

FOOD SERVICE MANAGEMENT COMPANIES *in* NEW ENGLAND

BARRIERS & OPPORTUNITIES FOR
LOCAL FOOD PROCUREMENT



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five FARM to INSTITUTION
NEW ENGLAND

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COMMENTS

FINE has made every effort to verify the accuracy of statements in this document, and we accept responsibility for any errors or omissions. If you have questions or comments on the report, please send them to info@farmtoinstitution.org.

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INTRODUCTION

Food service management companies (FSMC) dictate the parameters of institutional food procurement for many hospitals, schools districts and colleges in New England and around the country.



As the farm to institution movement matures, advocates have realized that they must better understand these companies to have a significant impact on institutional procurement of regionally produced and processed foods. The Farm to Institution New England (FINE) Contracted Food service Action Project aimed to address the limited understanding of how FSMCs work by compiling regional and cross-sector information about the operational practices of the largest FSMCs in the region: Compass Group and Sodexo. For this project researchers conducted over 40 interviews with food systems advocates and FSMC staff.

This report is an outgrowth of that research. It provides an overview of the ways in which FSMCs operate, including a description of purchasing practices and the rebate system, how vendors become approved, and the importance of contracts. The focus of this report is on the role of FSMCs in enabling their institutional clients to purchase local products. It provides a synopsis of the main barriers and opportunities to local procurement and provides two examples of promising initiatives, both spearheaded by Sodexo.

FOOD SERVICE MANAGEMENT COMPANIES: SPHERE OF INFLUENCE

Food Service Management Companies are commercial enterprises or non-profit organizations that contract with institutions to provide food service management.

Food service management companies provide their institutional clients with a wide array of services that may include any combination of the following: development of the menu; food procurement; negotiating food prices with suppliers and manufacturers; maintaining a well-functioning retail space; providing capital for infrastructure improvement; managing staff; and regulatory compliance. Some FSMCs serve all institutional sectors, while others are focused on a specific sector like education or healthcare.

In some parts of New England self-operated institutions are still common. For example, many hospitals in New Hampshire choose to manage their own food service operations. However, FSMCs are increasingly common in New England and around the country. The primary reasons institutions decide to work with FSMCs are (1) the administration does not have the expertise or staff to manage dining services, (2) they believe FSMCs will lead to cost savings, or (3) an infusion of funds are needed for construction or other improvement projects.¹

THE BIG THREE

There are over 200 FSMCs in the United States, but the three largest by revenue are Compass Group, Aramark and Sodexo (in descending order).

In 2013, these companies generated a collective \$31 billion in sales in North America. The education sector (K-12 schools and colleges and universities) generated \$9.59 billion in sales and the healthcare sector generated \$7.4 billion. The remaining sales came from the government, corporate, and sports and leisure sectors. These three companies provided food service management for 47% of all hospitals, 21% of colleges and universities and nearly 11% of all public school districts in the country.²

Compass Group, the largest of the three FSMCs, generated a combined \$6.7 billion in sales from the healthcare and education sectors. Compass Group is the parent company for **Morrison** who serves the healthcare sector, **Chartwells** who serves the education sector, and **Bon Appetit Management Company**, which is a high end specialty company that serves multiple sectors. **Aramark** generated just over \$4 billion in sales from these two sectors serving 948 healthcare clients, 481 public school districts and 420 colleges and universities.³ Finally, **Sodexo** generated nearly \$6 billion in sales from the healthcare and education sectors. They served 1150 health care* facilities⁴, 470 school districts and 850 colleges and universities⁵.

* **Note:** FINE uses the term "health care" instead of "healthcare" in order to emphasize the meaning and align with Health Care Without Harm, one of our key partners.

Due to the fact that these companies purchase and prepare food for such a large number of institutions their buying patterns have a tremendous impact on the food system. For example, if FSMCs decided to make purchasing local or regional food a priority they could influence what regional farmers grow and the amount of land in production. For this reason, FSMCs are the focus of many local food system efforts. However, the first step in working with FSMCs is understanding how they operate and their barriers and opportunities for increased procurement of local food products.



