmers who were denied general liability coverage because they host on-farm events, employ high school workers or have CSA customers pick up on-farm. This is a structural challenge that deserves more attention and more discussion among stakeholders in our local food system.

Staff turnover and kitchen workforce challenges

Buyers are often motivated to procure local food because it is fresher, higher quality and in some cases simply tastes better. They may also want to support other small businesses or keep more money circulating in the local economy.

From my experience talking with grocery store produce managers and restaurant chefs, some buyers are supportive because they are current or former food producers themselves. The challenge is that these local food champions get promoted, change jobs or leave the industry altogether. The hospitality and food service industry has the highest employee turnover rate of any industry in the U.S., according to analysis of data from the Bureau of Labor Statistics. Staff turnover can be hard on local food producers who rely on those relationships to sell their products.

James Nisly demonstrates more of his produce slicing machinery at his PFI field day on July 27, 2025, in Kalona, IA.

One producer I spoke with had been consistently selling $50,000 in produce to a nearby college dining services chef who was a passionate advocate for the quality and freshness of the farm's products. Then the chef left the position, and the producer's sales dropped. Institutional food service, especially at the college and university level, can shift local procurement strategies significantly depending on who is in leadership and which food service management company is operating the dining program.

It can also be difficult to maintain local food purchases even when leadership is supportive. Sometimes the kitchen prep staff does not have the training, time or motivation to do the extra work that some local products require.

I encountered this myself when I tried selling seedless watermelon to a local school district. But the director said the kitchen staff would not have the time or ability to efficiently cut the melons into chunks for the lunch line. They may pay more for precut watermelon and get lower quality and flavor. But if the staff cannot process the local product, there is no obvious way to make the purchase work. A grocery produce manager also told me to only deliver produce when he was working because he could not rely on other staff to receive and display local products with the care and promotion they needed.

One producer who works with multiple chefs in cafés and institutional food service told me that his chef customers struggle to find well-trained prep and line cooks. The chefs say that the trained cooks quickly move on to start their own operations while the cooks who stay often resist learning new skills. These kinds of workforce challenges can have a significant effect on a buyer's ability to procure local food.

The challenge with wholesaling local meat

Many of the common challenges and successful strategies I heard about in these interviews also apply to local meat marketing. But there are some important distinctions between selling meat and selling produce into wholesale markets. One major difference is the highly perishable nature of fresh produce compared to the longer storage options for meat products, including frozen and cured meats. Iowa lettuce growers can compete with lettuce from Arizona because the local product travels a much shorter distance and gets from the field to the end consumer more quickly.

Another important factor is that meat tends to be a higher-cost product than produce. Meat usually requires more land, feed, time, processing and cold storage to produce and sell. Those costs are reflected in a higher price per pound. For that reason, an institutional kitchen may be able to purchase some local produce and absorb the marginally higher cost into its budget. But purchasing a local meat product as a substitute for a conventional product from a national distributor is much more difficult to pencil out.

Some of the farmers I spoke with made the point that local meat is typically more expensive because it reflects the real input costs of production. Lower-cost animal proteins, by contrast, often come from vertically integrated companies that can produce meat at a much lower cost per pound. They also emphasized that a major reason companies can keep conventional meat low-cost for buyers is that corn and soybean commodity price supports help subsidize the cost of producing conventional meat. Some farmers said that for a wholesale buyer to purchase their products, the purchase would likely need to be supported by third-party funding.

Successful Strategies in Wholesale Marketing of Local Food

For all the challenges of wholesale marketing, producers are also finding real success in it. In my conversations for this project, I heard a wide range of strategies that help local food move through wholesale markets more effectively. These included ways to set up a successful wholesale farm business and cultivate strong relationships within a local food system.

Farm Business Strategies

Planning production around buyer demand

One farm business strategy I heard about repeatedly, and have also used in my own farm business, is to start with sales and then plan production around those sales. In other words, instead of growing first and then looking for a market, producers start by learning what wholesale buyers want to purchase and then shaping their production around those needs.

Farmers using this strategy can meet with potential buyers in the off-season and ask what local food products they are looking for, what qualities they value, how much they would buy and how often they would want it. The farmer can use that information to plan production for the season. This approach can also help with projecting revenue and expenses and, with that knowledge, securing an operating loan.

Rarely does the process work this neatly from beginning to end. But many of the farmers finding success in wholesale marketing are using some version of this strategy.

In my own wholesale farm business, I wanted to sell fruits and vegetables to local schools. I connected with the local district's food service director. Together, we identified sweet peppers and cherry tomatoes as products that were a good fit for both the schools and our farm. Both crops are productive in late August and September, just as school begins, and they are products that kids of all ages are generally excited to eat. That kind of conversation helped me focus production on crops I believed would actually sell.

