

Farm to Institution New Orleans

Feasibility and Pilot Study



Acknowledgements

ABOUT THE PROJECT

Farm to Institution New Orleans is a unique and innovative collaboration between Propeller: A Force for Social Innovation, the New Orleans Food Policy Advisory Committee, and the Wallace Center at Winrock International. These organizations designed this project to create a more resilient and equitable local food economy through research, network building, and direct value chain coordination. The Farm to Institution team believes that shifting to a values based food supply chain is an effective method to keep small and mid-size farms in business while supplying New Orleans consumers with high quality, nutritious foods.

Propeller: A Force for Social Innovation is a New Orleans-based nonprofit that grows and supports entrepreneurs tackling social and environmental disparities. Propeller focuses its work in the areas of food, water, health, education, and community economic development. Within food, Propeller works to grow a robust and equitable food system. Learn more at www.gopropeller.org.

The New Orleans Food Policy Advisory Committee is a broad-based coalition of organizations, businesses and individuals shaping public policy to improve equity, opportunity, and collaboration in our local food system. FPAC is a project of the Tulane Prevention Research Center. Learn more at www.nolafoodpolicy.org.

The Wallace Center at Winrock International develops partnerships, pilots new ideas, and advances solutions to strengthen communities through resilient farming and food systems. Learn more at www.wallacecenter.org.

FUNDERS

This project is made possible by the W.K. Kellogg Foundation and by technical assistance provided by the Wallace Center at Winrock International.

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Institutional procurement – the process through which institutions such as schools, universities, and hospitals, prepare, and serve food – offers one of the most powerful opportunities to build a food system that promotes equitable health for communities. As some of the largest food purchasers in any given region, institutions feed large amounts of customers every day. By localizing food procurement, institutions can provide more nutritious foods for their customers, many of whom may be vulnerable, food-insecure populations. Additionally, anchor institutions are inextricably tied to their communities. As leaders in their geographic setting, they can drastically increase visibility of local procurement efforts while setting crucial benchmarks for promoting community and economic development. Finally, in forming

relationships with local food producers, institutions become connected to the local supply chain which increases market demand, supply chain transparency, and local food system sustainability. This means shifting away from the typical supply chain to a values-based food supply chain: one that values equity, environmental and economic sustainability, food quality, and mutually beneficial business relationships.

Over the last three years, Propeller has convened and collaborated with food system stakeholders to discuss barriers and opportunities in the local food economy. In 2016, Propeller and food systems partners determined a need for more local food system data to better understand what is grown,

processed, distributed, and consumed locally. It was also determined that a deeper investigation was needed to analyze and understand the potential for growing the local food economy. Propeller collaborated with the Wallace Center, Ascendant Global, and the New Orleans Food Policy Advisory Committee to conduct a local food system assessment, feasibility study, and pilot program activities with an emphasis on increasing institutional procurement of local produce. The research conducted is intended to fill knowledge gaps in the intricate purchasing requirements of various institutions and distributors and make recommendations on how institutions can make choices that will influence the equity of the larger food system.

Shifting to 20% local procurement by just three New Orleans anchor institutions has the potential to generate over \$2 Million Dollars in annual economic output for the New Orleans economy.

Findings:

Key findings include:

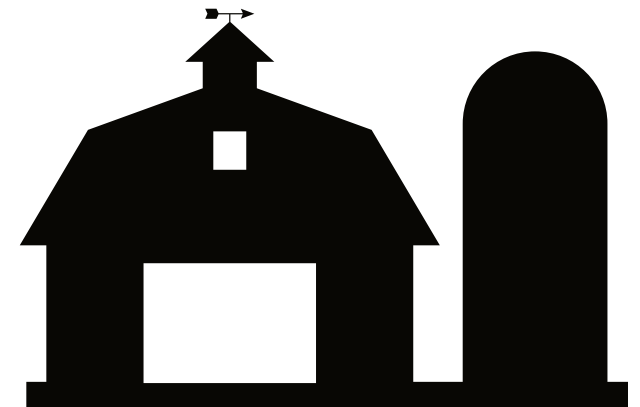
- An overwhelming interest in increasing local and sustainable procurement activities from stakeholders at each level along the supply chain.
- Distributors hold immense power in the region. Out of over ten anchor institutions interviewed, representing numerous facilities, 100% responded that they source from the same local produce distributor.
- Shifting to 20% local procurement by just three New Orleans anchor institutions has the potential to generate over **\$2 Million Dollars** in annual economic output for the New Orleans economy.
- There has been robust, but inequitable growth in the agriculture sector. Louisiana agricultural revenues nearly tripled from 2002 to 2012 from \$1 billion to \$2.8 billion, but a majority of this growth was for large scale farms.

Recommendations:

This report's recommendations center around creating a values-based food supply chain including:

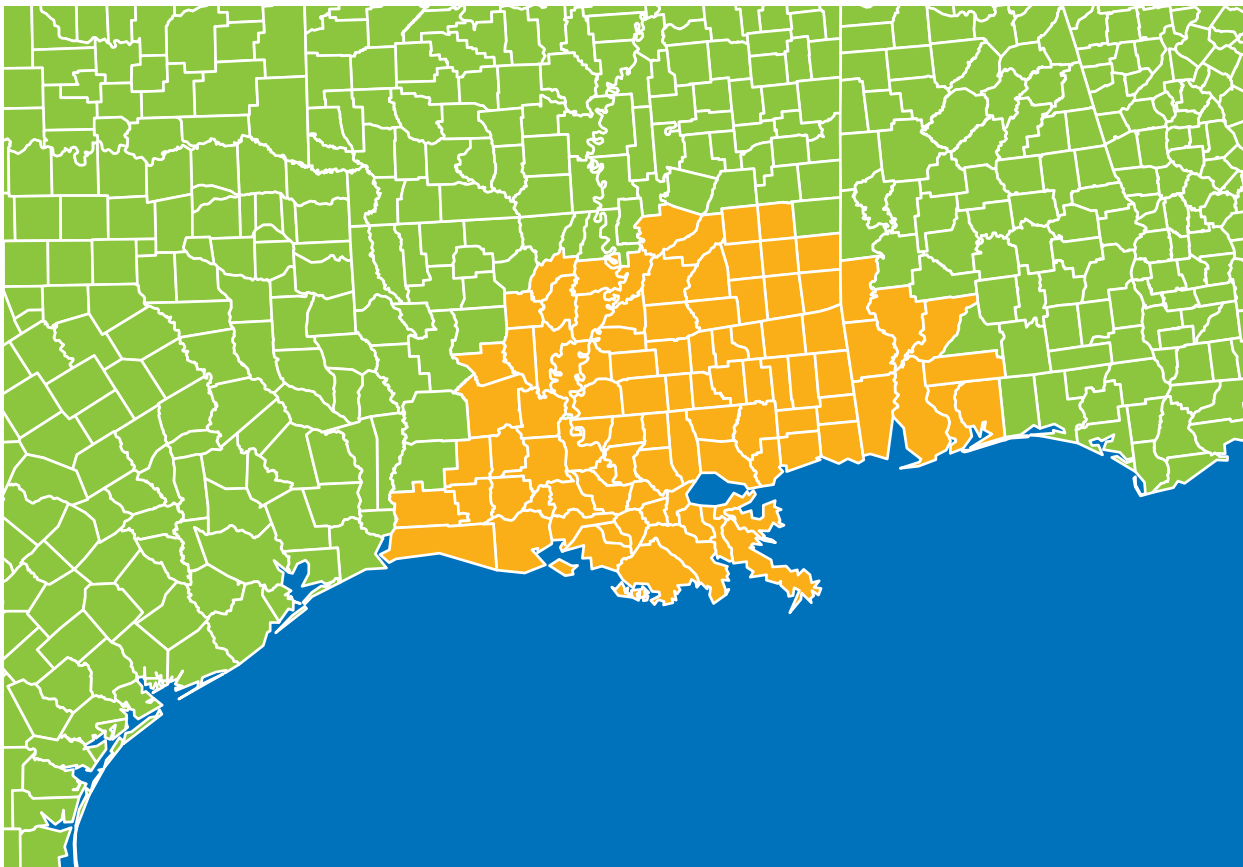
- Aggregators, Distributors, and Anchor Institutions should enact policies that will prioritize the procurement of local/sustainably produced food and food produced by growers of color and/or women.
- An increase in Value Chain Coordination is needed for relationship building and for support with the facilitation of sales.
- Farmer support should include individualized, community-level food safety training.
- City level policy change should be enacted to encourage or incentivize local procurement.

The report concludes with more detailed recommendations for producers, distributors, institutions, food service management companies, government officials, funders, and non-profit support organizations to further Farm to Institution efforts in New Orleans.



Geography

The geographic scope for this project is a 200 miles radius from New Orleans which includes 94 Parishes across Louisiana, Mississippi, Alabama, and Florida.



Definitions

Anchor institutions

Institutions with large customer base and buying power such as hospitals, universities, school and/or childcare centers, food banks and large cultural centers.

Food Service Management Company

Companies that contract with institutions to provide food service on site. These are sometimes prepared on site or prepared at another location and transported to contracted with site(s).

Food System

All of the activities involving the production, processing, transport, consumption and disposal of food.

Local Food System

Local and regional food systems refers to place-specific clusters of agricultural producers of all kinds—farmers, ranchers, fishers—along with consumers and institutions engaged in producing, processing, distributing, and selling foods (USDA, ERS, 2015).

Food Supply Chain

A typical food supply chain is a network of relationships and transactions that delivers food products from producers to consumers (USDA, ERS, 2010).

Food Value Chain

Food value chains represent a business model in which producers and buyers of agricultural products form strategic alliances with other supply chain actors, such as aggregators, processors, distributors, retailers, and consumers, to enhance financial returns through product differentiation that advances social or environmental values. Partners in these business alliances recognize that creating maximum value for their products depends on interdependence, collaboration, and mutual support (Diamond et al., 2014).

Small Farm

Less than \$350,000 in Gross Cash Farm Income (USDA, ERS 2013)

Mid Size Farm

\$350,000 - \$999,999 in Gross Cash Farm Income (USDA, ERS 2013)

Large Scale Farm

Greater than \$1,000,000 in Gross Cash Farm Income (USDA, ERS 2013)

GAP

Good Agricultural Practices food safety certification

GHP

Good Handling Practices food safety certification

Institution Types

Throughout the research and pilot activities, our team interacted with the following New Orleans institutions:

- Hospitals
- Universities
- School Food Service Management Companies
- Early Childcare with Self-Operating Food Service
- Convention Center and Arenas
- Food Banks



A majority of farmland in the United States is used for large scale industrial agriculture. Similarly, a majority of public and private investment is allocated to large scale industrial farm operations (Union of Concerned Scientists, n.d.). Small to mid-size farms are increasingly threatened by competition, cost-price squeeze, and price spread. Given the United States' history of exclusion along class and racial lines and the policies that enabled these inequities, these barriers are especially felt by low-income communities and communities of color. Additionally, alternative food models such as CSAs, coops, and farmers markets are white dominated, lacking representation of the various communities affected by food system inequities.

The average White-owned farm was three times the size and earned \$34,000 more than the average Black-owned farm (USDA, NASS, 2012). Black farmers receive 16-33% of the benefits that other farmers receive from USDA crop subsidy programs, a gap that cannot be explained alone by the disparity in farm size (NBFA & EWG, 20017). These disparities exist

because of a history of racist laws and practices around land ownership, discriminatory financial lending and government support practices, and resulting exclusion from profitable contracts with institutions and large buyers.

Nationally, large farms are increasing production and revenue while medium sized family farms are quickly disappearing (USDA, ERS, 2016). In part due to financial insecurity and unpredictability, farmers have the highest suicide rate by profession, nearly five times that of the general American population (CDC, MMWR, 2012). This rate is unacceptable and signifies the extent to which the modern industrialized food system poses intense challenges to small farmers. Direct-to consumer sales that many small farmers engage in - through farmers markets and other outlets - have high profit margin, but high and often unaccounted for costs in staff time and labor.

Thus, for small-midsize farmers who are looking to scale their revenue and operations,

additional market opportunities must be made available.