Credit: Franklin Pierce University

TOP THREE FOOD SERVICE MANAGEMENT COMPANIES: MARKET SHARE IN THE HEALTHCARE & EDUCATION SECTORS

	Health Care	Colleges & Universities	K-12 Districts
Collective Number of Clients for Top Three FSMCs	2,683	1,500	1,451
Number of Facilities Nationwide	5,724 ⁶	7,021 ⁷	13,588 ⁸
Percent of Facilities Managed by the Big Three	47%	21%	11%

FOOD SERVICE MANAGEMENT COMPANIES: GENERAL OPERATING SYSTEMS

Every FSMC seeks a way to distinguish itself from the competition, but when it comes to the core business of purchasing food they are rather similar.

This section of the report provides a description of the way in which most FSMC procurement systems function including product procurement and rebates, menuing, vendor approval and contracts.

PROCUREMENT & REBATES

Food service management companies sell their services based on their expertise in management of high volume food service at a competitive rate.

One of the primary ways FSMCs are able to offer low costs is through their procurement companies or divisions, often called group purchasing organizations (GPO). Group purchasing organizations pool the collective buying power of their clients to obtain volume discounts from vendors and manufacturers. In that way, an institution that is a member of a GPO is able to achieve savings based on the volume of all the GPO's institutional clients. For example, the GPO Foodbuy negotiates

prices with vendors based on the volume of the 10,000+ sites that are managed by its parent company, Compass Group North America. Group purchasing organizations most often negotiate with large national and international producers and distributors for discounted prices. Because this pricing is so important to their business model, purchases of individual clients are tightly controlled.

One way purchases are controlled is through the requirement that products be selected from approved or preferred vendors. Most FSMCs require their clients to purchase 80% or more of their products through approved vendors. This is referred to as buying "on contract." Incentives for unit level managers may even be tied to the portion of products purchased from the approved vendors that have been negotiated for priority pricing. Incentives vary from reporting on annual performance reports tied to merit increases to bonuses provided in addition to annual salaries.

To make themselves more competitive in the bidding process, FSMCs typically charge very low management fees. Therefore, many FSMCs generate additional revenue through rebates, negotiated volume discounts provided by suppliers. It is important to note that in the case of government agencies, including public school districts, FSMCs are legally required to transfer rebates, and any other cost savings, to the government agency. This requires the FSMC to provide transparent accountability to its client.

Rebates come in three main forms:

- 1 The primary form is an **agreement with the distributor** for a certain percent off of total purchases. If the distributor sells a product to the company for \$10 and the FSMC wants a 14% rebate, the distributor marks up the price by that amount. Therefore, the client pays an inflated price and the difference is considered profit to the FSMC.
- 2 The second most common form is a deal made **directly with the manufacturer or producer**. This is done for the highest volume purchases and achieves the best price. The manufacturer sends the rebate on a quarterly basis. This is common with chicken, turkey and ground beef.
- 3 Third, a manufacturer that wants to move a **high margin product** (typically a prepared food) will offer big inducements (10-20% off) to buy the product in a short time frame.

MECHANICS OF THE REBATE SYSTEM

STEP 1: AGREEMENT DEVELOPED BETWEEN FSMC & DISTRIBUTOR/SUPPLIER

The agreement specifies and percentage rebate based on a specified purchase volume. To account for this volume-based rebate, distributors typically increase the base prices of the product.

STEP 2: SUBMIT FOR REBATES

FSMC submits for rebates over a specified time interval.

STEP 3: REBATE PAYMENT

Distributors/suppliers send rebates to FSMC headquarters. Rebates are not shown as income, but are subtracted from operating costs.

STEP 4: USE OF REBATE DOLLARS

Rebate funds are important for maintaining profit at the FSMC's corporate level.

MENUS & PURCHASING AT THE LOCAL LEVEL

Most FSMCs have a staff of dieticians who develop a national menu. This menu is crafted to meet federal guidelines for school children (in the case of schools), and other groups with special needs, such as cardiac or diabetic patients in hospitals.

