“The Puzzle of Making the Local Food Movement Sustainable”

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Community Partner: Maine Farm to Institution (MEFTI)

Outline

- Introduction of Farm to Institution
- Role of student researcher and summer research outcomes
- Survey and the Evolution of a Supply Chain
- Q&A

Project Goals

- Investigating the Farm to Institution Supply Chain in Maine
- Work with community partner and student to assemble and analyze existing literature in Maine or regionally focused data.
- Interview stakeholders along the supply chain

Agriculture in Maine

# Farms; 8, 173	**% Organic Farms; 6.3%**	**%Ind/family, sole proprietorship; 84.8%**
Avg Net Cash Farm Income: $20,141		
Top Agriculture Products	**Farms by Size**	**Farms Sales; % Total Farm**
Potatoes	1 to 99 acres:61.1%	Less than $9,999; 65.4%
Dairy Products	100 to 499 acres: 32.2%	$10,000- $49,999; 20.4%
Aquaculture	500 to 999 acres: 4.1%	$50,000 - $99,999; 4.6%
BlueBerries	1,000 to 1,999 acres:1.9%	$100,000-$499,999; 6.6%
Chicken, eggs	2,000 or more acres:0.7%	More than $500,000; 3.0%
Top Counties Ag sales; % Total Receipts in State		
Aroostook Cnty; 27.6%	Washington Cnty 20.3%	Somerset Cnty 11.3%

AG in the News:
40% increase In young farmers (<34 yrs old); Value of Ag product up 24%;
Land in Ag up 8% (From 2007-2012)

Sustainability: Value Based Supply Chain

- Environment: Sustainable, Organic, IPM, scale, diversified crop practices, sustainable seafood, food miles, carbon footprints

- Social: Community Support, Relationships farmer/buyer, face-to-face transactions supply chain transparency, health & nutrition, food access

- Economic: Direct Impacts:

  - UMS $6.5 million annual, Approx. $1.5m local; UMaine $6 annual, $1.35 m local

  - Multiplier: Sales 1.03 to 2.4, Employment .49 to 3.3 (national)

  - Multiplier: Sales 1.8 to 2.4, Employment 2.2(Maine)

Stakeholders

- Students
- Real Food Challenge, Farm to Institution New England (FINE), Maine Farm to Institution (MEFTI) , Community Fisheries Network, Maine Farm Land Trust
- Distributors: Performance Food Group-North Center, Sodexo (Maine Course), Maine Farm & Sea Cooperative, Sysco, Aramark
- Aggregators: Crown of Maine, Native Maine Products, Circle B Farms
- Dining

Concerns

- Sustainability-Assumptions, little empirical evidence
- Transparency-Supply chain, education
- Access- Farmer
- Definitions

