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Fresh Food Distribution Models for the Greater Los Angeles Region

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Fresh Food Distribution Models for the Greater Los Angeles Region

Barriers and Opportunities to Facilitate and Scale Up the Distribution of Fresh Fruits and Vegetables

Findings from an Action Research Project of the Center for Food & Justice, a division of the Urban & Environmental Policy Institute, Occidental College
December 2006-March 2008

By Vanessa Zajfen
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Introduction

Our conventional food system is failing to meet the basic food and health needs of millions of Americans. Health issue such as diabetes and obesity in school children, cancers and autism in farm worker populations and toxic well water can be blamed on our failing food system. However restructuring the current food system and building a new localized food economy in Southern California has the potential to transform the region and improve health disparities and insecurity. As stated by Jane Dixon in the *Journal of Urban Health*:

“In many cities, thousands of positions of paid employment could be created through the establishment of sustainable and self-sufficient local food systems, including urban agriculture and food processing initiatives, food distribution centers, healthy food market services and urban planning that provides for multiple modes of transport to food outlets.”¹

But how do we get there?

Imagine building a local food economy where those working within it can afford the foods they produce, process and transport. Think of a permanent farmers’ market building which included food processing facilities, space available to farmers for food storage, packing facilities and other distribution related infrastructure. Envision commercial food distributors who sell a ‘local food line’ of fresh fruits and vegetables coming directly from local and regional farmers to institutions such as schools, hospitals, prisons, and large employers. Picture farmers working in partnership to bring freshly picked produce to a local elementary school classroom while also arranging for the children to visit the farm. And perhaps most critically, consider underserved populations, whose neighborhoods currently lack places to buy healthy food, getting access to the freshest, tasty, locally grown fruits and vegetables, which have the power to change eating habits and spur demand for better food from schools to offices, corner stores to supermarkets.

While perhaps difficult to conceive, these are not fanciful notions. They are based on concrete strategies for improving the mechanisms and logistics of local food distribution in order to allow a significant expansion of farm to institution connections in Southern California. This report identifies practical steps for making a vision of a local, healthy food distribution a reality of Southern California’s regional food economy.

In 2007 the Center for Food & Justice (CFJ), a division of the Urban & Environmental Policy Institute at Occidental College was awarded a planning grant from The California

¹ Dixon, Jane et al. 2007. “The Health Equity Dimensions of Urban food Systems.” *Journal of Urban Health: Bulletin of the New York Academy of Medicine*. 84(1)118-129.

Endowment entitled, *Exploring Fresh Food Distribution Models for the Greater Los Angeles Region*. During this year-long project, CFJ assessed the opportunities and barriers to scaling up the distribution of locally grown fruits and vegetables in the greater Los Angeles region. The primary focus of this planning grant was to evaluate how large institutional clients could more readily access locally grown foods through traditional institutional procurement avenues such as large distribution firms. The evaluation was carried out by assessing the ability of current and future models of distribution to scale up and accommodate an increase in the volume of fresh fruits and vegetable distributed throughout the Southland. Additional support was provided by the UPS Foundation and the Compton Foundation.

Multiple factors have prevented the increased procurement and distribution of locally grown foods in larger commercial and/or institutional settings. In order to deliver fresh and healthy foods to vulnerable communities, schools, medical institutions, and retail outlets in urban centers, there needs to be a change in our traditional system of food delivery and a significant effort needs to be directed towards the development of alternative food production and delivery systems.² Factors which currently prevent such shifts in our conventional food system include domestic food and farm policies, the concentration of power within our food system among large growers and processors, and inequalities in access. Barriers of this magnitude have complicated attempts to scale up the procurement and distribution of locally grown food. The answer is not simply a matter of increasing the number of delivery trucks on the road, but one which requires considerable investment in local food economies, food security solutions, and sustainable business models.

Although our interdependent and concentrated food system is perceived as impenetrable, there are practical solutions that can be implemented to improve access, food quality, and the widespread distribution of good food. Therefore, in order to address the question which most concerned this assessment—how large institutional clients could more readily access locally grown foods through wholesale outlets—CFJ examined the perceived and real barriers that are preventing farmers and distribution or produce firms from participating in scaled up distribution efforts.

