

Health and Wealth In Your Region: Anchor institutions and regional food procurement

THE ISSUE

Hospitals, schools, universities, and government agencies anchor towns and cities by driving economic development, creating jobs, and facilitating community engagement. While these “anchor institutions” make intentional and targeted investments in community development, they often look beyond their own communities and regions to meet their food procurement needs. Imagine if they treated food purchases as investments in local and regional businesses, economies, and the environment.

Anchor institutions can increase their social and economic impacts in their regions while providing constituents with fresh, nutritious food—the fuel of vibrant communities. Procuring food from regional farms and small processors not only provides constituents with fresh and sustainable food; it leverages institutions’ substantial buying power to improve both the viability of family farms and the resiliency of rural economies.

Procuring food locally is more than an investment in the land and community—it is an upgrade in food service. Produce at the peak of ripeness and flavor satisfies customers’ tastes while demonstrating the institution’s transparency, community connections, and dedication to serving constituents. Good food—food that is healthy, green, fair, and affordable—can distinguish anchor institutions as leaders in food service quality and community development.

RECOMMENDATIONS

Anchor institutions can support regional economies and individual health and well-being by implementing regional procurement policies that are supported by research, planning, goal-setting, and advocacy.



LEARN

Conduct research to find out what is available and how existing farms can help meet institutional food procurement needs. Identify the vendors that can connect you to regionally sourced, sustainably grown food.



PLAN

Develop goals with criteria, strategy, and a timeline. Engage constituents early in your process to build buy-in and strong advocates. Determine the areas and producers where the institution intends to have impact.



COMMIT

Make it official! Public, transparent, measurable goals keep the institution on-track, can increase community support, and even facilitate more financing options for regional farmers and food businesses.



LEAD

Share successes and best practices through professional networks, conferences, publications and marketing materials. Demonstrate the positive impact of anchor institutions fueling regional economic development.



LEARN

- **Assess Present Procurement**
Use an assessment tool to get a baseline understanding of what the institution purchases and where some procurement can be locally directed.
- **Research**
Commission original research about the regional food supply. What is produced and where? What is the yield? Are local farmers growing what the institution needs?
- **Observe and Discover**
Distribution is a major barrier to small-farm food reaching institutions: most farms cannot deliver directly to institutions, and institutions cannot manage the logistics of purchasing from many small farms. Find out if there is a food hub in the region, or develop farm relationships through the institution's existing distributor. Observe how other institutions accomplish regional procurement.

WHAT'S A "FOOD HUB"?

A food hub is a centrally located facility with a business management structure facilitating the aggregation, storage, processing, distribution, and/or marketing of regionally produced food products.



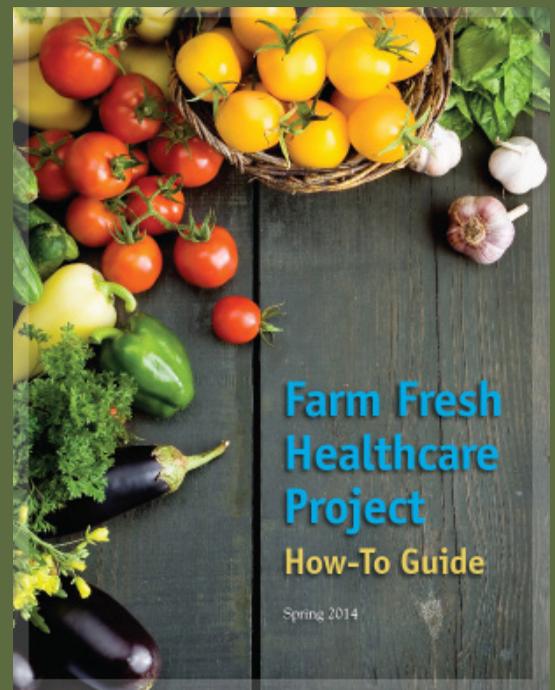
PLAN

- **Set Goals**
Appropriate goals should align with larger institutional initiatives, and be feasible and measurable: percentage of food dollars spent annually, a dollar-amount investment into a county or agricultural region, or a commitment to work with a discreet set of small growers or local enterprises.
- **Develop Criteria**
Determine how progress towards a goal can be measured: dollars spent, volume increases in local product, or farm-level impacts or improvements with partner growers. Criteria are used to measure progress.
- **Strategize**
Assemble stakeholders with the power to implement a procurement strategy and decide on the appropriate steps toward achieving the goal. Move beyond the "low hanging fruit" and develop a detailed, multi-year plan.
- **Develop a Timeline**
Map the strategy as both a tracking tool and a resource to share with constituents.

PROFILE: HOSPITAL PROCUREMENT IN THE BAY AREA

Six San Francisco area hospitals formed the Farm Fresh Healthcare Project in 2011, an initiative to combine their purchasing power to source sustainable and organic produce from regional small and mid-sized farms. But rather than creating an alternative distribution system through a food hub, the group decided to try to use some of their existing distributors who could guarantee reliability, flexibility, and food safety.

With the help of the nonprofit Community Alliance with Family Farmers (CAFF), the hospitals participated in a learning process to connect farms large enough to supply the hospitals with distributors that served the hospitals. After evaluating local procurement opportunities and limitations, the hospitals identified 10 crops that small farms could competitively price, rather than commodity crops like potatoes or onions that are common to large farms. CAFF worked with the farms and two distributors to aggregate their storage to align with their pick-up routes. As of January 2014, the hospitals had purchased 67,000 pounds of local produce which was featured in cafeteria and patient meals, accompanied by educational materials highlighting the importance of good food for preventative healthcare.