The Opportunity in Institutional Food Procurement

Shifting institutional food sourcing to local small to mid-size farms can begin to address many of these pressing food system issues. When institutions insist on sourcing locally and equitably from sustainable farmers, their food service management companies can lean on distributors to connect with these farmers. Because the reach of these food service management companies is large, their potential effect is powerful. Aramark, Compass Group, and Sodexo contract with almost half of all food-serving institutions in North America (UCS, 2017). Their role, combined with that of food distributors as gatekeepers to large institutional contracts, offers an exciting opportunity to build farmers producing "good food" (food that is local, nutritious, sustainably produced, using a valued workforce) into secure sales pipelines and contracts.

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“Good food” is defined by the Good Food Purchasing Program as food that is local, nutritious, sustainably produced, using a valued workforce.

Connecting with institutional buyers tends to yield higher and more consistent profits for producers. A 2017 report by Farm to Institution New England reveals that farmers selling directly to institutions increased their productive farm size by more than three acres from 2012 to 2015, while other farmers did not (FINE, 2017). Local sourcing also has a localized economic impact as revenues are reinvested in the community: studies estimate that each dollar spent on local food can recirculate as much as \$1.3- \$2.6 back into a local economy (Lynch et al., 2015). Other sectors outside of agriculture therefore benefit from institutional engagement of local small-scale farmers.

Finally, research shows that vine-ripened produce tends to be more nutrient-rich than chemically ripened produce, a process necessary when products are shipped from further afield (Wunderlich et al., 2008). Locally sourced, sustainably-grown produce thus tends to be more nutritious than conventionally grown products, allowing for broader health

improvements for consumers at institutions. For institutions like hospitals working to improve the overall health of their patients and customers, locally-sourced, healthy meals are a powerful complement to their overall mission and services.

New Orleans Regional Food System Overview

New Orleans is a food centric city located in an agriculture state. It has extended growing seasons, fertile soil, and plenty of moisture. According to Louisiana statewide data, in 2016 gross farm value and value-add activities, including cleaning and processing, had an estimated economic impact of \$11 billion (LSU Ag, 2016). Crops like sweet potatoes and rice have deep cultural and culinary significance in Louisiana and are among the items with highest gross farm value. Despite these facts, the local food system is weak and disconnected. 23% of the Orleans Parish population is food insecure, a

condition disproportionately affecting residents of color (City of New Orleans, 2018).

According to the Tulane Prevention Research Center, there are over 90 organizations in Orleans Parish alone working in the realms of food production, food system sustainability, food justice, food retail, and other levels of the supply chain (Rose, 2018). Market opportunities in New Orleans for local growers include:

- The Crescent City Farmers Market, founded in 1995 with a current directory of over 50 vendors across four weekly market locations
- Grocery Retail Opportunities through retailers like Rouses, Simone’s Market, the New Orleans Food Coop
- CSA Hybrid/Aggregation pop ups
- One-off sales to restaurants

There have also been many challenges in attempting to aggregate, market and sell local

food. Take the example of Hollygrove Market and Farm, a full-time retail aggregation location for local produce and products where individuals as well as restaurant chefs could buy somewhat larger quantities. Hollygrove closed their operations in March 2018 due to financial difficulties leaving many growers/producers unpaid. Additional failed ventures such as Jack and Jake's and Good Eggs have created a culture of wariness and distrust amongst the producer and food system community.

Urban communities have a rich history of backyard and neighborhood gardens, especially in African American communities that have been historically excluded from fresh food retail access by national chains. New Orleans groups like the Greater New Orleans Growers Alliance, the Backyard Gardeners Network, and SPROUT NOLA are increasingly advocating for policy decisions and an allocation of resources to facilitate urban growing as a livelihood. These efforts complement events like the New Orleans Eat Local Challenge, an annual month-long challenge started in 2011 to raise awareness of local sourcing and to encourage restaurants and individuals to buy more local food. Even so, opportunities for small- and medium-sized farmers to sell to New Orleans buyers who can purchase consistently and in bulk are rare.

In terms of prospective buyers, New Orleans is home to several large institutions. These include Xavier, Tulane, Dillard, and Loyola, with the largest public universities being the University of New Orleans, Southern University, and the Delgado Community College network. Healthcare systems have a robust presence as well, with the University Medical Center, Ochsner Health System, and Touro Infirmary being the largest institutions.

K-12 schools pose a unique challenge in terms of a system-wide shift towards local procurement. In Louisiana, over 80,000 school-age children attend a charter school, and the distinct policies and processes governing each network make coordinating such a shift difficult (LAPCS, n.d.). Despite public commitments to sustainable sourcing from many of the educational and healthcare institutions, baseline local procurement activities are essentially non-existent. In conversations with institutional representatives, responses varied significantly. One representative reported that their annual food budget was \$1 - 2 million. Another orders over \$6,000 of produce daily during most of the year, for an annual expenditure of nearly \$2.2 million. A third interviewee said that of their \$3.5 million annual food procurement budget, approximately one-sixth (\$600,000) was spent on produce. The potential impact on the

Louisiana economy of localizing these purchases is significant, especially given economic multipliers as shown on the table at right.

However, currently nearly all of the interviewed institutions are working with national or international food service management companies and their internal systems including associated distributors, often exclude small-scale local producers.

When envisioning this shift towards local procurement, we cannot simply replicate inequities endemic to procurement practices. According to the Data Center, in New Orleans, the share of locally-owned businesses owned by people of color has risen from 29% in 1997 to 49% in 2012, but the share of receipts garnered by those same businesses has remained between 3-4% during that same time period (The Data Center, 2018). These persistent disparities mean that any local food procurement movement must prioritize generating wealth for food producers of color, and in doing so recognize and offer solutions to factors that exclude New Orleans small business owners of color from general economic success.