Definition Local UMS

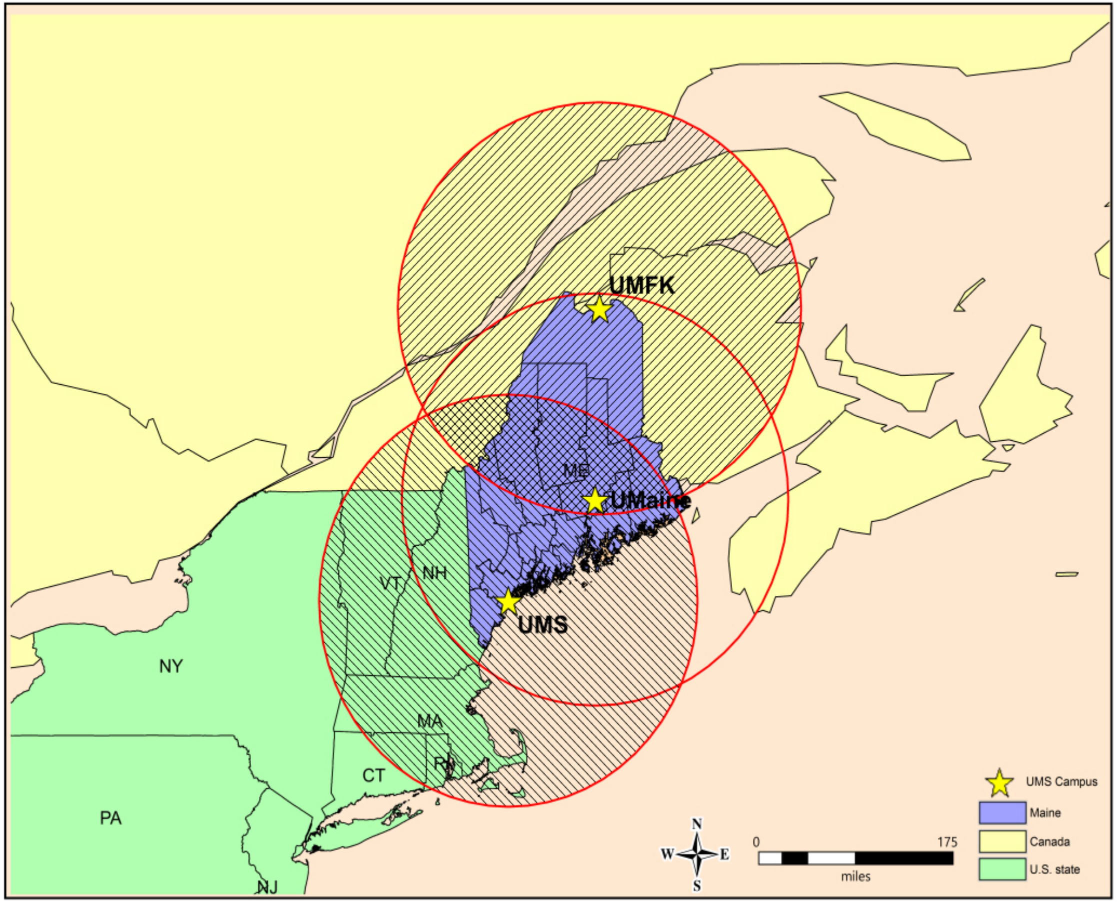
●Local food comes from resources and vendors **within 175 miles** from any of the seven UMS primary campuses.

●Foods must be processed with **at least 50% local ingredients** as defined above.

●Water is not considered a local ingredient.

●Non-indigenous foods prepared and processed in Maine by an in-state owned and operated company, where the majority of the owners are Maine community members with full autonomy and decision-making authority with respect to business practices.

●Processed foods made from locally unavailable ingredients but prepared and processed in Maine by an in-state owned and operated company, where the majority of the owners are Maine community members with full autonomy and decision-making authority with respect to business practices.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Farm To Institution in Maine and New England

The Research

- Goal: Piece together fragmented data
- 25 regional data sources
  - Riley Neugebauer (FINE, MEFTI)
- Qualitative Coding

Challenges

- Availability & Scale
- Price
- Regulations/Insurance/Contracts
- Infrastructure
- Quality

Opportunities

- Relationships
- Marketing, Outreach, Education
- Intermediaries
- Consumer Demand

Moving Forward

- Piecing the puzzle together
  - Shapes interview questions
  - Highlights areas of specific concern for policymakers, representatives

Survey question themes

- Drivers of involvement: Organizational values both social and environmental
- Key competencies: Relationship building
- Economic attractiveness of entering F2I supply chain: Alignment of costs/profit goals and scale aims
- Alignment of producer/aggregator/purchaser scale and price
- Barriers to involvement

Survey Questions about Key Values

What are important values associated with F2I for you?

What short-term and long-term outcomes are most important to you about F2I? (F, D, P)

What types of markets are you in currently and how do these markets fit your business aims and your values? (F)

Do you feel it is important for the farms you purchase from to utilize sustainability practices? If so, which ones? (Distributor)

Do you think sustainability practices are important to distributors and/or College/university buyers?