The menu is also developed to incorporate contracted or preferred products. There are typically minor changes at the regional level to account for variations in regional tastes. Individual institutions are not permitted to make significant changes to these menus. In rare cases a menu may be developed at the unit level, but this must be requested by the client and/or incorporated into the contract with the FSMC.

As mentioned above purchasing at the unit level is tightly controlled. Most FSMCs use a computer ordering system that shows the “preferred” items in a clear, color-coded display. Unit managers are evaluated, and rewarded or disciplined, based on their adherence to the contracted items. This results in little flexibility for purchasing any off-contract items. If an account manager wants to purchase an unapproved product they must make a request to their district manager, who will correspond with the corporate office to determine if the item can be purchased. This can be a long and burdensome process for the account manager. To gain approval the farm or food business, in most cases, must carry Good Agricultural Practices (GAP) certification and large amounts of liability insurance. Furthermore, in many cases a product will only be approved if it is not available from an already approved vendor. These requirements are large barriers for most mid- and small-scale producers, inhibiting sales to the institutional sector.



Credit: Northern Girl

VENDOR APPROVAL

There are three types of vendors:

- 1. Prime**
- 2. Approved**
- 3. Not Approved**

**Prime is also referred to as contract or preferred.*

The prime vendor carries the contracted items negotiated by the GPO. This is typically a large distributor such as Sysco or US Foods. An approved vendor has gone through the approval process for the FSMC and may carry one or more contracted products and purchases are restricted to those items. A vendor that is not approved will need to go through an approval process before selling to the FSMC and the facility.

Becoming an approved vendor is a process that varies based on the FSMC. For example, Sodexo has a non-solicitation policy and companies must be approached by Sodexo in order to go through the approval process. Compass offers a link to a vendor application form on their website to initiate the approval process by their GPO, Foodbuy. In most cases, vendors must meet food safety requirements such as GAP Certification by a third party auditor and/or have a HACCP plan in place depending on the operation. Liability insurance is also typically required. For example, Foodbuy requires a minimum of \$5 million in liability insurance.



Credit: Katy Hiza

TYPES OF CONTRACTS

There are two main types of contracts between FSMCs and their clients:

1. Profit and Loss (P&L)
2. Management Fee

Under a P&L contract, the FSMC assumes all financial risks and rewards of the food service operation. Generally, the P&L contract gives more autonomy to the FSMC to design a program of their choosing, with some guidance from the client particularly in the contract process. The FSMC receives payment for their services in the form of profits that are generated by the food service operation. Management Fee contracts require the contractor to provide a food service program specified by the client and in return they are paid a management fee, typically as a percentage of revenues.⁹ This type of contract is a greater risk to the client because the operating fee is the typically the same (with some exceptions), whether or not the food service operation is profitable. However, the Management Fee contract gives the client more control over the operation including sources of product.



Credit: Ben DeFlorio

WORKING WITH FSMCs TO INCREASE LOCAL FOOD PROCUREMENT

Based on their large sales volume institutions have the capacity to greatly influence regional food systems. Their demand for locally produced foods can signal farmers to increase their acreages and inspire new food enterprises.

Local food advocates work directly with FSMCs to enlist their support in leveraging the collective power of institutions to source from local farmers.

Most FSMCs recognize that there is significant momentum behind the local food movement. They realize that client and customer demand for these products is growing and that it is to their competitive advantage to provide local food options to their clients. This offers a great number of opportunities. However, there are also significant barriers, many of which are fundamental to their general operating systems that limit their ability to source local.

BARRIERS TO LOCAL PROCUREMENT BY FSMCs

Below are five barriers that interviewees of the contracted food service research project highlighted as key challenges to local food procurement by institutions contracted with FSMCs.

Price was the first barrier mentioned by nearly every interviewee. Seasonality and consistency of the local food supply, limited regional infrastructure, food safety and insurance, and the rebate system were also called out as significant barriers for local farms to enter the institutional food market.

1. Price

One of the main issues mentioned by nearly every individual interviewed was that local products have a tendency to be more expensive than similar items purchased through conventional channels. This is true for both value added products and raw farm products. In New England local farm products are often more expensive because the farms are smaller¹⁰ and the growing season shorter than the rest of the country. This means that farmers are unable to reach the economy of scale of larger farms in other parts of the country. Despite this disadvantage, local products are likely to be cost competitive when they are purchased at peak season.