Shifting to 20% local procurement by just three New Orleans anchor institutions has the potential to generate over \$2 Million Dollars in annual economic output for the New Orleans economy

	Annual Food Budget	Shift to 20% Local Procurement	Potential Economic Output (assuming multiplier of 1.3)
Institution 1	1-2mm	\$200,000-\$400,000	\$260,000-\$520,000
Institution 2	\$2.2mm on produce alone	\$440,000	\$572,000
Institution 3	\$3.5mm	\$700,000	\$910,000

Research Phases

Phase 1:

Project Launch and Local Food System Scan

Ascendant Global project launch

Review existing local policy, incentives, infrastructure

Review and analysis of industry data

Opportunity Assessment- economic impacts of food systems shifts, recommendations for increased local food procurement

Phase 2:

Literature Reviews, Surveys, and Interviews

Literature Reviews of existing farm to institution best practice

High level stakeholder surveys

Targeted interviews conducted for potential pilot participation

Phase 3:

Pilot Activities, Analysis, and Formulation of Recommendations

Network Building

Procurement Process Mapping

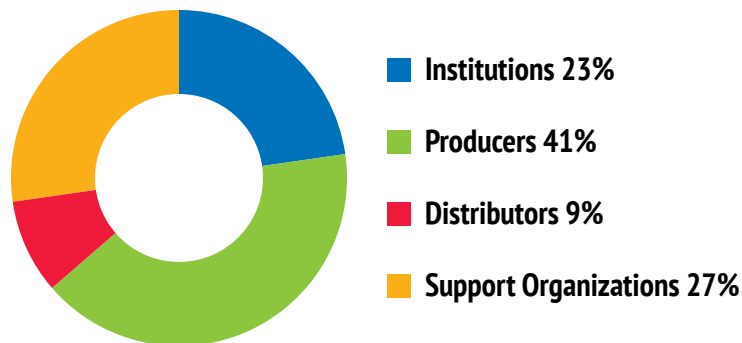
Value Chain Coordination

Policy and Advocacy

Methodology

Through technical assistance from the Wallace Center at Winrock International, Propeller coordinated feasibility research for a farm-to-institution project in New Orleans. From August through November 2017, the Wallace Center contracted with Ascendant Global to undertake three tasks: 1) interview key stakeholders about their role in the local food economy and the viability of farm-to-institution expansion in New Orleans, 2) quantify the potential for impact of food and agricultural localization (“local” defined as a 200 mile radius) in the New Orleans and Louisiana economies, and 3) organize and facilitate a convening of local stakeholders to review findings and explore opportunities to deepen progress.

21 key stakeholders were interviewed, composed of 5 representatives of institutional



purchasers (primarily health care networks and universities), 9 local food producers, 2 directors of regional wholesale food distributors, and 6 representatives of for- and non-profit organizations that support connectivity and resource-sharing in the local food sector. Interviewees were selected that were currently influencing or had the potential to influence local procurement in a substantial way. Additionally, selection was determined by interviewees’ accessibility based on the personal and professional networks of Propeller and the Ascendant Global consultant team. Interviewees responded to questions about the strength and potential of their current purchasing or sales of local food, as well as their largest barriers to expansion of institutional local procurement and their organization’s internal processes for decision-making around procurement or sales.

Interview Findings: Producers

- **Most producers were interested in expanding if they knew there was a market for their products**
 - Difficulty in forecasting sales remain a significant impediment to more aggressive production
 - Large buyers will rarely commit via contract to purchasing crops beforehand due to fluctuations in demand and uncertainty regarding quality and quantity
- **Regulatory challenges/concerns seemed to be most significant hurdle to pursuing larger anchor clients**
 - Food Safety Certifications
 - Insurance
 - Fears of being audited or other record keeping limitations
- **Other issues limiting expansion for producers primarily relate to capacity and relationships**
 - Lack of clear channels to secure commercial purchasers
 - Logistics issues related to transportation, refrigeration, storage and packaging

Interview Findings: Distributors and Anchors

- **Most purchasers and distributors seemed to have a consistent interest in securing locally sourced foods, but listed the following barriers:**
 - Challenges to meet the food needs with local suppliers
 - Premium price points for local food
 - Perceived lack of reliable quality and quantity
- **Several large institutions have multi-year contracts with food service providers, and they have not yet made local food purchasing a part of that contractual agreement**
 - Some food service providers are open to more local food (price, quality, quantity concerns)
- **Lack of certified farmers in the local food system**
 - There are 19 GAP/GHP-Certified famers in LA, 13 of which produce only sweet potatoes
- **Difficult to get consistent product at needed scale**
 - Most local farms grow a variety of fruits and vegetables during growing season (CSA/Farmer's Market, etc.)
- **Challenges finding and coordinating with local farmers**
 - Difficult to connect with producers/technological challenges
- **Scalability and Reliability of products is a major impediment in moving forward**

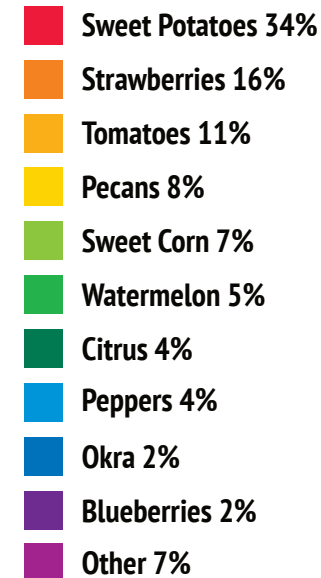
Economic research offered a regional quantitative background for these interviews and relied primarily on USDA NASS Censuses of Agriculture from 2002 to 2012 and the LSU Ag Center Louisiana Summaries from 2014 to 2016. State and national data trends indicated increasing production and revenue for large farms, while mid-sized and small farms declined or did not change significantly. However, because of the growth of large farms, Louisiana agricultural revenues nearly tripled from 2002 to 2012 from \$1 billion to \$2.8 billion, painting a picture of robust but inequitable growth. Considering farm operator demographics, the number of farms operated by people of color grew between 2007 and 2012, but farm incomes for these farmers either decreased or increased significantly less than the income increase for white-operated farms. While white-operated farms increased their income by 56% on average from 2007 to 2012, African American-operated farms' income increased by only 36% and Hispanic-owned farms by 28%. Asian-owned and American Indian-owned farm incomes *fell* by 26% and 39% respectively. Undergirding all these numbers is the trend that farmers of color in Louisiana are older and operate smaller, less financially successful farms, and receive disproportionately less government support than their white counterparts. This data reveals a statewide production landscape whose racial and economic inequalities are deepening with each passing year.

Highest Local Value Items for Consumption

Highest Gross Farm Value (GFV) in 2014 were rice, sweet potatoes, strawberries, tomatoes, pecans, sweet corn, watermelons, citrus and peppers.