One producer I talked with uses a similar strategy with a very different kind of market. He focuses on selling heirloom and niche varieties of fruits and vegetables to high-end, hyper-seasonal restaurants and specialty markets. He has a smaller land base and is located close to the customers he wants to serve. In the winter, he meets with chefs to develop a "wish list" of products he could grow for them.

In that case, the buyers are not only looking for local food, they are looking for specific flavors, varieties and quality characteristics. That kind of advance communication helps the grower plan production around what those buyers are most likely to value and purchase.

Limiting products and focusing production

Some producers are finding success by limiting what they grow and focusing their energy on the products that fit their market and make their business profitable. One grower told me they had seen success by focusing on a smaller set of products and not producing apple cider donuts just because they are an apple orchard.

Choosing not to sell a popular product may seem like a missed opportunity. But it can also create the opportunity to focus on the products the farm produces well and on the business model that works for the farmer's life. As that farmer told me, "We sort of realized that not every customer is our customer and we're not looking to be the best at growing everything."

Farmers growing for a CSA or farmers market stand may find real benefit in producing a wide variety of crops. Variety can benefit customers by giving them a more diverse diet, and it can benefit the farm ecosystem by increasing biodiversity. However, when farmers are trying to grow their businesses and engage more deeply in wholesale marketing, it can be helpful to narrow the product mix and focus on the crops that are the best fit for both the farm and the target market.

Using multiple market channels

Many of the producers I talked to are working across multiple market channels. This strategy can help them manage a bumper crop of cucumbers or a larger-than-expected litter of piglets. A producer can meet the demands of a wholesale market and then move surplus through direct-to-consumer channels.

Many producers sell primarily direct-to-consumer, but they may also have flexible small wholesale buyers who can take leftover produce from the farmers market, for example. On the other hand, when production of a certain product is limited, producers can steer that product to direct-to-consumer markets where it can bring the highest price.

Producers can also target different products to different markets. One meat producer told me that many of their direct-to-consumer customers are looking for ground beef. When their butcher cut extra-large loin roasts, those cuts turned out to be a much better fit for a restaurant.

Gaining efficiency through wholesale marketing

For some producers, one appeal of wholesale marketing is that it can help them make better use of their time. Direct-to-consumer sales often require significant time spent on packing orders, communicating with customers, staffing market stands and making many small-volume sales. Wholesale marketing can offer a way to move more product through fewer transactions. In some cases, this approach can give farmers back some of the time they would otherwise spend on direct-to-consumer marketing.

That does not mean wholesale marketing takes no marketing work. It still requires communication, planning and relationship management. But some farms are finding ways to make that work more efficiently by clearly defining roles within the business. One farmer I spoke with described how responsibilities are divided on their farm. She is the dedicated marketer of their products: She handles customer outreach, sends product availability lists and makes sales of surplus products. Her spouse manages production and handles the product itself.

Having one farm manager focused primarily on marketing and another focused primarily on production can be a very efficient and effective use of the farm team's time and energy.

Finding a pricing strategy that works

Pricing is one of the major challenges in wholesale marketing. Developing a pricing strategy that works can be one of the clearest strategies for success. Producers need a solid understanding of their costs of production, including how those costs may change as production volume increases. If a producer knows what it costs to grow or raise a product – and knows that a proposed price will cover those costs and return some profit – then other strategies like comparative pricing or peer pricing can help them arrive at a workable market price.

For producers with a lot of different products, it can be prohibitive to generate specific enterprise budgets for every product. But if the farm plans to scale up production of certain crops for wholesale markets, it's important to get a sense of the profitability of those specific products.

Comparative pricing is very commonly used. Many of the farmers I interviewed mentioned looking at the local food co-op to get a sense of the retail price of a product. A new Iowan farmer growing culturally relevant crops for African immigrant communities uses Google to search for prices at African markets. This strategy is so common because it reflects how we all behave as consumers. But it can be misleading if it is taken as a proxy for what your own customers are willing to pay. It is a data point, but it is not the whole picture.

One very successful pricing strategy that came out of the LFPA program was the LFPA pricing guide. This was a list of farm products commonly available from local producers, which included price ranges for different retail container sizes and wholesale case sizes. The guide was developed by local producers and food hub managers in Iowa. It has been revised and is still in use today as the "Iowa Hub to Hub Pricing Guide." This is an example of a peer pricing strategy. Working with willing peer producers to learn their wholesale prices and how they set them can be very effective, and can help support the local-food farmer network.