2. Seasonality & Consistency

Seasonality and consistency of the local food supply was another issue that was repeatedly mentioned. The typical growing season in New England runs from April through October¹¹, which means that FSMCs cannot rely on local producers for farm products year round. The need to develop and manage multiple relationships requires extra staff time which is an additional expense. Additionally, most farmers in New England are unable to produce enough product to meet the demands of large institutions, which again requires the

development of multiple farm contracts by the FSMC. Seasonality is a particular challenge for schools which are not in session during the peak harvest months.

3. Infrastructure

Limited infrastructure for value added products and proteins was highlighted as a significant challenge. For example, insufficient slaughter facilities make it difficult for regional ranchers and poultry farmers to increase their scale to meet institutional demand. Additionally, limited infrastructure to flash freeze produce or process products makes it difficult for food businesses to extend the availability of local products into the off-season. This challenge is not specific to working with FSMCs, but is a barrier to increasing the supply of local proteins and value-added products.

4. Food Safety & Insurance

Even in instances when there are farms who can produce sufficient quantity of products on a reliable basis, FSMCs require high levels of liability insurance (often \$3-5 million) and numerous certifications to ensure food safety. This protocol was established to protect the end consumer and protect the FSMC and institution from lawsuits. They are important precautions; however the existing criteria to protect public safety do not address the reality of small farms in New England.

5. Rebate System

Lastly, the overall business model has been pointed to as a barrier for small farmers. Food service management company profitability is based on relationships with large suppliers who provide volume discounts. This system does not work for small and mid-sized farmers and suppliers that cannot afford to provide these large discounts in the form of rebates. Finally, the requirement to purchase on contract makes it difficult for institutions to develop independent relationships with farms

outside of the FSMC, significantly impeding the ability of New England farms to sell to the institutional market.

There are opportunities to work with food service management companies to enhance the local food system and help New England farmers gain entry to the institutional market.

OPPORTUNITIES TO INCREASE LOCAL PROCUREMENT

The barriers above are real and difficult to address. However, there are opportunities to work with FSMCs to enhance the local food system and help New England farmers gain entry to the institutional market.

These opportunities include aggregating demand from client institutions, forging relationships with regional distributors, focusing on binding contract language that requires local options, and encouraging expansion of promising pilot programs. Innovative institutions and supporters of regional food systems are seizing on these opportunities to create change.

1. Client Demand

The largest leverage point to change the way FSMCs work with producers and suppliers may be through client demand. In a highly competitive environment, FSMCs recognize that if they do not meet their clients' needs the client can find another

company who will. Institutions such as public schools, colleges and universities, and hospitals are organizing across New England to present a cohesive message to FSMCs that they want to purchase local products. Furthermore, advocates are organizing across sectors to further leverage their voice and demonstrate their collective buying power. This is motivating FSMCs to find solutions to the barriers mentioned above.

2. Regional Distributors

One strategy that has taken hold is working with regional food distributors who have the capacity to develop relationships with individual farmers. These distributors, sometimes referred to as food hubs, function throughout New England and enable smaller farms to aggregate their product to meet the demand of larger institutions. Furthermore, these distributors are able to carry the large liability insurance required by FSMCs, eliminating this barrier from individual farmers. Examples of these distributors include Black River Produce, which serves all of New England; Native Maine, which serves Northern New England; and Roch's Produce, which serves Southern New England.

3. Contract Language

Another strategy that offers great promise is to focus on the contracts between the client institution and the FSMC. Due to their binding nature, these contracts are a critical leverage point for increasing local food procurement. The bidding and contract negotiation process provides an opportunity for the client institution to include specific procurement goals, and for the FSMC to outline its plan for meeting the client's local food needs. Management Fee contracts may provide more opportunities for local purchasing because the cost is passed on to the institution rather than the FSMC, allowing the facility to articulate their approval for budget deviations.