This evaluation also included the perceived and real opportunities for farmers and produce firms to participate in innovative distribution solutions based on regional resources. Because Southern California is such a large region, CFJ looked at four separate regions and found that not all regions had the necessary infrastructure and resources to scale up the distribution of local foods through the use of traditional or large-scale distribution channels.

² Andreatta, S., et al. 2008. “Lesson Learned From Advocating CSAs for Low-income and Food Insecure Households. *Southern Rural Sociology*. 23(1) 116-148.

Project Scope & Activities

CFJ chose to approach the assessment and analysis of distribution models by focusing on regional case studies. Four regions were identified for the case studies:

1. Los Angeles County
2. Riverside and San Bernardino Counties (the Inland Empire)
3. San Diego and Orange Counties
4. Ventura County

These sub-regions were selected based on the local farm base, basic geography, and proximity to and participation in local food markets. The counties that make up these regions are five of the six most populous counties in California and comprise 55% of the state's population. The regions also include 17% of California's farms and contain 4.5% of California's farms that are smaller than 100 acres.³

Approaching the assessments as regional case studies facilitated the collection of detailed information regarding on-the-ground farm to institution and local food distribution programs for each region. The groundtruthing efforts provided a greater understanding of the workings of local farms, agriculture-focused organizations, and the resources available to be leveraged for effectively implementing new farm to institution and distribution programs within each region. Due to the various levels of local food distribution capacity in Southern California, CFJ identified and evaluated a variety of distribution models. The selected models vary in size, scope, and client-base.

Participants

The evaluation examined barriers and opportunities to scaling up procurement from the perspective of three key participants in the local food value chain:

1. Institutional food service: nutrition directors and staff
2. Local farmers: organic, sustainable and small to mid-size
3. Produce firms: large and small with local food lines

With valuable input from the three participant categories, CFJ researched the specific constraints within institutional food service systems that prevent local food programs from becoming mainstream. Second, CFJ addressed what on-farm or farm business limitations prevent individual farmers from participating in direct institutional marketing programs. Finally, CFJ assessed what factors prevent produce firms with established local food programs from expanding into institutional markets. And conversely, what opportunities exist for participation in direct institutional markets.

³ USDA 2002. 2002 Census of Agriculture. USDA National Agricultural Statistic Services.

In order to execute this evaluation as comprehensively as possible, CFJ partnered with Community Alliance with Family Farmers and Southland Farmers' Market Association. Additional support, information, and guidance was provided by numerous food advocates, community organizers, produce buyers, farmers, and farmers' market associations.

Farm Outreach

Due to wide variations in farm management practices, location, size, crops, and workload, CFJ found that direct personal contact with growers yielded the most productive results and most accurate information about their operations. In lieu of formal surveys, we used in-person meetings, on-site farm visits, farmers' market or distribution center visits, and telephone conversations with farmers to assess their capacity to supply fresh produce to institutions. CFJ contacted at least thirty-nine farms that currently participate in some form of farm to institution programming, including: selling foods directly to schools, institutions, or distribution firms, or selling CSA subscriptions to institutions. CFJ also identified eleven other farms that expressed an interest in marketing their foods to local institutions. An additional eleven farms were identified that currently sell to other direct local markets, such as farm stands, CSAs, restaurants that want to expand into larger farm to institution markets. A total of sixty-one farm participants were involved in the project.

Institutional Outreach

To better assess the institutional market for fresh and local products, CFJ compiled a list of institutions in the Southern California region interested in sourcing local foods or beginning a farm to institution program. We estimate that currently there are forty-one interested institutional systems, which represent at least 1,663 potential individual institutional sites⁴. This includes thirty school districts, four hospital systems, five charter schools, one community college and one probation department. The institutions included in the list have expressed interest in farm to institution programs by directly contacting CFJ, attending farm to institution workshops and conferences, or contacting us through the farm to school website.

In the past year alone, CFJ has provided technical assistance and outreach to thirty different institutional system sites in the greater Los Angeles region that are either interested in developing or have already established farm to institution programs. Of those thirty institutional sites, six sites have begun to source local foods for their farm to institution programs in the past year.

⁴ For the purpose of the research and these numbers a unified school district would be referred to as an institutional system, the schools within the district would be individual institutional sites. This holds true for hospitals, prisons, and other institutions.