Table excludes rice, which had GFV of \$430M.

Source: LSU Ag Center *Louisiana Summary Agricultural And Natural Resources 2014*; Gross Farm Value (GFV) calculated using calendar-year, market-weighted, state-level average prices, when available. GFV as indicator of commodity's contribution to economic activity, not indicator of farm profits as production costs greatly affected profit (or loss) for all commodities.



Census data analysis also focused on exploring crop production to gain a sense of which crops could be better candidates for local procurement efforts. The most planted crops in Louisiana in 2014 (soybeans, sugarcane, and rice) are commodities, much of which are shipped out of state. Speciality crops provide a more promising opportunity, and the most commonly planted ones were tomatoes, pecans, cucumbers, and citrus. Considering not only acres planted but highest sale value, the local crops with the highest financial value to farmers

were sweet potatoes, strawberries, tomatoes, and pecans. It is possible that increasing production of these high-value items to fill institutional orders might be more attractive to small-scale farmers as compared to other items. However, opportunity also has to be defined in terms of specific institutional interest and customer responsiveness to different local products, and not solely on state-level production data.

Finally, 27 stakeholders convened for half a day to review qualitative and quantitative findings, and to offer feedback. Some but not all of these attendees had also sat for interviews earlier in the research process. Because farmers' insight was critical to this conversation but logistical realities of distance and on-farm obligations posed barriers to their attendance, farmers were offered an honorarium payment to cover some associated costs. Eight farmers were present, along with five institutions and fourteen representatives of supportive organizations.

There are only 19 farms that carry GAP (Good Agricultural Practices)

High farmer turnout was critical in grounding the conversation in the knowledge and preferences of the most important group in the supply chain.

This research discovered that the most critical barriers to increasing local procurement are not unlike what has been found in other parts of the country. Farmers are hesitant to expand production or invest in food safety certifications and insurance without a contractually committed institutional market. For their part, institutions and the food service management companies that often handle their procurement are hesitant to make contractual commitments because of perceived inability of small farms to deliver sufficient high-quality volume on a regular basis. Institutions tend to be locked into multi-year rigid contracts with food service management companies that do not require provisions around local procurement.

Underlying this mutual hesitancy to assume risk is a lack of opportunities for institutional purchasers and farmers to form relationships with one another, and an extreme lack of food safety certified Louisiana farmers. There are only 19 farms that carry GAP (Good Agricultural Practices, the most commonly required certification by food purveyors) certification in Louisiana, and 13 of them exclusively produce sweet potatoes. This group is significantly smaller and less diverse in terms of product than the population of certified farmers in other states.

*See Appendix A for a full overview of Phase I methodology, findings, and recommendations

Propeller adopted the recommendation of pursuing a pilot program in 2018. From January through October Propeller worked closely with the the New Orleans Food Policy Advisory Committee to act as a value chain coordinator for institutional sales, and test the concept in New Orleans while documenting pain points and lessons learned. The following sections offer an overview of this second phase.

Phase I Recommendations

- **Facilitate Relationship Development (Launch Pilot program between local producers and anchors)**
 - Facilitating, fostering and enabling relationships between farmers and purchasers which will assist in creating a certainty of market
 - Facilitate planning and communication with producers to maintain a steady flow of products and warn buyers ahead of time about shortage
- **Capacity Building & Ecosystem Development**
 - Food Safety/Certifications Technical Assistance
 - Clear understanding from farmers on effective delivery for training/assistance
 - Potential for back-office assistance, technical assistance, and logistics support
 - Assistance in getting and staying certified
- **Gaining buy-in from Universities and Hospitals**
 - Offer local farmers markets that provide fresh food in addition to education around fresh food value

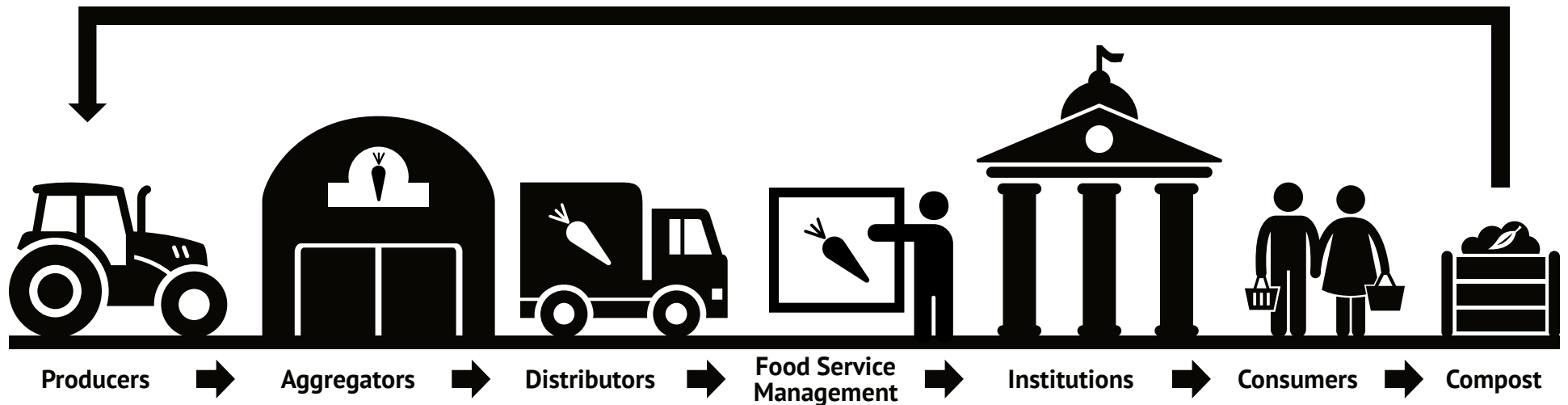
Baseline Data Collection

Mapping of current supply chain and procurement process for each stakeholder

The system for institutional food service is complex and involves many partners, each with an interest in maintaining both their bottom line and their existing procurement procedures. Understanding these policies and procedures within a larger system was a key step in this pilot. It is an interdependent system which relies on cooperation and communication between all partners.

