Rhode Island Farm to Institution

A look at the capacity of Rhode Island institutions, processors and growers to increase processed and frozen produce in supply chains

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Acknowledgements

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A full list of participants can be found in Appendix 1.

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The Purpose

The goal of this research is to identify and eliminate marketplace barriers to institutional purchasing of local produce in Rhode Island.

Additionally, we seek to understand the potential for lightly processed and/or frozen local produce as alternatives to fresh.

The Method

- Survey institutional supply chain actors
  - 21 Institutional Purchasers
  - 17 Producers
  - 16 Processors/Distributors
Institutional Purchasers Profile

57% of institutional purchasers surveyed operate during the school year. They are on break at peak harvest of local produce

21 institutions surveyed

Institution Type

- K-12 Schools
- Colleges/Universities
- Hospitals
- Food Pantry
- Government Agency

# of Meals Served Annually

- 500k-1M
  - K-12 Schools: 5
  - Colleges/Universities: 4
  - Hospitals: 4
  - Food Pantry: 3
  - Government Agency: 2
- 1M-5M
  - K-12 Schools: 2
  - Colleges/Universities: 2

# of institutions reporting

Demand

67% of purchasers report a demand for local produce by cafeteria patrons

Supply

29% of purchasers report insufficient supply of local produce to meet demand
86% to support the local economy

62% because produce is high quality

48% to enrich the community

48% in response to customer demand

Institutions were asked why they purchase local produce...

$ 71% report price
local produce often costs more than non-local produce

57% report distribution
local produce is unavailable or untraceable through current supply chains

48% report volume
individual local farms are unable to produce enough volume to satisfy institutional demand

Institutions were asked about challenges to purchasing local produce...

Besides a lower price, institutional purchasers would buy more local produce if...

71%...lightly processed or frozen local produce were available in the off season

57%...more local products were available / if suppliers made me more aware of local product availability

48%...suppliers tracked my local produce purchases and provided reports
Processed* Fruit and Vegetable Purchasing Habit Survey
*processed is defined as 'cut and peeled'

13 institutional purchasers responded

Top 5 Fruits and Vegetables Currently Bought Frozen
- 92% blueberries
- 85% corn kernels
- 62% French Fries
- 62% pea and carrot mix
- 54% spinach

Top 4 Fruits and Vegetables Currently Bought Processed
- 85% broccoli florets
- 77% chopped lettuce
- 69% shredded cabbage
- 62% snipped green beans

85% report interest in purchasing processed and frozen local produce

100% report interest in purchasing processed local produce

Food Safety

measures are taken at every step of the supply chain to minimize risks

Institutional purchasing is influenced by strict food safety guidelines. Most purchasers surveyed report that "company policy" determines food safety requirements.

All approved vendors are vetted by upper management in a process requiring high levels of liability insurance and specific food safety certifications.

The cost of these requirements is often too high for small farms/businesses to meet and remain profitable.

71% of farms surveyed are GAP certified

81% of processors/distributors surveyed are HACCP certified
Processors and Distributors Profile

16 Processors / Distributors Surveyed

How Processors/Distributors identify local:
- 14% On a Separate Guide Provided on Request
- 50% Verbally to Customers
- 29% On Standard Order Guide
- 7% Don't Identify

How Processors/Distributors market local:
- 36% Don’t Distinguish
- 36% Identify the Name of the Farm
- 28% Identify Produce as 'local'

Top 5 Processed Fruits & Vegetables:
- potatoes
- carrots
- winter squash
- apples
- Tied for 5th: Cabbage, Peppers, Celery

*unspecified source of origin

Demand
- 100% of processors/distributors report customer demand for local produce

Supply
- 12% sufficient supply in season
- 25% insufficient supply
- 63% sufficient supply
- 25% of processors/distributors report insufficient supply to meet demand
86% of institutions buy >60% of produce from a wholesaler

Distribution

Institutional Preferred Local Produce Purchasing Methods

- 29% no preference
- 24% direct from the farmer
- 14% from a broadline distributor
- 33% from a produce distributor

The extremely busy schedule of institutional purchasers heavily influences purchasing habits. When asked how they prefer to purchase local produce, many subjects responded "the easiest way!"

The most efficient way is by placing the order for local produce along with the order for everything else from their distributor.

71% of purchasers expect an order turn around time of 24 hours

Producers Profile

17 Producers Surveyed

- 71% of farms report <5% of sales to institutions in 2014

Farm Size

- 18% >100 acres
- 18% 51-100 acres
- 59% 11-50 acres
- 6% <10 acres

Rhode Island is a small state with expensive land, high taxes and high labor costs. The result is many small farms with a high cost of production. Small farms see the most profit when they sell directly to customers.

The direct retail demand for local produce in RI is among the strongest in the nation.