4. Pilot Programs

Finally, expansion of signature pilot programs may provide each FSMC with the opportunity to develop their own unique strategy for working with local farm and food businesses. Food service management companies are testing strategies for procurement of local foods in all corners of the country. Unfortunately, to date these programs have stayed small with limited impact on overall operations. These pilot programs could be expanded to change the ways in which FSMCs operate across the country.

SAMPLE PILOT PROGRAMS THAT SUPPORT LOCAL AGRICULTURE

Food service management companies are seeking strategies to distinguish themselves from their competitors as a way to garner new business in a highly competitive market. One way that companies can do this is to proactively integrate a diverse array of local suppliers into their purchasing profile.

In New England, Sodexo has taken steps to meet this demand through two pilot programs: Adopt-a-Farm and Vermont First.

Adopt-a-Farm

Adopt-a-Farm is the anchor of Sodexo's farm to school program.¹² It originated in Rhode Island in 2012 with the help of Farm Fresh Rhode Island (FFRI) and Roch's Produce. Sodexo Providence and a local farmer developed a verbal agreement through which Sodexo guaranteed they would purchase all the produce grown on a 20-acre area the farm. In return the farm worked with FFRI and unit-level Sodexo staff to develop their growing plan for the

land. This collaboration was helpful in ensuring that the farmer grew the varieties of produce that would be needed by the Rhode Island school being served. The growing plan was developed by the early spring so that farmers could plant on time, and have the appropriate quantities and varieties of produce ready for the school year.

Roch's Produce, a regional distributor, picks-up produce from the farm, handles all processing and delivers the final product directly to the schools. Roch's also carries the liability insurance sufficient to cover the producer. The intermediary role played by Roch's Produce enables mid-sized farms, without processing equipment, to gain entry to the institutional market. The Adopt-a-Farm program has been considered highly successful by all involved and it is slowly expanding to additional farms. In just two years it has grown to include the Massachusetts school districts of Springfield and Fitchburg, Southcoast Hospital in New Bedford, and the New England Baptist Medical Center in Boston. Sodexo is looking into further expansion of the program into additional New England states. [Browse photo album >](#)

Vermont First

Vermont First is the newest local food initiative from Sodexo announced in September 2014. Sodexo staff have worked closely with the Vermont Agency of Agriculture and farm to institution support organizations to develop this comprehensive plan to support the Vermont food system. Under this program Sodexo will work with farmers, distributors, processors, state government, non-profit organizations and supply chain partners within the farm to institution sector to increase the amount of local food grown and sold in the state. The program is the first of its kind and will be watched closely for the success of implementation and impact on the food system.

As announced in a press release from the Vermont Agency of Agriculture, Sodexo has made commitments in the realms of communications, relationship building, and producer investment as part of a long term plan to develop a Vermont First brand.

To do so, Sodexo has made the following key commitments:

1. Develop a plan to meet the production needs of Vermont farmers and enable businesses to buy local. This includes market analysis, technical assistance around production, processing and marketing.
2. Form a steering committee of Vermont stakeholders to discuss issues of procurement, marketing and customer demand.
3. Develop a formal commitment and investment that supports the production and purchase of local food.
4. Hire of a local food coordinator to broker relationships with growers wanting to meet the institutional market demand and track progress and growth in local food procurement.
5. Sponsor an annual summit meeting and two working group sessions around "scaling up" local food production and procurement.¹³

"This exciting announcement [about the Vermont First initiative] will help us expand Vermont's farm-to-institution sector." - Governor Peter Shumlin (VT)

RECOMMENDATIONS TO INCREASE LOCAL FOOD PROCUREMENT

Our recommendations fall under four general areas of work including: technical assistance for farmers, technical assistance to institutions, development of regional infrastructure, and convenings.

This section provides a series of recommendations for action. The primary criteria considered in development of these recommendations were: (1) will the recommendation have a direct influence on the ability of FSMCs to increase procurement of regionally grown and raised products, and (2) is the recommendation something that can be carried out by FINE and/ or its network of organizational members.