For most food served in Institutional settings, the anchor Institutions contract with Food Service Management Companies (FSMC) to provide all food and meals on campuses, locations, and centers. FSMCs contract with approved distributors, which are approved at a national level. Approved distributors with a local designation buy directly from growers who meet their standards. The standards for growers are set through a network of localized distributors and vetted by a national program.

Each of these components have both governmental policies and internal policies which can influence and cause stress on the local food to institution pipeline.



Transition from supply chain to value chain

Often the levels of needed compliance for entry into wholesale markets are out of scale for the size and standards of small to mid-sized growers, which causes undue hardship and high entry points into the larger mainstream food supply chain.

In order for a supply chain to move to a value chain, each stakeholder must understand and value the components of the system.

Cooperation and shared vision can move this transactional system to a system in which each part understands and is fairly compensated for their role in the success in the system as a whole. Only then will the supply chain move from interactional to relational and from predatory to mutually beneficial. This transition will enable a healthy and thriving local food culture where each link along the chain is valued, paid fairly for their services, and is engaged in a relationship with the other links (USDA, AMS, n.d.).

Stakeholder baseline data collection

Information was gathered from the following local food system stakeholder categories via online survey, key informant interviews, and research via stakeholder website(s). There was mixed success obtaining feedback and information, which was unexpected.

See appendix B for specific respondent baseline data.

- Grower
- Distributor
- Food Service Management Company(s)
- Institution(s)
- Farmer support organization(s)

Local and national key informant interviews

Farm to Institution is a growing body of work in the food system. As such, this pilot recognized the importance of learning from other initiatives around the country doing similar work. 13 people and organizations working on Farm to Institution in various stages and sectors were engaged. These included Farm to University projects, governmental agencies, economic development agencies, farmer support organizations, community distributors, food hubs, and food service management companies. These interviews gave a better understanding of the national scope and scale of this work and how the work in New Orleans might be successful as well as potential challenges.

Learnings from Phase I made it clear that the first step in the pilot was building relationships in the local institutional food system. Partners who had expressed interest in participating during Phase I were engaged first through key informant interviews and meetings. These included growers, a local distributor, a food service management company serving area Universities, and a large regional food bank. There were mixed results in this endeavor as some stakeholders were hesitant to commit to a program that could disrupt long standing systems. Reassurance and commitment consisted of multiple meetings and calls with all parties to assure them that the pilot's main activity of value chain coordination would be beneficial and help make the transition as smooth, worthwhile, and hopefully successful. Initial and ongoing relationship building showed to be the most important work in the pilot and was both challenging and rewarding.

Relationship building, the most important work in the pilot, was both challenging and rewarding.

Interventions and successes

Value chain coordination

A very important role in moving from a transactional supply chain to an integrated value chain is a Value Chain Coordinator. Value Chain Coordination helps to fill in the gaps between the system players and stakeholders, develop and maintain relationships with those along the system, and can bring innovative ideas and programs to the table through research and knowledge of best practices. This requires a deep understanding of the systems and stakeholders at play as well as how they might be influenced and deepen their relationships. During pilot project New Orleans Food Policy Advisory Committee served this role.

This project immediately helped growers make smaller sales in order to increase their economic capacity to scale up and prepare for larger sales.

Engaged and continuous relationship building

In addition to the initial relationship building, an effective Value Chain Coordinator maintains and continually grows their relationship with stakeholders as well as between stakeholders. This can include calling growers to find out what is in their field and what is coming as well as the price they desire for the products;

regularly checking in with distributors to understand their current and future food needs; keeping in touch with food service management companies and offering educational opportunities such as assistance with menu changes based on local and seasonal food, connecting them with other FSMCs who are doing innovative local procurement programs and systems; and maintaining helping an institution understand the system, assisting with contract and RFP language and coordinating an on-site campaign to celebrate local food served and offered.

Grower Capacity

Without growers ready to sell to large wholesale buyers a farm to institution project cannot work. This project immediately helped growers make smaller sales in order to increase their economic capacity to scale up and prepare for larger sales. Connection to direct sales opportunities, which in the normal supply chain would have been handled by larger local distributors, such local small grocer, a large food bank, and a small area food access organization who provides fresh food to underserved neighborhoods and local corner stores disrupted the traditional supply chain and allowed growers entry. In addition, partner organizations began to connect growers to school food sales. These smaller sales opportunities not only increased the economic stability of growers but increased their trust in the value chain coordinator.

Network building

In order to create a cohesive and healthy local food value chain a robust network must be in place. During this program many new partnerships and opportunities arose which impacted the Farm to Institution value chain. In the past, the work of grower and rancher support was done almost exclusively by Land Grant Universities. However, new programming includes other non-profits and partner organizations that directly impact New Orleans and are embedded in the local food ecosystem including Farm to School and grower assistance programming. Both of these programs will help increase supply chain capacity in order to meet wholesale demand. In addition, a local Early Childcare Education (ECE) center was connected with a community food distributor to increase the amount of fresh and local food served as well as keep the ECE food dollars in the local economy.

NOLA-FPAC was reinstated as a formal advisory body to the New Orleans City Council in matters of food and agriculture. Additionally, Propeller was able to successfully advocate enforcement of 2% local procurement policy.

Policy

The policy ecosystem is extremely important, not only in gaining support for local procurement, but also for implementation. During this pilot, the New Orleans Food Policy Council (FPAC) was reinstated as a formal advisory body to the New Orleans City Council in matters of food and agriculture. This relationship and the recommendations and relationships built will be an anchor to a successful Farm to Institution program. Throughout this project, advocacy led by Propeller and FPAC resulted in a Local Foods Resolution introduced by City Council and a formal endorsement of the program by the office of the Mayor. Additionally, Propeller was able to successfully advocate enforcement of 2% local procurement policy with a that a large Food Service Management consulting company that works with over half the schools in Orleans

Parish change their procurement policies to enforce a 2% local procurement policy. Propeller also advocated with the Louisiana Department of Education and Community Nutrition Program to change their RFP template for food service contracts to include food quality and locally-sourced foods in their evaluation criteria. In the Spring of 2018, the DOE released the RFP instruction manual with specific instructions for writing criteria for local procurement. This manual was distributed to schools state wide. These policies are the first steps in an effort to generate institutional commitment. This project has also aligned efforts with the New Orleans Business Alliance on their Anchor Collaborative, a program working to encourage anchor institutions to use more local and equitable buying practices.

