

## **National Good Food Network Proposal**

### **Sustainable Food Lab — June, 2008**

The Sustainability Institute, on behalf of the Sustainable Food Lab, seeks funding as a Regional Lead Team (RLT) in the National Good Food Network. The Food Lab proposes to represent the New York City metropolitan area and New York state, with a double-pronged focus on bringing more regional food into the city's neighborhoods and into upstate retail stores.

#### **About the Food Lab**

The Sustainable Food Lab is a partnership among business and civil society leaders. Our purpose is to accelerate the incorporation of sustainability into the mainstream food system.

Meeting this goal requires leading and collaborating across boundaries—among competitors, among actors along supply chains, and between business and the rest of society. The Lab was launched in 2004 by thirty-two leaders of organizations as diverse as Unilever and Oxfam, Sysco and WWF. More than seventy members around the world are now incubating projects, sharing knowledge, and building leadership capacity. Pilot projects in Central America, Africa, and the U.S. are demonstrating how businesses can partner with non-business players and achieve results useful for both. The pilots are linked in a learning framework of case studies and meetings.

The Food Lab's network extends to other networks that can inform and support the work of the National Good Food Network. With WWF and the Society for Organizational Learning, we have established a Healthy Value Chains Network to collectively develop and distribute a toolkit of best practices among practitioners across several industries, including food, energy, and textiles. We are also working with a group convened by the Ford Foundation to develop a sustainable economic development process for rural America by identifying best practices and indicators for measuring triple-bottom-line impacts of value chains.

The Food Lab has managed over \$2 million in grants from the Kellogg Foundation and is serving as project manager for a \$5 million grant from the Gates Foundation. Its staff is adept at managing funds, reporting on project results, building relationships, and sharing what we learn.

#### **The Food Lab and Regional Food**

The Sustainable Food Lab's work has evolved to focus most of its work in three areas: poverty among small producers in developing countries; climate change; and regional food in the US.

In our first three years, a significant portion of our work focused on farmer livelihoods in Central America and Africa, where we have helped build multi-stakeholder partnerships among farmer organizations, regional and international NGOs, and European- and US-based food companies. We are also supporting a sustainable food collaboration among major cities in the EU, and are in discussions regarding a potential project around food and nutrition in the UK. These projects will continue, with support from the Gates Foundation and others.

At the same time, we are focusing more attention within the US. For example, we are working with a cluster of grower groups, buyers of food commodities, and researchers at universities to

design 3-4 pilot projects that measure and improve the carbon and environmental footprint of specific value chains. Over time we will incorporate social performance metrics into these same pilots and expand to other crop or livestock chains. We are also helping a major U.S. retailer design a new sourcing strategy for milk that takes into account the impacts on farmers of different scale and in different parts of the country as well as the path toward transitioning more and more of their supply base toward organic and sustainable methods.

Other aspects of our regional food focus include:

- working with CH Robinson, a large supplier to Wal-Mart and other retailers, on regional procurement strategies in Mississippi and New York;
- providing staff trainings to several major companies (including Unilever, Sam's Club and US Foodservice) interested in knowing how to begin procuring more regional food; and
- distributing a booklet called *The Changing Vocabulary of Food Purchasing*, developed in cooperation with business and NGO members of the Food Lab, to help food service professionals understand such terms as organic, regional, seasonal, and sustainable.

Our staff team brings considerable experience to this work. Hal Hamilton has more than three decades of experience in local food. Hal is a former dairy farmer who helped found the North American Farm Alliance and the National Family Farm Coalition and served as director of a Kentucky Integrated Farming Systems project before moving to the Sustainability Institute, where he co-founded the Sustainable Food Lab.

Karen Karp, a respected entrepreneur, project manager, and food business consultant, founded Karp Resources in 1990 to grow food businesses. With a Masters in Responsibility in Business Practice from the University of Bath, Karen brings over 25 years of specialized food business experience, with an emphasis on business and project development, strategic planning, education and research in the food, agriculture and food service education sectors. Karen has co-lead research on the development of a Wholesale Farmers' Market in NYC; developed and implemented a strategic plan for local food procurement in the NYC public schools; helped City Harvest create a local sourcing strategy; and is currently consulting with the city of Louisville on a master plan for promoting local food.

## **Work Plan**

Through the National Good Food Network, we propose to develop pilot projects that will:

1. increase procurement of regional foods in New York City by specialty stores and bodegas;
2. increase procurement of New York produce and other products by large retailers operating in upstate New York; and
3. disseminate best practices to interested stakeholders in the region.

### New York City

We propose to increase New York state farmer access to the NYC metropolitan area grocery trade through a unique partnership that will assess and overcome barriers to farmer participation in mainstream distribution channels. This project is born out of direct experience and in-depth conversations with New York farmers and food retailers. As they explored the feasibility of creating a wholesaler farmers' market in New York City, for example, Karp Resources and their research partners found that NYC retailers want to source more local food but don't know how:

one-fourth of NYC retailers and a fourth of the produce distributors surveyed stated that they could not find wholesale sources for various local products they wished to purchase, and that demand for local food was four times greater than was currently available.<sup>1</sup>

The Food Lab will serve as a supply chain intermediary to bridge the gap that currently frustrates both farmers and retailers interested in bringing more local food to market. Key partners will include upstate farmer cooperatives and companies such as RLB Food Distributors, which serves more than 1,300 supermarkets, specialty stores and convenience stores in the metro area.