Survey Questions about Relationships

What types of relationships do you feel are important in F2I?

Are these different from your experience with other partners in non-F2I supply chains?

How do you determine if a producer is ready to sell into larger markets like institutions? (P)

When you think of your ideal Grower/Buyer, what features does that entity have? (D)

Survey Questions about F2I Economic Attractiveness

Would you describe your business profit as satisfactory, less than satisfactory or more than satisfactory? (F)

In your experience, have you received lower than average, higher than average, or standard wholesale pricing for your products when you sell to institutional markets? ? (F)

Do you track crop profitability by individual crop? If yes, which crops do you find are the most profitable for institutional markets? (F)

Survey Questions about purchase price

How do you decide what a reasonable purchase price is? (DP)

Do you expect local product pricing to be equivalent to your other conventional (non-local) product pricing, or within a specific percentage? (DP)

What local products are you never able to source enough of? (DP)

Survey questions about growing scale

Are you at your desired level of scale? and if not, what are the barriers to achieving this scale? (F)

Does participating in F2I require a change in scale? Do you see F2I markets helping you to scale up your business or invest in additional infrastructure/equipment? (F)

What products do you produce and in what quantities? (F)

Are there additional products you would like to produce? (F)

Survey questions about purchasing and distributing scale

What scale is necessary for you to source with a particular producer? (P)

Are you at your desired level of scale? and if not, what are the barriers to achieving this scale? (D)

Does participating in F2I require a change in scale? (D)

Do you see F2I markets helping you to scale up your business or invest in additional infrastructure/equipment? (D)

What scale is necessary for you to source with a particular producer? (D)

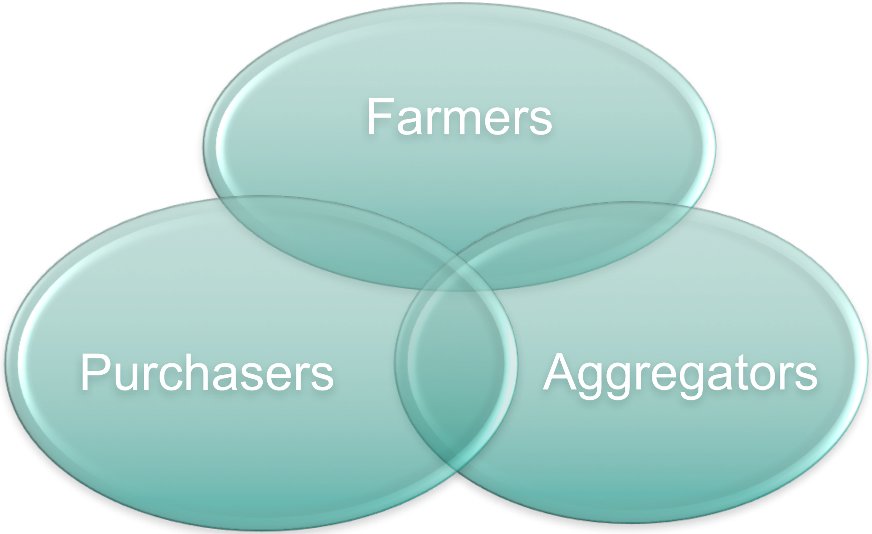
Survey questions about barriers to F2I

What are the obstacles to you of participating in F2I? Have you been able to overcome them? How?

What changes would you like to see in your F2I partners to facilitate participation in F2I?

When you think of your ideal buyer, what features does that entity have? (F)

Key Success Factors for F2I



Key Success Factors for F2I

Champions: individuals who value supporting local food, farming and communities.