Sales

Progress was made in getting growers immediate and future sales even as work was done to continue to build relationships and a pipeline to larger institutional sales. These included connecting a local farmer to a large food bank, which resulted in a forward contract that helped this farmer build capacity for more sales. Additionally, a small community distributor who indicated interest in local food distribution, was put in touch with local growers as well as retail outlets that desire local food. This connection has resulted in multiple sales of local blueberries and satsumas. This effort is ongoing.

Challenges:

These efforts and activities were not without challenges. The contracted grower and food bank had communication difficulties and, without a written contract in place, the relationship proved challenging. Ultimately, these communication issues severed this relationship. However, another farmer was identified to continue the project. This underscored the importance of written contracts in producer/buyer relationships.

Aggregation

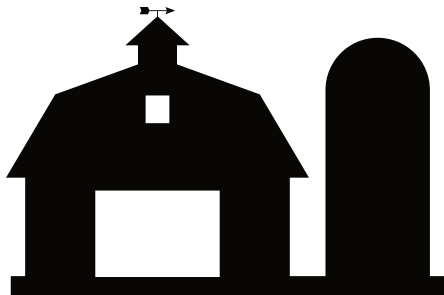
Aggregation quickly proved to be an essential and missing piece of the puzzle for connecting small urban growers to any sort of large distributor. Without a formal mechanism, both in infrastructure and in logistics, this became a challenge that is still being addressed. With an ad hoc “food hub” in place consisting of a farmers market connected to a kitchen that is used by distribution partners, an easy network and supply chain was expected. However logistics proved more difficult than anticipated and that pipeline is still being built. This showed us that a “build it, and they will come” model is not an easy answer. These parties are still meeting weekly to try to navigate the logistics and are committed to making this model work despite the initial challenges.

Food Safety

Food Safety also continues to be an ongoing challenge to wholesale relationships with growers. Many small to mid-sized growers do not have the food safety certifications that distributors and institutions require. There are many misconceptions about cost, management and necessity (NSAC, 2018). Our finding is that locally, regionally and nationally there is hesitancy to become Good Agricultural Practices (GAP) or Good Handling Practices (GHP) or Food Safety Management Act (FSMA) certified. There is confusion as to who is exempt, how to get certified, how to maintain certification and if it is necessary in order to run their business. Despite funding for certifications, technical assistance for food safety planning, and multiple class schedules, there has not been a significant increase in certification. The national trainings for FSMA are not personalized and there is much confusion from producers about what is required for their specific operation. As the project continued assistance was given through The Wallace Center at Winrock International who provided information and a model of their tiered food safety approach which focuses on a culture of food safety and then moves on to certifications. Partners will continue to explore bringing this model to New Orleans and Louisiana and build a network of food safety trainers and experts in the field.

Value Chain Coordination

The Value Chain coordinator, who can be employed by an entity along the Food Value Chain or an outside organization, provides needed coordination between parties and facilitates relationship building, sales, grower capacity building and assistance, policy change, and ensures sustainability of local procurement to institutions. This can be through direct assistance or by connecting to those parties best suited to assist. It is evident that more value chain coordination activities are needed in the New Orleans foodshed.



Continue to build a fair and equitable procurement system that prioritizes historically marginalized growers. This includes initiating:

- Aggregators, Distributors, and Anchor Institutions should enact policies that will prioritize the procurement of local food and food produced by growers of color and/or women. These policies can be integrated into Requests for Proposals for Food Service Management contracts, or equitable economic development efforts.
- Continue to aligned Farm to Institution efforts with the New Orleans Business Alliance's Anchor Collaborative, a program working to encourage anchor institutions to use more local and equitable buying practices.
- All companies along the supply chain should enact value for supplier diversity including metrics for diversity and inclusion in contracting process.
- Cost sharing of capital needs for wholesale readiness including food safety certifications and farm infrastructure.
- Local lenders should offer bridge financing for farmers transitioning to wholesale sales with net30+ payment terms.
- Land Grant institutions, small business technical assistance providers, and other farmer support organizations should offer more personalized business technical assistance such as crop planning, finance and accounting assistance, and marketing in order to allow for increased farm sustainability.
- Fair and equitable payment and delivery schedules.

Recommendations by Stakeholder

Farmers who are ready for wholesale and institutional markets.

- Move from an informal sales culture to more formal relationships including invoicing and non-cash payments.
- Provide clear information to distributors and wholesale clients about current and future available crops, pricing and delivery schedule.
- Obtain liability insurance commensurate with farm size.
- Obtain appropriate food safety certifications.

Distributors that are fair and beneficial to local producers including farmers, fishers and value-add makers which enables them to do business in the wholesale market.

- Local definition of 200-300 miles reflecting regional economy and foodshed.
- Flexible payment and delivery schedules for local small businesses.
- Acceptance of alternative food safety certifications and cost-share of FSMA and/or GAP certifications.
- Liability and product insurance commensurate with farm size.

- Transparency of local products needed from farmers including anticipated quantity and pricing.
- Transparency of locally procured inventory including source origins for local products.
- Fair and equitable pricing policies that account for the premium of local products.
- Forward contracting or sales agreements with local growers.



Food Service Management Companies that prioritize local procurement through internal policies.

- Acceptance of small community distributor(s) into approved vendor system.
- Provide transparency about local food procured and served in institutions to client and end-consumer through menu and website changes as well as marketing opportunities (in- cafeteria signage, information booths, fliers, etc. that educate customers on the local product/farmer who produced it).
- Contract with growers to grow and buy specific crops and quantities and buy directly from growers.
- If direct sales not available, assist local growers with distributor onboarding through introductions, administrative support for all compliance paperwork to meet distributor vendor criteria, financial support for needed certifications, and contracts or written agreement to purchase specific grower crops.
- Cost-sharing or stipends to growers in order to scale to wholesale readiness or obtain necessary food safety certifications.

- Insist on transparency for local products available and procured from preferred distributors.

- Pilot local procurement program through smaller outlets such as catering or highlighting one local product.

- Develop menu items that highlight locally procured products.

