

# FARM TO INSTITUTION IN THE MOHAWK VALLEY: MARKET SIZE AND PURCHASING BEHAVIOR

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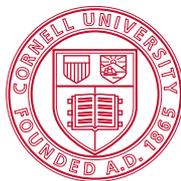


Photo by Joe Damone

A research report conducted by



MOHAWK VALLEY  
**FOOD ACTION**  
NETWORK



**CADE**  
Center for  
Agricultural Development  
& Entrepreneurship

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## PURPOSE

The primary purpose of this report is to assess the current potential for increasing farm to institution sales in New York's Mohawk Valley, a six county region that is one of New York's central food baskets, and to provide a pathway forward to reaching that potential. We seek to not only encourage the development of new market opportunities for farm and food businesses within this region, but to increase access to nutrient dense local foods that keep our communities healthy and reduce food miles.

Through this report, our intention is to produce specific, actionable information about the size and characteristics of the institutional and wholesale market for local food products – and in particular, the necessary conditions for local farmers to meet that demand.

## EXECUTIVE SUMMARY

We collected, reviewed and summarized information from publicly available sources on the size and general characteristics of food purchasing programs by institutional/wholesale buyers.

Each of the reports we examined provides descriptions of the opportunities, challenges, and the policy environment that may result in incorporating more local products in institutions. We have highlighted the improved social outcomes, health benefits and economic impacts, of replacing non-local food products with locally grown and processed items.

These reports also identify economic motivations and benefits for institutions to increase their procurement of local foods. These incentives are connected to the wider societal concerns, including public health, farm viability, and the sustainability of rural communities.

Supplementing our literature review with primary research, we found that purchasing of local foods by institutions in the Mohawk Valley and the region represents a large and growing opportunity for local farms and food businesses. Survey and interview respondents who are responsible for food purchasing expressed both personal and organizational motivation to develop their local food programs and to pursue ambitious increases in local food purchasing. We found that organizational commitments and resource allocations are an important correlate to successful farm-to-institution program implementation. We identified New York State's Farm to School incentive program to be a replicable model with potential application to other institutions, including colleges and universities, and especially hospitals and senior living centers.

**Our research indicated that growing farm to institution purchasing will depend on supply meeting demand, which requires increasing year-round availability of products that are not only cost-competitive but are available through mainstream distribution sources.**

The full report can be found here: <http://www.cadefarms.org/programs-farm-to-institution>.

## METHODOLOGY

This report incorporates the results of a review of existing published reports; a survey of food purchasing managers; and follow up interviews with eleven survey participants and others.

After conducting a comprehensive literature review which is summarized in the Literature Review section, the question still begged to be answered:

### **What is the current and potential size of the institutional market for local foods in our region?**

To address this question we developed a 19-question survey which was distributed to over 110 identified purchasing decision makers at institutions including K-12 schools, colleges and universities, health care facilities and senior living facilities. The survey resulted in 43 responses (22 K-12, 16 colleges and universities and 5 health care and senior living institutions) with 70% of the respondents representing the Mohawk Valley and Central New York regions.

#### *Definitions:*

For purposes of this research, we used the term “Food Purchasing” to include both food and beverage purchasing.

Respondents were asked to assume “Local” referred to food and/or beverages as grown and processed in New York State OR within 100 miles of an institution’s site.

## LITERATURE REVIEW

The following is a snapshot of the full literature review completed as part of this research. To view the full literature review, please see the full report at: <http://www.cadefarms.org/programs-farm-to-institution>

The literature makes clear that the motivation for encouraging institutions to increase their procurement of local foods is not limited to direct economic benefits. In fact, policies that mandate or provide incentives for increased local procurement may and often do originate with wider societal concerns, including public health, farm viability, and the sustainability of rural communities. Increased purchasing of local foods by local institutions is perceived to drive a variety of beneficial impacts, including both improved public health outcomes, by providing access to fresh, local foods, and improved social outcomes, in the form of preservation of farmland and of communities grounded in a more viable and diverse local farm and food landscape.

## Market Opportunities and Economic Impact

“The Public Plate in New York State: Growing Health, Farms and Jobs with Local Food” estimates that, of almost \$1 billion spent on food by public institutions, approximately 10% is spent on local food. Increasing this percentage to 25% would generate almost \$208 million in new economic output.