Produce Firm Outreach

CFJ staff conducted an in-depth study of distribution firms and their potential for scaling up the distribution of local fresh fruits and vegetables to institutions.

The select produce firms differed in scale, operating style, and ownership structure. This aspect of our evaluation went beyond Southern California boundaries as our outreach included firms throughout the United States. CFJ conducted twenty-one interviews with different distribution firms that currently buy and sell locally grown foods in their region. Twelve interviews were with firms based in the Los Angeles region, which currently sell local food. Of those twelve distribution firms, CFJ worked closely with eight to better understand their basic operation requirements.⁵ These firms provided on-site facility tours, financial information about their food costs, introduced CFJ staff to their local farmers, shared their client lists, and provided basic support answering distribution-related questions.

⁵ Some of the names of produce firms CFJ worked with have been withheld based on requests from produce firms.

Project Findings

Institutional Barriers

The market for local food is ripe. Local food sources, defined by close proximity to the end consumer, are in high demand—growing a market parallel to organic.⁶

Acknowledging this burgeoning trend, many institutional food service directors have expressed an interest in purchasing local foods. However, most expect the purchasing of local foods to be equally convenient to purchasing any other traditional food product. Many food service directors will not participate or will choose to end the pursuit of local food purchasing options if they are inconvenient.⁷ The relatively large number of institutions that have expressed to CFJ a strong interest in sourcing local foods does not necessarily reflect the number of those that will be able to implement a program. Hence the low numbers of local food programs in the greater Los Angeles region. Some of the barriers preventing institutions from accessing and utilizing local foods in their kitchens include:

- ◆ Inadequate kitchen facilities
- ◆ Limited cooking skills
- ◆ High labor costs
- ◆ Limited labor availability
- ◆ Inadequate storage facilities
- ◆ High minimum orders required from produce firms
- ◆ Limited outlets for local food
- ◆ Unrealistic institutional quality controls or food safety standards
- ◆ High price points
- ◆ Binding food contracts
- ◆ Geographic isolation
- ◆ Managing multiple farm accounts
- ◆ Rapid payment collection cycles
- ◆ Reliance on rebates and incentives from processed food providers

Common needs found across a spectrum of institutional food buyers are the need for cheap, consistent, reliable, and ready made (processed or frozen) foods, which meet institutional nutrition requirements. Identifying those local foods that institutions can easily “handle” (cook/process/store/serve) local foods will be key in increasing their popularity and use in institutional kitchens. It is also important to note that the quantities and types of foods ordered, as well as ordering and payment methods vary widely among institutions interested in purchasing local produce.

⁶ 2007. “Eating Better than Organic.” *Time Magazine*

⁷ Personal communication. Interviewed food service directors, 2007-2008.

Farm Barriers

According to the USDA's 2002 Agricultural Census, there are 13,578 farms between 1 and 499 acres within the six counties included in this project.⁸ Not all of these farms grow for commercial or local markets, but the sheer number indicates that a relatively large number of farmers do exist within these counties from which local food can be sourced. Although a large number of farms expressed an interest in marketing to local institutions, it is possible that they may not be able to easily access institutional markets. Several on-farm and off-farm factors prevent farmers from supplying fresh produce to institutions:

- ◆ Inadequate or no packing and on-farm storage facilities
- ◆ Insufficient packing materials
- ◆ Limited or no access to value-added processing facilities
- ◆ Limited or no means of transporting foods
- ◆ Limited knowledge of institutional markets
- ◆ Lack of capital investment
- ◆ Limited or inconsistent food supply
- ◆ Geographic isolation
- ◆ Unrealistic institutional quality controls or food safety standards
- ◆ Low price points
- ◆ Competition with rebate incentives
- ◆ Competition from other businesses

Distribution Barriers

Although a number of firms in Los Angeles and across the Southland have well-established local food purchasing programs, there are still barriers preventing these businesses from expanding their programs to other institutional food buying systems. These include:

- ◆ High cost of purchasing local foods
- ◆ High cost of fuel
- ◆ Low institutional food budgets
- ◆ Perishability of fresh food
- ◆ Limited staff to implement local food programs
- ◆ Limited understanding of institutional markets and food buyers' needs
- ◆ Customer based uneducated about local food
- ◆ Working within and against the conventional food system

⁸ USDA 2002. 2002 Census of Agriculture. USDA National Agricultural Statistic Services.