In the first year of this project, we will work with these partners to increase the amount of local food procured by three RLB customers: Gourmet Garage (5 stores in NYC and growing), Food Emporium (19 stores in NYC), and King Supermarkets (26 stores in New Jersey). The long-term potential for retail participation is much greater, but we are choosing to begin with a select group of motivated retailers in order to implement a project with a high likelihood of success.

One of our goals will be to ensure that more local produce is available to people with limited means. We will work on two fronts here. With SYSCO (a Food Lab member) and small distributors, we will explore the potential for bringing greater amounts of regional food to New York's vast network of neighborhood bodegas that serve the Latino market and other populations. We will also reach out through the NYC Department of Health and Mental Hygiene, which is accepting applications for 1,000 green cart licenses in order to bring fresh fruits and vegetables into neighborhoods with high rates of obesity and diabetes.

*Activities:* With these partners, we will a) identify up to 10 local products (likely candidates include apples, pears, peaches, lettuce & mixed greens, potatoes, corn, tomatoes, onions, carrots, blueberries, dairy, and specialty meats) with the potential to replace and complement non-local foods currently sold in these stores; b) gather baseline data on supply and sales volume; c) determine what percentage of current procurement could be purchased locally over three years; d) convene a supply chain summit to that brings together representative growers and buyers to collectively discuss annual goals for local sourcing within each product category as well as grower upgrading and post-harvest handling needs, aggregation and distribution plans, and proposed purchasing practices; e) work with farmers, the stores, and RLB to reach these goals.

*Outcomes* will include the following and will be measured, as appropriate, from baseline data:

- a greater amount of local food available to NYC metropolitan area shoppers of all demographics and in multiple types of outlets;
- greater shopper awareness of local foods;
- increased sales of New York state food products;
- stronger livelihoods for New York state farmers; and
- a replicable model that can be scaled up within and beyond this region.

New York City represents a \$30 billion food market. Skilled intervention that overcomes the barriers to entry for the state's farmers holds enormous potential for securing their livelihoods.

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<sup>1</sup> Final Report: A Study on Development of New York City Wholesale Farmers' Markets (Market Ventures, Inc., Karp Resources) January 2005.

## Upstate

Mid-size farmers in the state need viable alternatives to direct marketing channels such as farmer' markets and CSAs that cannot absorb their available (and potential) supply. The rapid growth of these direct marketing venues, in fact, increases the need for larger farmers to find new market opportunities. Some of these farmers can be helped to gain access to the New York City market. Others can supply upstate retailers such as Wegman's and Wal-Mart.

In order to build a regional food network, these farmers and retailers will benefit from:

- better information flow to help farmers move away from what they have traditionally grown in order to be responsive to the shifting product needs of the retailers;
- a reasonable expectation among farmers that durable trading relationships can be established that minimize the risk of making the capital investments needed for harvesting, storing, and packing their product in ways that meet buyer specifications;
- education for distributors and retailers about why and how they can source locally;
- more effective product branding and consumer education at the store level; and
- the satisfaction of distributor and retailer concerns about the ability of local farmers to meet their supply needs and product specifications.

The proposed project will increase farmer access to the upstate market principally by building trust and brokering sales of NYS farm product. In our experience, no farm-to-market efforts work without the creation of strong relationships that enable supply chain actors to take the risks that lead to breakthrough innovation. We will focus during this first year on working with CH Robinson, a Food Lab member that serves Wal-Mart and other big box chains. As opportunities and interest arise, additional partners will be brought in.

Our role will be to coach the participants through this pilot phase, using products and strategies that offer a high likelihood of success in the first year. This will encourage buyers – who could just as (or more) easily procure product from California – to work with additional New York farmers and products they perhaps hadn't thought of sourcing locally. And it will enable farmers to become more entrepreneurial, market-driven actors with the knowledge and confidence they need to succeed with national companies serving the regional market.

The activities and outcomes in this aspect of the project will be similar to those described above.

## Network

The Food Lab's specialty is in the collaborative assessment and improvement of supply chains. We bring growers and buyers together to look at what works and what does not, and to test ways to improve the social and environmental performance of supply chains, with an emphasis on providing access to markets for small and medium farmers.

Fulfilling this role will account for the bulk of a \$60,000 project, and we expect to share what is learned broadly so the project results can lead to opportunities for other NYS farmers to sell into similar markets. We will write brief case studies about each of the two projects, and will reach out through the Steering Committee, the Food Lab membership, NYS farm associations, the Ford Foundation network, etc. to disseminate what is learned. In addition, we will work with the state agriculture program, Cornell, and others to bring retailers and distributors to farmer meetings and

conferences in order to build stronger relationships and increase cross-fertilization of ideas.

At the same time, with our limited staff and more national focus, we do not expect to replace existing structures as an information hub. We propose to support and add value to such regional networks and communities of practice, not to replace them.

### **Collaborators & Partners**

We plan to work with the following individuals and organizations and to create an advisory group including these and other individuals working in NYS agriculture and food.

Floyd Avillo, COO, RLB Distributors

Andy Arons, owner, Gourmet Garage

Dominick Pelosi, Food Emporium

King Supermarkets

SYSCO

Jim Barber, Barber's Farm, Middleburgh, NY

Tom Facer, Farm Fresh First

Jose Fernandez, President, Bodega Association of the US

Kate MacKenzie, City Harvest

Ben Thomases, Food Policy Coordinator, NYC

Moriah Kinberg, Food Policy Coordinator, UFCW Local 1500

Maire Ullrich, Cornell Cooperative Extension, Orange County

Marty Broccoli, Cornell Cooperative Extension, Oneida County