Pricing strategies may also vary by buyer type. With grocery stores, produce buyers may share the margin they will add to a product to set the retail price. They may buy at a producer's wholesale price but provide feedback and adjust as they go. One producer mentioned selling with a grocery store and trialing an initial price. The grocer told the producer the product was not moving at that price and suggested a 20-cent decrease. Then the grocer reported more sales and said they had found the "sweet spot."

Seeing opportunity and taking the risk to grow

Several producers I spoke with described a similar mindset about wholesale marketing: Even though it can feel risky to grow more product or pursue new buyers, they have found there's often more opportunity to sell local food than they first assumed. This opportunity, they emphasized, doesn't mean the market is easy or guaranteed. Rather, their advice was that some growth requires producers to test demand, ask for the sale and be willing to pursue markets they may not yet feel certain about.

One meat producer had been a local farmers market manager for many years and built strong relationships with people interested in local food. Even after many years away from the farmers market, and with no active marketing of her meat products, she still gets regular texts from area chefs asking for her products.

Another grower told me, "LFPA was cancelled and I had already planted a tunnel full of cherry tomatoes. I panicked thinking we should remove the plants. And then, somehow, stuff just finds a home." That same grower said she was surprised when she took her cherry tomatoes to a produce auction, a market she expected would offer the lowest possible price. Yet she received a price she would normally expect at a farmers market.

Multiple wholesale food buyers have also said to me, "If you have a bunch of extras and you just need to move it, let me know." Not every buyer can make this work, but some buyers genuinely like opportunities to create value out of unexpected abundance. These situations can also help strengthen relationships between farmers and buyers.

One grower summed up her approach this way: "Be bold with your sales strategy and be confident in your products." She told me that when she asks buyers whether they can take product, the answer is more often yes than no. She also asks certain buyers, such as food banks, organizations and institutions, whether they have extra funding available to help cover the cost of her more expensive local product.

Some of the more optimistic responses about scaling up local food may sound like self-promotion. But several producers made clear that confidence is part of building a successful farm business. They want the food they grow to be accessible to more than just farmers market customers. As one farmer said, everyone in Iowa knows Hy-Vee, so strive for the Hy-Vee sales agreement.

One producer advised food farmers to expand production and extend their market over time. After selling within 10 miles of the farm or within the county, he said, market farther afield. "Reinvest your earnings and scale up your farm business. The product is high quality and helps people to eat better. So do not be afraid and take the chance to grow. We need to create value and harness the power of the creation mindset."

Relationship-Based Strategies

Making the value proposition to the buyer

Building relationships was a major theme in my conversations with producers about successful wholesale marketing. Often, the first step in building a strong business relationship with a buyer is being able to clearly communicate the value proposition for the products you are selling. With local food, that value proposition often begins with quality and freshness. This is most obvious with fresh, perishable fruits and vegetables, but it applies to other food products as well. Edible dry beans grown and sold in Iowa, for example, can offer better cooking characteristics and flavor than dry beans shipped in from the western U.S.

The freshness and high quality of Iowa-grown food can help producers make the case for a higher price. Multiple producers told me that wholesale buyers often expect to throw out 10% to 20% of the food they receive from conventional distributors. This is often referred to in the food industry as shrink. One producer said he was delivering a box of onions to a wholesale customer and noticed he had missed sorting out a rotten onion. In front of the buyer, he went to remove the bad onion and the buyer told him there was no need. The buyer said that in their operation, kitchen staff often discards up to a third of the onions they bring in.

This expectation of conventional waste can work in favor of local food producers. If a producer and buyer are negotiating on price and the local product costs more than the conventional product, the producer can make the case that their product arrives fresher, with less waste or shrink, and with a longer shelf life.

In the case of tomatoes and other climacteric fruits, which continue to ripen after harvesting, local producers can even tailor ripeness to the needs of the wholesale customer. A restaurant buying fresh tomatoes each week from a grower may want half “turner” tomatoes and half “just ripe” tomatoes.

This approach gives the restaurant more flexibility and control, and it allows the grower to offer a higher-value product and service. Conventional tomatoes coming from Florida are often loaded onto trucks while still green and just beginning to ripen. More flavor develops when tomatoes ripen further on the vine. For buyers who understand that difference, it can be an easy selling point.

Building on community connections

Drawing on personal and community connections is a normal part of doing business, and those relationships can sometimes lead directly to sales opportunities. When a producer is from the same area as the buyer, grew up there or once worked at the local grocery store, that familiarity can help build trust and open the door to a wholesale relationship.