“Campus Dining 101- Benchmark Study of Farm to College in New England” reports that institutions are spending about 21% of their food budget on local food, suggesting plenty of capacity to grow that purchasing activity. Campuses that self-operate their food service were significantly more likely to purchase local foods than campuses that contract food service to food service management companies. However, there was no significant correlation between the size of the food service budget on a campus and local food purchasing practices.

“2016-2017 New York State Farm to School Survey” - 87% of respondents buy local food products, but most spend less than 25% of their food budgets on these products. The most commonly served local products at these schools are milk, apples and leafy greens. Cost and availability through current distributors were identified as the most significant barriers to increasing local food utilization. Participants were most interested in increasing local sourcing of fruits and vegetables; there was also significant interest in buying more animal proteins (beef, chicken, etc.) from local sources.

## Challenges

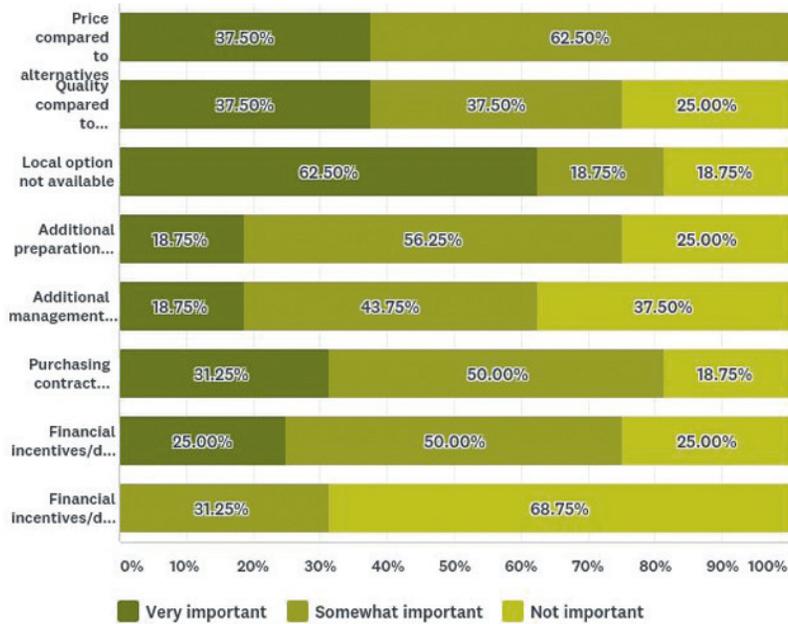
Setting internal organizational goals, changing the culture around local food procurement, and statewide incentive programs are the most effective ways to increase spending on local foods; but for institutions to achieve these objectives will require increased capacity for product traceability, extensive record keeping, and paperwork – an extra administrative task for many Food Purchasers who are already overextended.

## SURVEY & INTERVIEW RESULTS

### BARRIERS

Barriers continue to be availability of local products, which may include the physical availability due to seasonal items available based on region and seasonal variability based on weather and crop success. Additional barriers of availability include the knowledge and network of farms and producers to make said product known to be available to institutions.

Q11 How important is each of the following considerations in preventing you from buying more local food or beverage products:



Upon locating the product, the raw price point of the product may not be the most important consideration of purchasers. The larger cost and investment is the staff labor involved in working with new and local products; the priority for food service managers may be instead on decreasing food preparation time by pre-processing food for kitchen staff. The lack of availability of minimally processed local food could represent an untapped market opportunity for processors and food distributors, as well as farmers and producers. When asked if changes were made to their top concerns, as indicated in the chart above, all institutions indicated the potential to increase in their organization's spending on local foods.

While contractual considerations can be complex and vary considerably by organization, almost all of the interviewees indicated that prime contract terms limit their flexibility to purchase from alternative channels. Sysco and US Foods were mentioned most frequently as primary food suppliers. Multiple interviewees described terms require that 80% of food/food service purchases must go to the prime contractor, as well as purchase allowances that result in increasingly favorable terms when more purchases go through the prime contractor.

## Opportunities

An important indicator of an institution's likelihood of sourcing local food products is the existence of an institutional policy or goal for local purchasing and/or a committee or team that works to set and achieve such goals. Less than half of survey respondents indicated that their organizations have such goals, and just over one quarter indicated that they had a committee or team supporting local food purchasing. There is a clear opportunity for support personnel staff of said institutions to utilize already existing Farm to Institution and Farm to School programs.