Additional Challenges to Implementing Local Food Distribution Models

Exhausted Supply

Farmers have recently begun to diversify their direct markets through farmers' markets, Community Support Agriculture (CSA)⁹ subscriptions, and other direct wholesale and retail relationships. Many farms are making a good profit through these niche markets. In fact, they have chosen to focus on direct markets, instead of wholesale markets, because they are more lucrative. As a result, many small farmers with experience selling directly to dedicated consumers already have customers for a portion of their current production.

Geography

The sprawling urban landscape of Southern California makes a truly localized farmer base difficult to define or coordinate. This wide dispersal is positive for the crop variety that the geographic span affords and beneficial for the farmers' ability to serve numerous institutions across the region, but also poses obstacles for coordination of food orders, pick up, transportation, and delivery.

Bridging Business Cultures

In the research and relationship building conducted thus far, it has become apparent that farm operators, produce distributors, and food service managers do not "speak the same language," nor do their business approaches align with each other. Although it can be said that most are interested in producing and receiving high quality produce, how they communicate and go about getting that produce is very different. Facilitating a discussion that encompasses and translates the shared values of all parties involved in farm to institution programs is a challenge.

An additional challenge is that many advocates, non-profits, and farm to school practitioners often do not have the knowledge of a private sector mentality which is essential when engaging in distribution dialogue. Although the farm to institution movement and local foods provide and promote much important social good—such as increased access to healthy foods, childhood nutrition education, supporting and building local economies, reduced fossil fuel emissions, support of small sustainable family farms and increased food security—the core function of buying and selling food products is a business. In order for any business to thrive and continue to achieve its social purpose, it must remain profitable. Advocates and farm to institution practitioners are in a great position to utilize innovative business strategies from the private sector to market and promote local foods and farm to institution amongst the appropriate business audiences,

⁹ CSA is a subscription produce basket program, where members and farmers share the risks associated with farming together. Members pay in advance of the harvest, in return they receive share of local seasonal foods throughout a growing season and farmers receive upfront capital to invest in growing food.

such as produce firms.

Keeping Local Food Local

One major challenge when scaling up distribution models in collaboration with larger or national distribution firms is how to maintain the identity of local foods and ensure that they remain within local regions. The benefits that clients receive from locally grown foods would be lost if too many foods grown near Los Angeles were shipped to institutions across the country.

Proprietary Information

As the demand for local foods increases, there is much at stake for businesses interested in this market, making them wary and reluctant to share ideas or engage in project collaboration to reach a mutual solution. Farm to School practitioners need to respect the business interests of private sector partners while continuing to focus on public health and other benefits of farm to institution connections.

Current Distribution Models

Large Produce Firms

In Los Angeles there are approximately five large produce firms that are successfully sourcing and selling locally grown foods. All five firms have developed local food lines that operate in conjunction with, or within, a larger conventional food business. For example, the Produce Hunter, a successful local food purveyor, is a sub-division of Fresh Point, which is a subsidiary of Sysco, one of the largest institutional food distributors in the country.

An additional example of parent company support can be seen in Plucked, a small boutique firm specializing in sourcing local foods, which has recently been bought by Produce House.¹⁰ Produce House can now offer clients everything from fresh locally grown produce, to year-round globally sourced exotic fruits and vegetables, to processed food items such as butter, flour, or pancake batter. Firms such as Produce Hunter and Produce House offer their clients the convenience of one-stop shopping without sacrificing quality. The local food lines bestow benefits on the larger parent company such as public relations value, environmental benefits of fewer food miles, and the high quality standards in nutrition and flavor associated with locally sourced products.

CFJ found that the successful development and execution of these specialty local food lines have been supported by large capital investments, broader company-wide expertise, many dedicated employees, large advertising budgets, and the distribution infrastructure provided by a larger parent company. Much of the local foods bought and sold through these companies are being subsidized by the larger parent company and its high volume sales of basic staples such as milk, flour, and low cost fruits and vegetables. In firms that

¹⁰ Some of the firms that worked with CFJ asked that we withhold their names from this report. Others asked that we use fictitious name when refereeing them.

have multiple product lines, the local food line serves as a distinguishable entry point to new markets and clients. For example a Produce Hunter customer—typically a restaurant chef—might consider buying unique local food items such as heirloom tomatoes, fingerling potatoes, and specialty greens to showcase on their menu. The local food orders for this client may remain small; however clients such as these typically order additional products from these larger companies' non-local food lines. Within these particular customer relationships there exists a potential to increase the volume of local food transactions as more local foods become available and cost competitive, thus increasing the volume of sales per client.