Institutions that value an equitable and local food sourcing system.

- Addition of local farm impact requirements to RFP and contracting process.

- Demand baseline data of local food procured and served from Food Service Management Company.

- Partner with Food Service Management Companies on consumer education campaigns about seasonality, health, and impact of local food.

- Work with Food Service Management on alternative local food programming such as on-campus farmers markets, CSA style delivery at institution campuses, and employee incentives with local healthy food.

Farmer support organizations that assist growers in wholesale readiness.

- Assistance with food safety certification that is personalized, easy to understand and has a cost share for certification.

- A model and pilot program for grower short-term capital such as bridge financing, forgivable loans, or stipend to cover costs of increased capacity.

- Aggregation assistance for small farms to increase wholesale opportunities.

- Identify a small community distributor and work to assist the vendor process for food service management companies in order to allow smaller growers to compete in the wholesale marketplace.

- Continue to seek and provide both institutional and alternative wholesale opportunities for growers, ranchers and fishers.

- Collaborate with support institutions such as the Department of Agriculture and land-grant universities to create and disseminate community and grower informed training protocols and programming.

Food System support organizations with a commitment to growth and sustainability of the New Orleans food system.

- Evaluate and publish results from increased wholesale and institutional sales.
- Form relationships within food system support organization in order to avoid duplication and increase efficacy of projects to increase institutional sales such as Farm to School and Farm to Early Childhood Education programming.
- Hold institutions to current procurement policies and provide assistance when necessary.
- Educate funders and stakeholder about the importance and benefits of wholesale and institutional sales.

Funders who recognize the importance of and support Farm to Institution work.

- Continued long-term funding for Value Chain Coordination.
- Assistance with baseline data sets and continued assessment of Farm to Institution successes and metrics.
- Leverage relationships in order to convene and connect with local and national Farm to Institution partners and practitioners.
- Increase funding to farmers and farmer support organizations to increase supply to wholesale markets.
- Education regarding the importance of long-term investment in this work for the health and wellbeing for the community.

Policies that encourage and support local procurement and Farm to Institution programming.

- Local Food Procurement resolution to encourage local procurement at anchor institutions.
- City and municipal procurement policies requiring a percentage of food dollars be spent on local procurement.
- Adoption of [Good Food Purchasing Program](#) in municipal and state buildings and public schools.
- Tax incentives to incentivize local food procurement at anchor institutions.
- Enforced implementation of healthy and local food policies such as Healthy School Food Collaborative, Louisiana Farm to School Program Act (SB 420).
- Inclusion of local requirement to existing policies such as healthy vending.

A: [Link to Ascendant Global Reports](#)

B: Stakeholder Baseline Data

Farmer

Stakeholders: Farmers	Farmer 1	Farmer 2	Farmer 3 (Rancher)	Farmer 4	Farmer 5	Farmer 6
Currently selling wholesale	yes	yes	no	no	yes	no
Interest in wholesale	yes	yes	no	no	yes	yes
Wholesale pricing	yes	yes	no	no	yes	yes
3 crops for wholesale	Red potatoes, cabbage, sweet corn, mustard greens	Blueberries, okra, peppers	Eggs, pork		Citrus, creole tomatoes, cauliflower	Assorted greens, broccoli, tomatoes
Payment methods	Invoice- 2 weeks payment	invoice	Cash on delivery	Information not shared	Cash on delivery	Invoice- 30 days max
Delivery	Yes for additional cost	yes	yes	No	If quantity large enough	yes
Food Safety certification	GAP in process	GAP	All handled by slaughterhouse	GAP	GAP	GAP in process
Product Liability insurance status	yes	yes	yes	no	yes	yes
Certified organic or naturally grown	Neither	Naturally Grown	Naturally Grown	Naturally Grown	no	Naturally Grown

Distributor

100% of institutions and food service management companies used same local produce company. Information gathered through key informant interviews March 2018

Transparency of products needed or bought to growers	no
Transparency of local produce provided	Listed on hot sheet as "In season. Local items when available." No other information provided
Definition of local	7 hours from sponsor distributor
Vendor process	Approach distributor with products and specs, distributor "sponsors" farmer to third-party certifier, certifier audits for vendor requirements and accepts or denies.
Third party certification requirements	Food safety certification(s), family owned farm, revenue less than \$100 million, \$5mil product liability insurance
Food safety certifications required	GAP or equivalent. Moving toward FSMA even for farms that are exempt from legal requirement.
Cost sharing for food safety	Currently yes, but moving toward no longer reimbursing
Vendor maintenance	Yearly audits

Distributor

100% of institutions and food service management companies used same local produce company. Information gathered through key informant interviews March 2018

Food provided	All on-site food at all campuses including cafeterias, food trucks, onsite farmers market, catering, vending.
Process for local procurement	Must go through approved distributor(s). Direct from supplier done via petty cash which internal policy discourages.
Transparency in local products procured from distributor	Distributor order sheets say "local when available." with lists of local farms. Quantity and specific items not provided. Multiple attempts from clients for more information about products and quantity unanswered.
Determination of demand	Cost/benefit analysis and client requests or feedback
How is local communicated to end-user	Menu items, occasional signage, website
Internal policies that encourage local procurement	Sustainability goals
Interest in increasing local food procurement	Yes
Local food highlighted on menus and venues	Not consistently other than broad information.

Institutions

Information gathered via key informant interviews with 2 institutions that serve multiple sites and campuses.

Food provided by Food Service Management Company (FSMC)	Yes
Transparency of local products served	Neither institution was aware of local items served other than broad information about FSMC sustainability goals.
Interested in increasing and promoting local products	Yes

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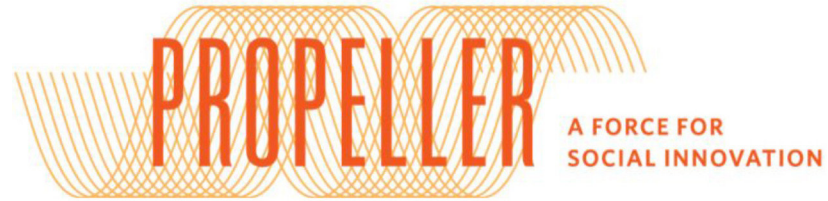
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