Most RI farms can't sell at prices competitive to non-local and still profit. Currently, there is little incentive for RI farmers to seek institutional customers.

76% of producers surveyed believe institutional demand offers a significant growth opportunity
Producers were asked about their willingness to sell to institutions...

- 35% are willing or already selling
- 29% need higher prices than institutions are currently paying for produce
- 29% need a commitment in advance of planting so they grow enough

Many RI producers are willing to sell to institutions, however, compared to retail, selling through wholesalers reduces their profit margin.

Institutional purchasers must work with wholesalers to comply with corporate rules, meet food safety and maximize efficiency.

In order to increase production to meet institutional demand and be assured of profitability, producers need to engage in pre-season planning with institutional purchasers who will commit to those purchases.

Case Study
a look at how scale effects cost of production

Farm Fresh Rhode Island
In 2014 FFRI piloted a USDA funded flash freezing program at the RI training school. RI grown vegetables were processed, frozen and distributed to RI K-12 schools. This was a very small scale pilot. All staff time and overhead was subsidized by grant funds.

- small produce orders prevented wholesale prices
- produce delivered in bushel boxes

Facilities
- school day/break times resulted in inefficient production schedule
- lower production volume = increased packaging costs
- site did not allow for pallet maneuvering

Franklin County Community Development Corporation
A similar flash freezing program started in 2010. Since then, the FCCDC has invested in equipment to create a higher quality local product at a more competitive price.

- close proximity to large farms growing wholesale quantities
- produce delivered in 500lb bins

Facilities
- appropriate sized equipment for regional processing
- higher production volume = decreased packaging costs
- site allows for pallets
- consistent, trained staff

FCCDC buys at a lower price due to proximity to larger MA farms that operate for less than RI farms. FCCDC has the capacity to process larger quantities without limitations on a production schedule. FCCDC realizes an economy of scale with packaging costs that FFRI cannot with the small scale production. The FCCDC can sell their product for less with more profit per pound than FFRI.

When local processing is done on a larger scale the cost of production decreases. Appropriately sized equipment is necessary for greater efficiency and decreased production cost.
Some institutions are now setting local produce purchasing goals. Preferential purchasing of local produce in food service RFPs and contracts is an emerging trend. Streamlined tracking and reporting processes enable purchasers to establish benchmarks, set goals, track progress and publicize their efforts. These tools also allow the public to hold institutions accountable for the pledges they make.

57% of institutions said greater local product availability and increased awareness of local products carried by their distributor would help them purchase more local produce.

The processor/distributors interviewed reported sourcing as much local produce in season as possible. Purchasers reported a desire for processor/distributors to increase marketing, tracking and reporting of local produce to raise awareness of the local produce being offered. The data gathered indicates that institutional purchasers may be purchasing more local produce than they are aware of.
Shifting Paradigms

Communication feedback loops within the local food system encourage education and change.

Wholesale supply chains break this communication, leaving both producers and consumers in the dark about what the other desires.

Scaling up local production will require strong communication channels. Food system advocates and food hubs play an important role in facilitating communication feedback loops.

The New England Food Vision

Food Solutions New England believes that New England can be substantially food self-reliant, producing 50% of the food it consumes by the year 2060. Now that a common agenda has been outlined it’s up to advocacy groups and food hubs to align the work of their organizations with this vision. The idea is still new and few action steps have been implemented, but this type of overarching goal is needed to unify producers, consumers, and everyone involved in getting produce from one to the other. Farm Fresh RI has adopted the 50 by 60 vision and is working to identify where our initiatives align with it.
Recommendations

Increase Availability of Product

Increase Production of Lightly Processed and Frozen Produce
100% of institutional purchasers surveyed are interested in buying processed local produce.
85% of institutional purchasers surveyed are interested in buying processed frozen local produce.

Franklin County Community Development Corp. had pioneered a successful system to process and freeze local produce on a regional scale to simultaneously encourage both supply and demand.

RI produce processing facilities to mimic Franklin County CDC’s systematic increase in planning, purchasing and processing local produce on equipment appropriate to regional production to stimulate production by farmers and institutional purchasing.

Recapture Lost Produce
According to Feeding America, 6 billion pounds of fresh produce are not harvested or go unsold by farms every year. Island Grown Gleaning has developed a program employing skilled volunteers to capture lost product for donation to those in need.

Replication and expansion of a similar, though fee-based program in RI could increase the amount of harvested “B” Grade produce while eliminating waste and increasing the amount of local produce available to produce processors and the institutions they serve.
Institutional Commitment

Institutions to Set Local Purchasing Goals and Develop Tools to Track Progress

As Rhode Island institutions begin to consider local purchasing goals, a standard system is necessary for tracking results, generating reports, establishing a baseline and measuring progress.