This method of procurement and distribution of local foods is meeting the needs of both the farmer and the produce firm. Local foods help produce firms to further differentiate themselves in an increasingly competitive market; local foods lines increase companies' overall sales and present “green” marketing opportunities. For farms selling to larger produce firms, this model provides increased and consistent sales as well as marketing and public relations possibilities. Yet this model grossly under-serves schools and other institutional clients, which can be seen as an opportunity to expand the volume of local foods being distributed across the greater Los Angeles region.

The major barriers in servicing schools are the higher prices associated with local food. Schools and institutions can be served by this model if produce firms develop a “local school food” line or subsidize their price points for sales to schools. In addition to benefiting the schools, this may also provide produce firms the benefit of a public relations message promoting their social and environmental commitments.

Smaller Produce Firms

Los Angeles is also home to at least three small boutique produce firms that have successfully developed and executed local food lines. These include the Growers Collaborative, Artainable Cuisine, and California Family Farms. These firms were either developed by a sole owner or with grant support. All three firms specialize in and sell high-end fresh fruits and vegetables such as purple cauliflower, baby orange cauliflower, heirloom fingerling potatoes, heirloom tomatoes, garlic greens, Asian broccoli and, depending on the season, they may also carry limited amounts of specialty cheeses, eggs, and meat products.

Due to their sole proprietor business structure, the smaller produce firms do not receive the benefits or support of a larger parent company. In addition, the smaller size of these companies reduces the rewards associated with larger economies of scale, such as lower purchase prices due to high volumes, shared delivery costs, labor costs, and marketing or business expertise. As a result, these firms must be particularly selective and efficient in their use of time, resources, trucks and distribution routes, product selection, storage style and facilities, selection of clients, selection of producers, invoicing, payment cycles, food packing styles, and delivery schedule. As with the large produce firms, these boutique firms also cater to the needs of high-end clientele.

This model serves the needs of both the distribution firms and the farmer, yet it typically does not meet the needs of schools or other institutions. Price points make larger volume

purchases through these vendors highly problematic for institutions. In addition, the limited product supply for both fresh and value added foods prevent larger orders. Finally, the lack of basic staple food items like milk or flour reduces the ease of institutional shopping. This model meets farmers' needs, but their ability to market large volumes of product is limited by the firms' smaller size. However, some distributors such as Growers Collaborative have effectively worked with school districts and universities like Ventura Unified School District and University of Redlands.

Shipping Firms

Shipping firms have the capacity to scale up as they accept large wholesale orders for local food products, but then ship them to other produce companies nationally for further distribution. Although shipping firms ship foods outside of their original local region, these firms have vast systems of distribution, staff and valuable expertise to distribute large amounts of food.

Farm Direct

The oldest and one of the most significant methods of purchasing local foods in any region of the United States is directly from a farm. In Los Angeles this model of procurement and distribution is limited in the fact that there are very few farms located within the city limits. However, there are many farms in Ventura, San Diego, San Bernardino, and Riverside counties that provide local food for purchasing programs in the city of Los Angeles.

Multiple factors limit the wide adoption of this model in Los Angeles. The primary factors which limit this style of distribution for a single farm are: limited or no means of transporting foods to clients, limited knowledge or connection to institutional markets, unrealistic institutional quality controls or food safety standards, and institutions' inability to work with multiple farm accounts.

This model is also limiting for institutions because handling multiple farm accounts is more labor intensive and requires more "hand holding" of farmers. Other problems perceived by institutions in buying direct is the high cost of food and that the food supply from a single farm can be unpredictable in delivery, food quality, and availability.

Farmers' Markets / Farmers' Market Associations

Farmers' markets are a well-established method of sourcing local foods in Los Angeles County. Often farmers' markets are the first source/resource many farm to institution advocates turn to when attempting to implement local food programs. There are ninety-seven certified farmers markets in Los Angeles compared to Orange and San Diego Counties combined fifty-five, San Bernardino and Riverside Counties combined nineteen and Ventura County's nine certified farmers markets.¹¹ Access to fresh local foods is

¹¹ A certified farmers market is a location approved by the county agricultural commissioner where certified farmers offer for sale only those agricultural products they grow themselves.