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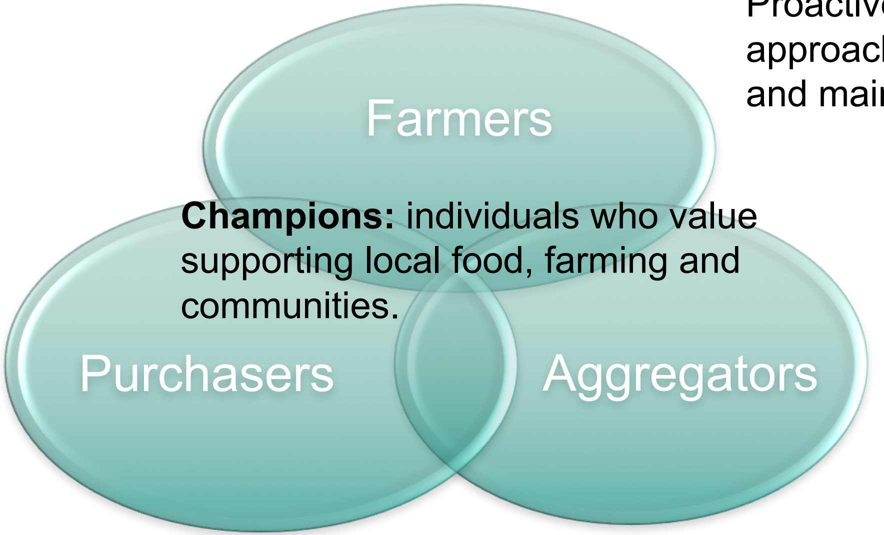
Relationship building skills. A Proactive and collaborative approach to cultivating partners and maintaining relationships.



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Increased **visibility** and **capacities** of aggregators and distributors. These businesses mitigate farmers' scale concerns and meet purchasers' needs for product mix,Insurance, food safety and sane logistics.

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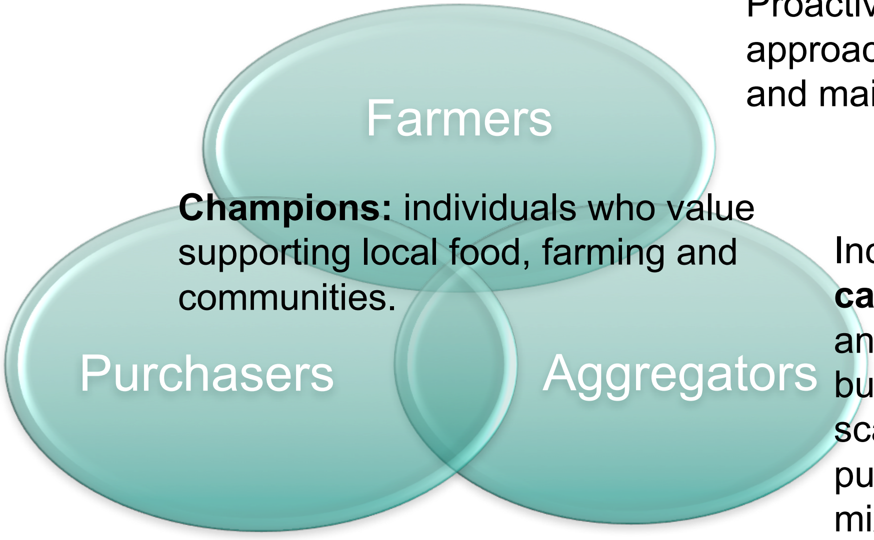

