

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**

————— **March 2015** —————

Acknowledgements

The “Farm to Institution” research project was only possible with the cooperation of the good people representing Rhode Island institutions, produce processors, distributors and farms. All of these local food systems stakeholders work tirelessly. We thank them for generously sharing their time, experience and information.

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

We greatly appreciate the advice and guidance from Ken Ayars, Dawn King, Lucie Searle and Ken Payne. They helped us to understand how our Farm to Institution project at Farm Fresh fits into the bigger picture of Farm to Institution work happening on a state and regional level.

We extend an extra special thank you to the Rhode Island DEM, The John Merck Fund and the Surdna Foundation for funding our work to grow a local food system that values the environment, health and quality of life for all Rhode Island farmers and eaters.

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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



17 Producers



21 Institutional
Purchasers



16 Processors/
Distributors

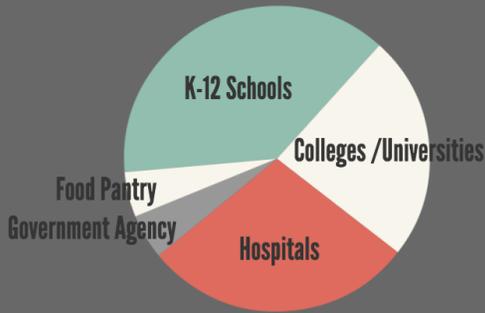


Institutional Purchasers Profile

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



of Meals Served Annually

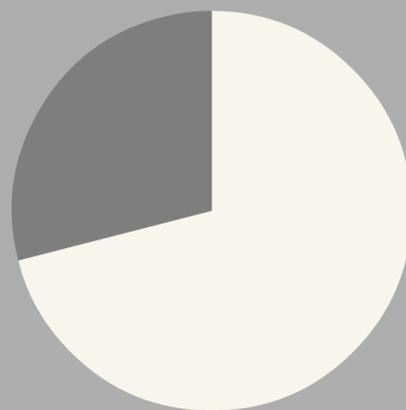


Demand



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

Institutions were asked why they purchase local produce...

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 about challenges to purchasing 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

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% snapped 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



71% of farms surveyed are GAP certified

81% of processors/distributors surveyed are HACCP certified

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

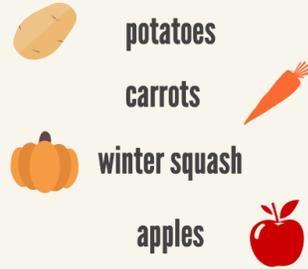
All approved vendors are vetted by upper management in a process requiring high levels of liability insurance and specific food safety certifications.

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



Processors and Distributors Profile

Top 5 Processed Fruits & Vegetables*

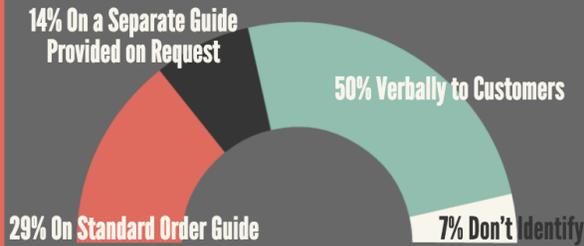


Tied for 5th: Cabbage, Peppers, Celery

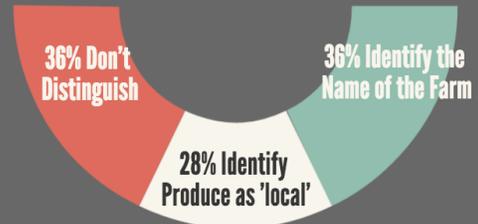
*unspecified source of origin

16 Processors / Distributors Surveyed

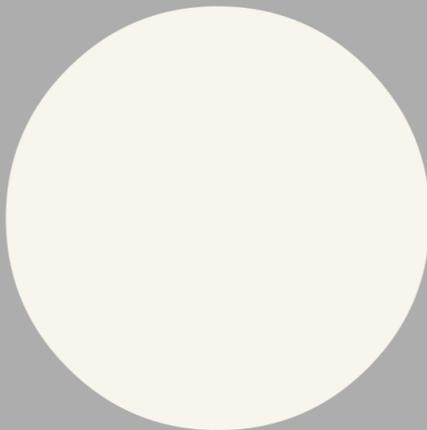
How Processors/Distributors identify local...