The last recommendation is geared toward food service management companies themselves. It is for suggested changes within the companies, although outside advocates like FINE will be necessary to encourage such changes. This recommendation does not meet the same criteria as the first four, but is important to facilitate change in procurement practices.

#1: TECHNICAL ASSISTANCE FOR NEW ENGLAND FARMS

For many small and mid-sized farmers, it is difficult to navigate the systems necessary to work with large institutions and FSMCs.

As FINE works to help New England farmers increase to a scale sufficient to meet demand from the institutional sector technical assistance will be necessary.

Part A

Individual farm scale and diversification of sales need to be considered when determining if a farmer should sell direct to institutions or work with a FSMC. ***It is recommended that FINE connect farmers with farm business training programs and provide assistance to farmers who are considering whether or not to work with FSMCs.*** This is not the right sales outlet for all farms.

Part B

If a farm has decided they want to work with a FSMC it is not always clear what to do next. A liaison is needed to connect farmers with FSMCs and/or their approved distributors so that farmers can gain entry to sales at institutions. ***It is recommended that FINE or one of its member institutions play the role of this farm-to-distributor connector.*** In lieu of an actual liaison, it is recommended that a guidance document be developed to perform this function.

#2: TECHNICAL ASSISTANCE FOR INSTITUTIONS CONTRACTING WITH FSMCs

Food service management companies are legally bound to the terms of their contracts. Therefore, the language incorporated in any contract between an institution and FSMC is of great importance.

Unfortunately, it is often after-the-fact that many institutions realize the language they should have included in order for their mission and values to be reflected in the food served at their institution.

Part A

A request for proposal (RFP) is the first step in finding a FSMC. The RFP lets prospective bidders know what the institution is looking for in the food they serve and the approximate budget they have to work within. If a school or hospital wants to prioritize local, organic or any other type of food, they can use the RFP as a tool to gather information about a FSMC's ability to provide these types of products. **It is recommended that FINE develop guidance to aid institutions in drafting their RFP so that they can capture the information they need about how a FSMC will meet local food goals.** This guidance should include topics to consider and sample language for inclusion in an institutional RFP.

Part B

The contract is the bottom line for FSMCs. They must meet the criteria that they agreed to, which can include procurement of local food if it is in the contract language. The researchers found that a well-crafted contract is an incredibly important tool for ensuring procurement of local food by FSMCs. However, ensuring inclusion of

the proper language can be difficult if an institution does not have staff with expertise in this area. **It is recommended that FINE develop guidance on how to craft contract language that will favor the procurement of regional products and articulate a tracking and reporting process to ensure the FMSC is meeting agreed upon goals.**

#3: DEVELOPMENT OF REGIONAL INFRASTRUCTURE

New England farmers and ranchers all face the challenges of limited infrastructure.

New England has too few slaughter facilities and limited access to processors for produce. Furthermore, here is limited access to aggregators for small and mid-sized farmers, which is needed to gain entry to large contracts with institutions.

Limited infrastructure is a familiar refrain in New England, but the researchers are not aware of any thorough survey of the infrastructure that does exist. **It is recommended that FINE conduct research to determine what infrastructure is currently in place throughout the six New England states and the actual processing needs of New England farmers in order to develop a regional plan.** This research would include food hubs or aggregators; produce processing facilities; slaughter facilities for beef, poultry and pork; among others. This research would also explore the demand for these facilities by farmers throughout the region. Combined these two pieces of research would enable the development of a regional plan for the development of agricultural infrastructure.

#4: REGIONAL GATHERING TO DETERMINE A STRATEGY FOR COLLABORATION

There is a shared enthusiasm by institutions, advocates and some staff at FSMCs to increase procurement of local food.

Since each of these constituencies has a different set of goals and challenges, a common agenda needs to be developed in order to align this diverse set of stakeholders in movement toward the common goal.

Part A

The landscape of regional food advocates in New England is large and diverse. Each organization has a different definition of local food and a variety of other objectives that they are trying to achieve. Therefore, ***it is recommended that FINE convene institutions that contract with FSMCs and local food advocates throughout New England to develop a shared agenda.*** This would include a series of common goals and requests for their work with FSMCs.