COMMIT

- **Quantify the Commitment**

Begin tracking your commitment to procurement goals in numbers, like pounds of food or dollars spent, to make it easy to understand increased demand.

- **Go Public**

Share the news of the local procurement goal with your constituents, suppliers and colleagues through official announcements, social media blasts and marketing materials. Public pledges can even facilitate more financing options for small farms and food businesses.

- **Request Proposals**

Incorporate criteria into the institution's RFP language to require bidding companies to meet goal criteria, and making bid-winners stakeholders in goal achievement.

- **Educate**

Engage constituents and visitors in your local procurement goal through point-of-sale materials, special events, and partnering with organizations that support sustainable agriculture and regional economic development.



LEAD

- **Tell the Story**

Share priorities, progress and best practices for successful institutional investment in the regional agricultural economy with a wider audience.

- **Pool the Power**

Reach out to neighboring anchor institutions to build urban institutional clusters to pool purchasing power, increase demand for locally sourced food, streamline the distribution process, and create economies of scale across the urban/rural divide.

- **Advocate**

As economic cornerstones in their communities, anchor institutions can use their influence to advocate for policies and initiatives that benefit small growers and processors, sustainable agriculture, and urban-rural economic development.

PROFILE: SCHOOL FOOD FOCUS IN ST. PAUL, MN

School Food FOCUS (Food Options for Children in Urban Schools) is an organization that works with city school districts to use their buying power to make school food procurement more sustainable, regionally sourced, and healthy. Through their School Food Learning Lab program, FOCUS helps districts learn about their current food systems, plan for local product substitutions, and share the strategies, process, and solutions developed in their work.

The School Food Learning Lab first started working with Saint Paul Public Schools, beginning research on the local food system in 2008. After two-rounds of interviews with regional suppliers, distributors, grower's associations, and other stakeholders to understand the possibilities of regional procurement, FOCUS and SPPS set procurement change goals for four food groups: dairy, produce, bread, and poultry. These four food groups comprised 37% of SPPS's procurement costs, and based on stakeholder engagement and data, could feasibly be substituted with local or healthier products. Among the Learning Lab's accomplishments was the development a formal bidding process through an RFP to increase the percentage of locally grown produce provided by vendors; a contract with a local poultry producer to buy fresh chicken for the first time and new guidelines to cook chicken from scratch; creation of "Minnesota Grown" point-of-sale educational materials about the local food system; and partnership talks with a larger number of regional producers. With the help of FOCUS, SPPS achieved or exceeded its four procurement goals during the 2010-2011 school year.

For more information, including a case study on the Saint Paul Learning Lab, visit schoolfoodfocus.org.

PROFILE: BALTIMORE, MD

Baltimore's success in regional procurement is the result of multiple stakeholders driving parallel initiatives including economic development research, purchasing commitments from a major university system, and timely collaboration of allied institutions.

Karp Resources and the Institute for a Competitive Inner City's 2013 report identifies Baltimore's "food cluster," or businesses in the local economy that grow, process, distribute, prepare, and serve food. Baltimore-based universities alone spend a collective \$32 million annually on food service and catering. The report estimates every additional \$140,000 spent in the Baltimore food economy creates one additional job. Thus a reallocation of \$16-20 million in anchor institutions' food budgets could support 114-143 jobs.

The Johns Hopkins University's prestige and economic influence have particularly impacted the Baltimore food economy. In 2013, JHU's president signed the Real Food Challenge campus commitment, pledging that 35% of Hopkins' food will meet strict local, sustainable, fair and humane standards by 2020. As a result of its commitment to regional procurement, several local growers and processors have increased production to meet the university's substantial demand.

These initiatives reveal the potential for collaboration and systems-thinking on the part of anchor institutions, research firms, and the private sector. With sufficient planning and infrastructure, similar models could expand this work to transcend Baltimore borders and encompass the Chesapeake Bay, the Mid-Atlantic region, and beyond.

Baltimore's successes in anchor procurement are impressive even though stakeholder efforts were not closely coordinated. With additional planning, the Baltimore model of learning, commitment, and leadership can be replicated and scaled for regional impact around the country. Baltimore is proof that the framework this brief presents can result in impact for farmers, institutions, and individuals.

A Virtuous Circle:

How Institutional Procurement Can Drive Regional Economies

When anchor institutions actively decide to drive regional economic development, they do more than redirect their spending: they invest in the people and infrastructure that make the institution itself stronger and more influential.

The graphic below shows the virtuous circle of economic development and rural wealth creation as a result of regional food procurement policy changes.



Resources

Center for a Livable Future of Johns Hopkins University. Maryland Food System Map. www.mdfoodsystemmap.org

The Democracy Collaborative. democracycollaborative.org

Institute for a Competitive Inner City. "What Works for Cities: Anchor Institutions and Food Systems: A Recipe for Economic Growth" and "Anchor Institutions and the Food Cluster in Baltimore." www.icic.org/research-and-analysis/research-library

Real Food Challenge. "Real Food Calculator." calculator.realfoodchallenge.org

SPUR. "Locally Nourished: How a Stronger Regional Food System Improves the Bay Area (2013)."

USDA. Farm to School Local Procurement Resource Round-up. www.fns.usda.gov/farmtoschool/procuring-local-foods



ABOUT COMMON MARKET

Common Market is a nonprofit distributor of local foods to the Mid-Atlantic region. Our mission is to strengthen regional farms while making the local bounty accessible to communities and the institutions that serve them. We provide the infrastructure to connect public and private schools, hospitals, universities, grocery stores and workplaces to good food grown by our region's sustainable farmers. For more information, visit www.commonmarketphila.org.

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