How Processors/Distributors market local

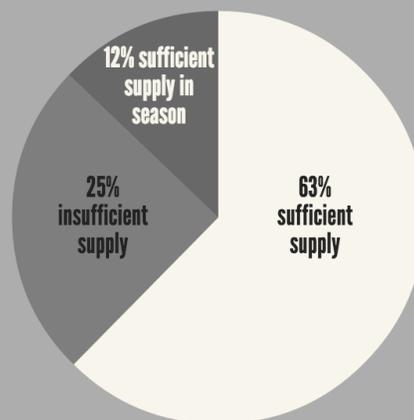


Demand



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

Supply

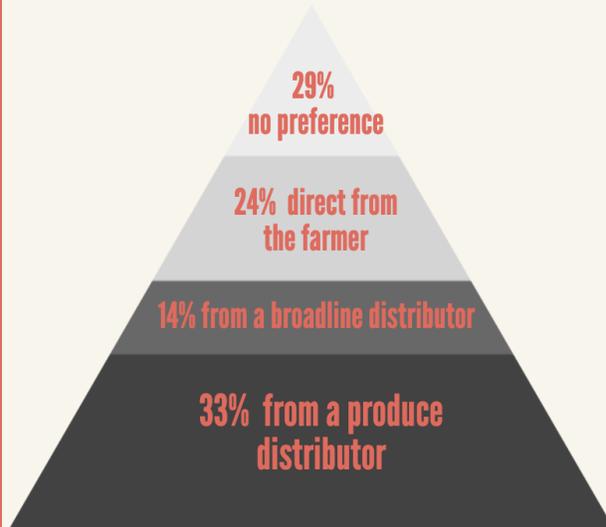


25% of processors/distributors report insufficient supply to meet demand

**86% of institutions buy
>60% of produce from a
wholesaler**

Distribution

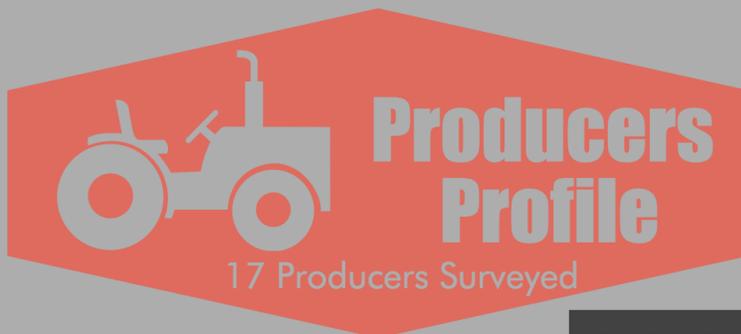
Institutional Preferred Local Produce Purchasing Methods



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!"

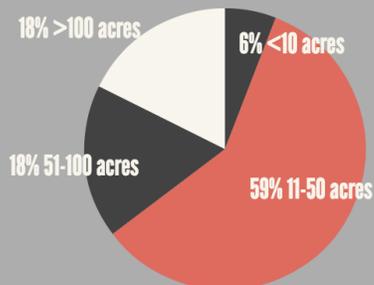
The most efficient way is by placing the order for local produce along with the order for everything else from their distributor.

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



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

Farm Size



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.

Produce

- 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

VS.

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.

Produce

- 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.

Tracking & Reporting

71%
of purchasers
prioritize tracking
local produce
purchases

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.

Tracking & Reporting

44%
of distributors are able to track a customer's local produce purchases

52%
of purchasers have distributors who say they can track local produce purchases

33%
of purchasers report they can easily track local produce purchases themselves

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

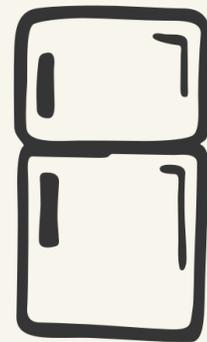
Increase Production of Lightly Processed and Frozen Produce

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.

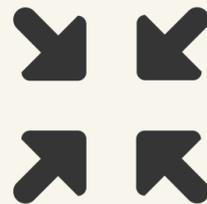
If institutional purchasers would commit to purchasing 100% of at least one of these RI Grown crops until the supply is exhausted, RI growers could comfortably increase production. This sort of commitment could result in growers feeling secure enough to invest in equipment to help realize economies of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

Enhance Regional Food System Connections

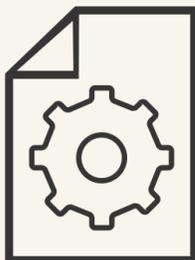
Increase Connection Opportunities for "Farm to Institution" Practitioners

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

Processors/Distributors

Al Jac's Al	Robert's Precut Vegetables Robert Twardowski
A.T. Siravo Donna Andrews	Sid Wainer & Son Joe Delgado
Baldor Boston Teddy Caesar	Tourtellot & Co Guy Menard
B. Del Toro and Sons Michael Del Toro	
Blossom Trail Orchard Donald Connetti	
Eastland Foods Dayne Wall	
Farm Fresh Rhode Island Kimberly Garofolo	
Franklin County Community Development Corporation John Waite	
Heart of the Harvest William Driscoll III	
Joseph Wojcik's and Son Inc Tom Wojcik	
Nasiff Produce Melissa Nasiff Almeida	
Ocean State Peeled Potato Eric Olson	
Roch's Produce Heather Snow	

Producers

Barden Orchard Sandie Barden	Rhode Island Nurseries Jesse Rodrigues Jr.
Cabral Farms Jim Cabral	Schartner Farm Lindsay Soloman
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 Polseno	
Quonset View Farm Dave Flynn	