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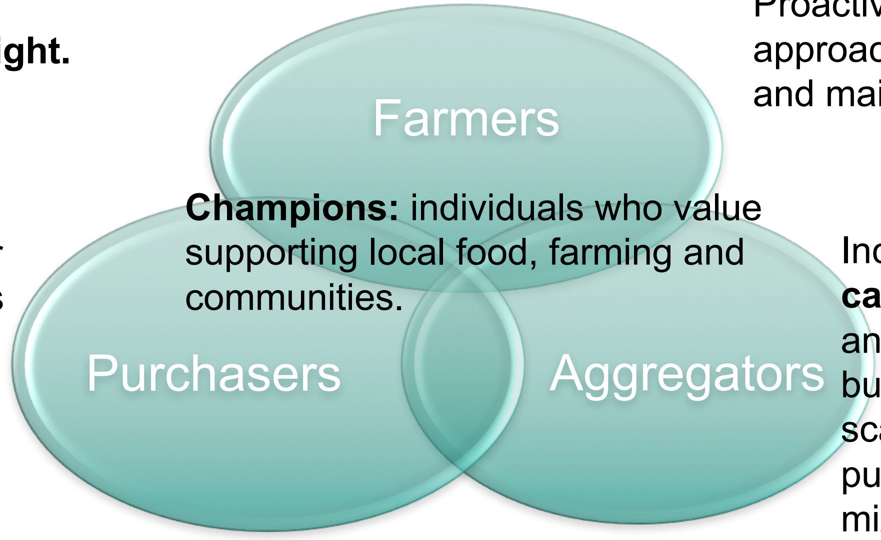

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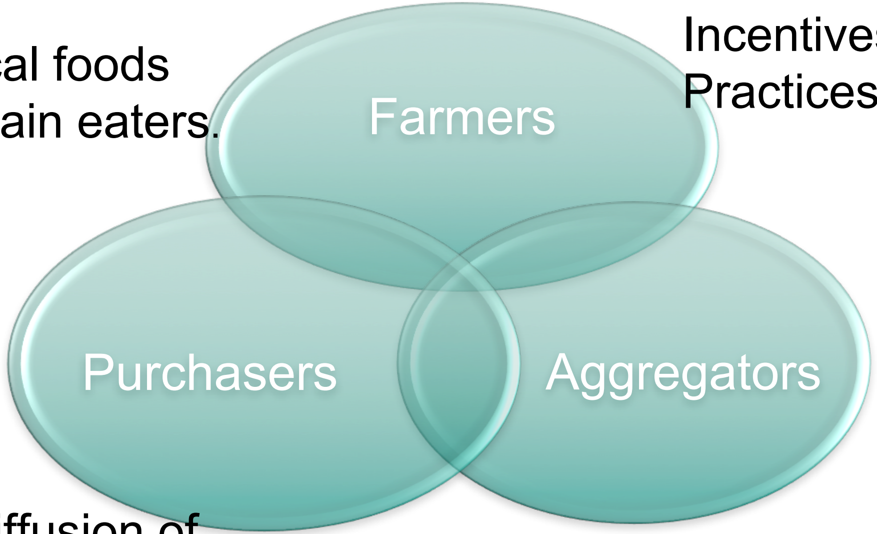
What’s Missing?

Demand for local foods
From end of chain eaters.

Incentives for environmental
Practices.



Catalysts of diffusion of
Institutional participation

Things to think about-Small is Beautiful but Risky

- Bangor Area Food Hub Study (2016): 70% of institution/wholesale buyer demand is unmet, estimated for responders as $5million; mismatch between buyer needs and farm production

- Unity Food Hub: No longer aggregating/distributing, providing space to farmers for washing/packing/storage as well as value added kitchen activities

- Lewiston-Auburn Regional Food Hub Feasibility Study (2015): Interest in local food, concern with duration of supply and variety of food available

- Southern Kennebec Cty Food Hub Feasibility Report (2013): Focus on Veggies and fruits, positive farmer response, strong buyer support, mismatch between buyer needs and farm production

- University of Maine System & UM -$500-$750 potential future demand

- FINE Farm to College Survey (2017) Growing future demand by Colleges, limited year round availability and insufficient quantities

- FINE Producers Perspective (2017) Vibrant producer interest

Things to think about – F2I, the Brand

- Who is the audience for the brand?
  - Eaters?
  - Growers?
  - Purchasers?
  - Society?

Questions?