Rhode Island should invest in the development of an online platform similar to that of a social media website that would allow for voluntary self-reporting of local food purchases by institutional representatives.

Once a tracking system is in place, Rhode Island should challenge all institutions to set a goal to purchase at least 15% RI and New England grown and produced foods, with incremental increases each time a goal is reached.

Commitment to 100% Purchasing of Select Local Produce

There are many dependable RI Grown storage crops appropriate to institutional use available from August through January, including potatoes, butternut squash, carrots, parsnips, turnip and apple.

If institutional purchasers would commit to purchasing 100% of at least one of these RI Grown crops until the supply is exhausted, RI growers could comfortably increase production. This sort of commitment could result in growers feeling secure enough to invest in equipment to help realize economies of scale.

Enhance Regional Food System Connections

Increase Connection Opportunities for “Farm to Institution” Practitioners

A “Farm to Institution New England” managed Listserve, Google Group or similar online “Learning Community” would allow for increased exchange of best practices among regional food system players while acting as a clearinghouse of contact information for advocates, educators, food service professionals, farmers, processors, distributors, fisher-people, aggregators, policy makers, etc. Practitioners could utilize the service to ask and answer questions, share resources and document the progress of Farm to Institution in New England.

Map and Network Supply Chains

A vast number of New England produce purveyors are sourcing, purchasing, processing and/or distributing New England grown produce. A “map” of these services would allow New England purchasers and producers to access information on how to connect to the supply and/or demand.

Connecticut, Rhode Island and Vermont recently completed statewide surveys of produce growers, processors and distributors. Maine, New Hampshire and Massachusetts should collect similar data to complete a data set on the entire New England region. Once that data is available, Farm to Institution New England, Food Solutions New England and/or each state’s Food Policy Council could develop a supply chain network map.
Raise Awareness of Regional Opportunities

Raise Awareness of “New England Grown”

Harvest New England Association, (HNE) Inc. is a collaborative marketing program with a mission to “facilitate the sale of NE agricultural products through traditional and evolving wholesale market channels”. Increased and enhanced marketing of the HNE brand can help to raise awareness among institutional purchasers of the availability of appropriate and affordable New England grown produce.

New England Food Hubs could link their own marketing with the HNE brand, perhaps highlighting their state of origin within the HNE logo, to raise awareness and build demand for New England Grown.

Appendix 1
Survey Participants

Institutions
Bradley Hospital
Lifespan
Chris Barone
Brown University
Peter Rossi
Bryant University
Aramark
Scott O’Rourke
Central Falls Public Schools
Aramark
Tricia Wright
Crossroads
Dave Rocheleau
Department of Corrections
John Rogers
East Greenwich
Aramark
Kelly Mckean
The Green School
Brendan Haggerty
The Gordon School
Jen Stott
Kent County Hospital
Sodexo
Mike Cagliandro
Lincoln Public Schools
Aramark
Andrew Viveiros
Miriam Hospital
Lifespan
Jason King
Newport Hospital
Lifespan
Robert Tessier
Pawtucket Public Schools
Sodexo
Saronge Morrissette
Providence College
Sodexo
Denise Meicke
Providence Public Schools
Sodexo
June DiLorenzo
Rhode Island Hospital
Lifespan
Kate Gorredian
RISD
Mark Gardino
Rocky Hill School
Compass USA
Rob DeLuise
University of Rhode Island
Mike McCullough
Women and Infants Hospital
Eric Olson

Processors/Distributors
Al Jack
Al
A.T. Siravo
Donna Andrews
Balder Boston
Teddy Caesar
B. Del Toro & Sons
Michael Del Toro
Blossom Trail Orchard
Donald Connetti
Eastland Foods
Dayne Wall
Farm Fresh Rhode Island
Kimberly Garofalo
Franklin County Community Development Corporation
John Waite
Heart of the Harvest
William Driscoll III
Joseph Wojcik’s and Son Inc
Tomi Wojcik
Nasiff Produce
Melissa Nasiff Almeida
Ocean State Peeled Potato
Tammy Caridda
Roch’s Produce
Heather Snow

Producers
Barden Orchard
Sandie Barden
Rhode Island Nurseries
Jesse Rodrigues Jr.
Cabral Farms
Jim Cabral
Schartner Farm
Lindsay Solomon
Chase Farm
Harry Chase
Steere Orchard
Jim Steere
Czajkowski Farm
Joe Czajkowski
Young Family Farm
Tyler Young
Four Town Farm
Chris Clegg
Freedom Food Farm
Chuck Currie
Hill Orchard
Allan Hill
Jaswell’s Farm
Allison Jaswell
Langwater Farm
Kate O’Dwyer
Maplewood Farm
Judy Carvalho
Pezza Farm
Doreen Pezza
Pippin Orchard
Joe Polanso
Quonset View Farm
Dave Flynn