Part B

A step toward implementing the shared agenda would be to host a conference with both advocates and FSMCs. Therefore, ***it is recommended that FINE hold a convening that includes FSMCs to identify areas in which advocates, institutions and FSMCs can collaborate in order to meet regional goals for institutional procurement of local food.***

#5: DEVELOPMENT OF INTERNAL FSMC SUPPORT FOR PROCUREMENT OF LOCAL FOOD

Unlike the recommendations #1 through #4, this last set focuses on internal changes that FSMCs can make to enhance the ways in which they support the development of a sustainable regional food system in New England.

Part A

One of the main challenges FSMCs face in procuring local products is that they need to aggregate from multiple farms to achieve the appropriate quantity which can be very time consuming. Therefore, ***it is recommended that FSMCs hire a local procurement specialist for each region of the country.*** This extra staff support will provide the person-power needed to work with multiple producers.

Part B

A common challenge cited by FSMCs is the lack of adequate supply from local producers. To address this issue, ***we recommend that companies start with a focus on three to five products that are grown in abundance in each region.*** This approach will allow the companies to pilot integration of local producers into their ordering systems around a small number of products enabling them to work out any glitches before ramping up.

Part C

There is minimal infrastructure throughout New England to enable small and mid-sized farms to sell direct to FSMCs or through distributors at the quantities needed by large institutions.

It is recommended that FSMCs develop a regional infrastructure grant program to help the supply grow to meet demand. Such infrastructure may include processing plants, slaughter facilities, aggregators, distributors and more. All of these types of facilities play an important role in enabling institutional clients to benefit from the diverse agricultural landscape in New England.

Part D

Farmers need technical assistance in learning how to work with large distributors, the needs of institutional clients and obtaining the necessary certifications. ***It is recommended that FSMCs provide bi-annual training seminars to provide this type of assistance to producers. It is also recommended that participation in this training be accompanied by a small grant to help farmers complete the process.***

Part E

Most FSMCs require suppliers to be GAP certified. This process is cumbersome and expensive. ***It is recommended that companies change this policy to accept state GAP certification in lieu of the federal certification that does not take into account the realities of small farms in New England.***



CONCLUSION



If institutions decide to prioritize procurement of local food, they have the collective buying power to impact the amount of New England land that remains in farms and what is grown on those farms.

However, given the prominence of FSMCs, they will need to become allies in the movement to increase local procurement to develop a sustainable regional food system. There are many challenges to creating a shift in purchasing practices to provide New England producers with access to the institutional market. The barriers will require state and federal policy shifts, internal company policy changes, aggregation of customer demand and changes in the way farmers operate. While these are large obstacles, there are signs that these changes are happening and an increasing number of companies are recognizing the value in local procurement and the development of a sustainable New England food system.

Learn more at www.farmtoinstitution.org

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- [9] Farrand, T. (2.7.2011) On-Site Dining Contracts: How does this affect you? Cini-Little. <http://cinilittle.wordpress.com/2011/02/17/on-site-dining/> Last accessed 5.27.2014
- [10] According to the 2012 US Census of Agriculture the average farm in the United States is 434 acres. In New England the average farm acreage ranges from a high of 178 in Maine to a low of 56 in Rhode Island. <http://www.agcensus.usda.gov/Publications/2012/> Last accessed 8.29.2014
- [11] The growing season varies by state. CT has the fewest frost days and ME has the most. Additionally farm practices such as high tunnels can extend the harvest season.
- [12] Information about the adopt-a-farm program was provided by staff at Farm Fresh Rhode Island and Roch's Produce.
- [13] Vermont Governor Applauds Sodexo's Commitment To The "Vermont First" Pledge To Impact State's Agricultural Economy And Improve The Well-Being Of Vermonters. Sept 5, 2014. Corporate Social Responsibility Wire. http://www.csrwire.com/press_releases/37319-Vermont-Governor-Applauds-Sodexo-s-Commitment-To-The-Vermont-First-Pledge-To-Impact-State-s-Agricultural-Economy-And-Improve-The-Well-Being-Of-Vermonters Last accessed 9.17.2014