For new Iowan farmers coming from elsewhere, community connections can also develop quickly through culturally relevant foods. I spoke with two new Iowan farmers who have found success selling culturally relevant foods directly to other community members and to food stores that serve African immigrant communities. One of those farmers also sells to food stores from out of state that come specifically to Iowa to buy high-quality food that is familiar to, and in demand from, their communities.

Direct-to-consumer relationships can also help develop wholesale connections. Selling at farmers market, for example, gives a producer the chance to build a brand and meet supporters of the farm business. Sometimes those relationships later turn into wholesale sales opportunities. In other cases, passionate customers help create those opportunities.

One producer told me they believe it was a particularly enthusiastic farmers market customer who pushed for that producer's apples to be sold in the local food co-op. Even though the producer was already selling to another location in the same local co-op chain, it was not until this customer pushed for the apples at the other store that the store began purchasing them.

Maintaining relationships and building new ones

Multiple wholesale food buyers told me they understand the risks and unpredictability involved in local food farming. They know weather, crop failure and other disruptions are part of the reality of working with farms. What they emphasized is that they need clear and timely communication when something happens that will affect normal product availability. If a farmer does not communicate about the issue, it can put strain on the relationship.

It also helps when producers and buyers understand each other's business practices. We cannot change all the expectations of the conventional food industry. But we can learn more about how buyers typically buy, pack, describe and receive products so we offer something comparable. I sell different types of cucumber in a 20-pound case, while many buyers are used to buying a 24-count case of cucumbers. It may take some work to learn each other's norms, but that work builds understanding and strengthens the relationship.

One grower described how he talks about his products using culinary characteristics that appeal directly to chefs looking for a particular flavor or use. Many institutional kitchen chefs and cooks expect conventional cucumbers to have tough or bitter skins, so they typically peel them completely or in a zebra-stripe pattern. I hope to sell these chefs on a cucumber variety I grow with a flavorful thin skin that may not need peeling at all.

Strong relationships can also be resilient in the face of challenges. An egg producer shared with me that during the inflation spike in egg prices in 2022, he kept his price steady at first and then raised it incrementally, much less than many other egg sellers. That made his wholesale customers fiercely loyal to his farm business and helped maintain sales through the subsequent price drops. A produce grower also mentioned the importance of loyalty between farmers and food buyers. When there was a recall on romaine lettuce, the farmer's wholesale customers were reassured that their source of local lettuce was safe for their consumers.

Producers who have lost a local-food champion within a buyer's organization often try to build relationships with staff throughout the operation, especially leadership. As local food farmers, we want to build local food into the broader food system. That can mean asking for support from a university president or running for a food co-op's board of directors to make sure your advocacy for local food is heard. It can also mean helping institutionalize support for local food, such as creating a section in a public school wellness policy that affirms support for local food, or continuing to advocate for government policies that benefit local food production.

Collaborating with other producers and working with food hubs

From my conversations with farmers, and from my own experience, it's clear that farmers value relationships with other farmers and often actively seek them out. That is part of what made these interviews possible in the first place.

Many producers told me how helpful it has been to know other farmers, especially those with experience selling into wholesale markets. Producers ask one another for advice on pricing, packaging and delivery logistics, and sometimes for introductions to buyers. In that sense, building networks among farmers and supporting farmer-to-farmer learning is itself a strategy for increasing farmers' capacity to market local food to wholesale buyers.

One successful strategy that some producers use is working with food hubs to make wholesale sales. Food hubs in Iowa are set up to aggregate and distribute local food. They may operate a direct-to-consumer market or serve as an intermediary between producers and wholesale buyers. Food hubs are aligned with local food producers – and are often mission-driven to support them. They do not sell non-local conventional products that regional or national broadline distributors do. In some cases, food hubs offer storage and delivery services to producers who have already established relationships with wholesale buyers.

Often, food hubs can be a great partner for local food producers and can help promote and move product through the local food system.

Opportunities To Strengthen Wholesale Marketing of Local Food

Buyers guides: getting started with local food sourcing

Support organizations can help strengthen wholesale local food markets by creating resources that help buyers better understand how to buy from farmers. Several producers I spoke with suggested that many buyers are interested in sourcing local food but don't always know how to begin, what to expect or how to build working relationships with producers. Resources designed for buyers could help close that gap.

Some resources like this already exist. For example, the Iowa Department of Education's "Make it Fresh: A Guide to Procuring Local Food" is a useful resource. But it's geared specifically toward schools and school nutrition programs rather than the broader range of wholesale food buyers.

These kinds of guides could include information on how to find local farmers, communicate with them, develop mutually beneficial purchasing relationships and feature local food effectively in a business or institutional setting.