Other opportunities are in the production itself. The list of local products purchased regularly by survey respondents, not surprisingly, is led by apples, fluid milk, yogurt, potatoes/sweet potatoes, other vegetables, salad/greens, and tomatoes.

Most frequently mentioned "regularly purchased" local products:

School	College/University	Hospital/Sr Living
Apples	Apples	Fluid Milk
Fluid Milk	Fluid Milk	Beef
Yogurt	Yogurt	Poultry
Potatoes/Sweet Potatoes	Beef	Other Veg
Other Veg	Poultry	Strawberries



Farm 2 School Mohawk Valley

## RECOMMENDATIONS

We have been able to verify, from a deep review of recent previous reports and from original research, that current levels of local food purchasing by institutions are already very substantial – in the tens of millions of dollars across the state – and that the capacity and inclination of institutions to increase their purchases of local foods is substantial. Based on the primary and secondary research, including purchasing behaviors and marketing considerations, it is recommended that farmers, institutions and stakeholders work collaboratively to bring the farm to institution market to its full potential.



## FARMERS/FOOD BUSINESSES

- Increase the availability of competitively priced minimally processed foods from local sources
- Make more local products available through traditional distribution channels
- Increase year-round availability
- Provide information sources for purchasing local foods such as catalogs and price lists
- Build on the marketing potential of the New York Grown and Certified program
- Develop websites (private, non-profit, and individual farms) to facilitate connections between producers and institutional buyers

## INSTITUTIONS

- Implement a formal committee or team to champion the purchasing of a certain percentage of food from local sources
- Develop a program involving tracking how much of the food budget is actually spent on local products, setting a baseline and monitoring progress
- Determine a definition and tracking/baseline for local purchasing part of the commitment/agreed upon definition of “local”

## STAKEHOLDERS

- Build on success of current farm to institution procurement
- Replicate local food purchasing incentives in new institution categories, ie. New York’s Farm to School incentive
- Promote consumer and organizational awareness for education and press
- Partner with local food “champions” to find and replicate models
- Meet demand with supply of suitable products
- Prioritize opportunities with hospital/health care and senior living

## REFERENCES & RESOURCES

A list of references and resources can be found with the full report at: <http://www.cadefarms.org/programs-farm-to-institution>

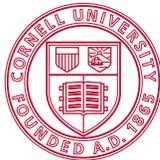
## ABOUT

**Mohawk Valley Food Action Network (MVFAN)  
Food Policy Advisory Council**  
[www.mvfoodaction.com](http://www.mvfoodaction.com)



The work of MVFAN is based on the premise that the food system - farmers, processors, distributors, retailers, restaurants, emergency food programs, consumers, as well as the businesses and agencies that support them - comprises a network that has uniquely important and interrelated impacts on the health of our environment, our economy, and individuals.

**Cornell Cooperative Extension of  
Oneida County (CCE-Oneida)**  
[www.cceoneida.com](http://www.cceoneida.com)



At CCE Oneida, as an extension of Cornell University, we provide objective, up-to-date, research-based solutions and processes that support children, youth, child care providers, landowners, farm and business operators, and local government officials. We are partners in creating strong and resilient economies, practicing environmental stewardship, building safe and healthy families, and guiding sustainable development practices.

**The Center for Agricultural  
Development & Entrepreneurship (CADE)**  
[www.cadefarms.org](http://www.cadefarms.org)



CADE's mission is to increase the number and diversity of successful farm enterprises and related businesses in New York. We envision a vibrant food system, in which locally owned agricultural businesses thrive and consumers are nourished by healthy sustainably produced food. For nearly 30 years, CADE has helped numerous agricultural businesses and organizations transition ideas from concepts to commercially viable activities. In each case, CADE identified the technological and commercialization needs of regional producers, conducted outreach and education activities, organized interested businesses into cooperative groups and secured financial support to move projects into production.

[www.cadefarms.org](http://www.cadefarms.org)

## ACKNOWLEDGEMENTS

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Photographs by Joe Damone



189 Main St (PO Box 641), 5th Fl Mezzanine • Oneonta, NY 13820  
[www.cadefarms.org](http://www.cadefarms.org) • Facebook: @cadefarms  
607-433-2545



189 Main St (PO Box 641)  
5th Fl Mezzanine  
Oneonta, NY 13820



# Farm to Institution in the Mohawk Valley: Market Size and Purchasing Behavior