These guides could be useful for a wide range of buyers, including new cafés, grocery stores, college dining programs, restaurants, food makers and other businesses that want to incorporate more local ingredients. In that sense, buyer education is itself an important opportunity for strengthening the wholesale market for local food.

Business management and financial training for producers

To scale up a farm business or begin selling to wholesale customers, producers want more support in business management. That includes everything from choosing a business structure and finding the right insurance coverage to understanding regulations and obtaining the licenses needed to sell food safely and legally. Local food farmers know how to produce excellent food. What many also need is support in building businesses that are financially stable and prepared to grow.

Producers also want more support with financial planning and management. Multiple producers I interviewed mentioned the importance of access to capital for growing their businesses and expanding production. But before taking on more debt or making a major investment, farmers need a clearer understanding of where their business stands financially and what kind of growth they are actually aiming for. They want help seeing the most accurate picture of their business finances and connecting those numbers to a clear vision for success.

Wholesale marketing training for producers

Wholesale marketing takes a different set of skills than direct-to-consumer sales. It often requires more planning and preparation, along with a better understanding of the specific needs of the buyer.

From both my own experience and my interviews, it's clear that producers want more support developing wholesale marketing plans for their businesses. They want to better understand the different types of wholesale buyers and which ones are the best fit for their operation. They want to know how to set up meetings with buyers, what questions to ask and how to respond to buyer expectations around pricing, packing, labeling, delivery and communication.

Producers also need help creating the kinds of marketing tools that make wholesale sales more likely. A wholesale sell sheet or line sheet can help a farmer present their products more professionally and speak directly to buyer needs. It can give producers more confidence in making the sale, and it can help establish legitimacy with buyers. This document also gives the farmer a concise way to tell the story of the farm and business in a one- or two-page format. For many producers, this kind of tool can help open the door to wholesale sales.

Grant funding for infrastructure development

Producers who applied for and received grant funding consistently described it as critical to helping their businesses grow. Grants can make possible investments in infrastructure that traditional lenders may be unwilling to finance, especially when a farmer is operating on leased land. Grants can also support growth that would be difficult or impossible to achieve by reinvesting farm

profits alone. It's hard to scale up a farm business using only operating capital, especially in a seasonal and relatively low-margin industry like food production.

For that reason, grant programs offered by support organizations like PFI and Iowa Valley RC&D, as well as state and federal agencies like the Iowa Department of Agriculture and Land Stewardship and the U.S. Department of Agriculture, are important for helping farm businesses grow. When used well, they can help producers build the storage, handling, washing, packing and other infrastructure needed to succeed in wholesale markets.

Re-fund the Local Food Purchasing Assistance Program (LFPA) and Local Food for Schools Program (LFS)

LFPA and LFS were enormously beneficial for the producers who took part in them. When those programs were cut, Iowa farmers, schools and food access organizations lost an estimated $11.3 million in expected funding, according to the Iowa Capital Dispatch. That loss did not just reduce food purchasing in the short term. It also cut off revenue that farmers were counting on and undercut investments some producers were already making to meet that demand, including investments in equipment and infrastructure for washing, cooling, storing and handling food.

These programs created opportunities for farmers to scale up production, experiment with a wholesale business model and reduce waste and inefficiency – all while providing high-quality food to communities that would otherwise have limited access to local food. They helped create real demand and gave producers a more stable opportunity to grow into that demand.

Supporters of the local food system can help Iowa food farmers scale up by finding ways to restore or replace this kind of funding. Re-funding LFPA and LFS, or developing comparable programs at the state or regional level, would be one of the clearest ways to strengthen wholesale opportunities for local food producers.

Conclusion

This project reinforced for me that there is real value in farmers talking to other farmers about the challenges we face and the strategies helping us move forward. So much of the knowledge needed to build successful local food businesses is practical, hard-won and shaped by experience. When farmers share that knowledge with each other, it strengthens our ability to solve both individual business problems and broader challenges in the local food system.

This project also reminded me that the work of strengthening local food systems is about more than marketing. It's about building the capacity to grow more high-quality local food for Iowa consumers and supporting local food farmers in doing it. If we want more local food moving through schools, hospitals, grocery stores, restaurants and other wholesale markets, we need to keep investing in farmers, relationships and the systems that make those markets possible.

There are also new opportunities beginning to take shape, including value-added and minimally processed local food products and emerging food-as-medicine initiatives. I think the strongest path forward is one that keeps farmers connected to each other, buyers connected to farmers – and our focus fixed firmly on growing a stronger local food economy in Iowa.