[California Federation of Certified Farmers Markets.](http://www.cafm.org)

available to consumers seven days a week within L.A. County. Farmers Markets can be found in a variety of communities and are not just anchored in affluent neighborhoods.¹² One of the first farms to school programs in the nation recently celebrated its 10th anniversary of sourcing their salad bar foods from the Santa Monica Farmers' Market.

When placing orders to pick up from the farmers' market, food service staff coordinates orders with individual farmers at the market closest to their facility. A single food service staff will place food orders for all schools participating in salad bar and local food programs within a school district or institutional system. Food orders are placed at least two days in advance, giving farmers ample time to harvest, prepare, and pack food orders. Pre-ordered foods will travel with farmers to the market where food service staff will pick up orders directly from individual farmers. Invoices are either paid for at the time of pick up or they are sent to district food service departments where individual checks are mailed to each farmer. In the case of Santa Monica Malibu Unified School District Farmers' Market Salad Bar program, salad bar foods are brought to a central collection point at the school district where they are prepared and shipped to individual school sites.

Farmers' market associations in Los Angeles have also facilitated the development of Farmers' Market Baskets as a strategy to encourage workplace wellness and expand marketing opportunities for farmers at farmers' markets. Both the Southland Farmers' Market Association and Sustainable Economic Enterprises of Los Angeles offer market basket programs. Currently, between the two organizations, there are three drop off points for market basket pick-ups at the RAND Corporation office building, Venice clinic, and Santa Monica City Hall.

CSAs: Workplace & General

CSAs are increasingly becoming a workplace wellness strategy implemented by corporate offices or small businesses. These programs are similar to market basket programs although the food is sourced from just one farm rather than from a farmers' market. Typically the foods sourced, sold and distributed at these workplace sites are not for corporate kitchens but for home use by individual consumers. However Kaiser Permanente is offering CSA subscriptions to employees, hosting farmers' markets on medical center campuses and purchasing local foods to be used in their cafeteria meals. CSAs are also becoming a popular method of food procurement amongst the general public in Los Angeles. Los Angeles has an estimated five CSA or market basket programs. In relation to the population of Los Angeles five CSAs and/or market basket programs is still a very small number and demonstrates vast potential to expand this market and distribution option.

Ready-made School Lunches

The strategy of ready-made meals is particularly useful for those schools with limited kitchen facilities. The cost of these lunches vary, however, and on average one can expect

¹² [Sustainable Economic Enterprises of Los Angeles](#) manages the Watts Farmers' Market.

to spend five dollars per meal. Schools on tight budgets are unlikely to spend five dollars per meal, regardless of reimbursement rates.

Ready-made meals are offered by two firms in the Los Angeles area: Brown Bag Natural and Revolution Foods. They meet USDA's federal nutrition standards and meal guidelines, and if served according to the national school lunch program guidelines, are eligible for federal reimbursements.

In the case of Brown Bag Natural, local foods used in these lunches are sourced from area farmers' markets and some are provided by Whole Foods. In addition, at least two Whole Foods outlets in Hollywood provide ready-made meal options to schools close to retail outlets. Whole Foods utilizes the skills and expertise of many of the produce firms, larger and small, spoken about above to source their local foods for them.

Suggested Distribution Models

CFJ found that both institutions and farms in the four regions were utilizing innovative means to overcome regional barriers and capitalize on opportunities in order to source local foods. However the strategies currently in place have limited application and are not yet mainstream enough to meet the health nor retail food needs of the most vulnerable urban populations.

The project revealed that multiple models of local food distribution will be required to increase the number of farm to institution programs and the volume of local foods distributed in the Southland. Further new systems of food delivery will need to target a wide variety and number of retail food outlets if local food programs and local foods are to go beyond the institutional markets and reach the core of urban communities. CFJ developed five strategies to increase the scale, scope and variety of local food distribution programs in Southern California. Like the current models of distribution, no single model will resolve all of the aforementioned issues. However, considering the diverse geography of Southern California, the existing food distribution infrastructure, and the desires of institutions clients, we feel that the following five models represent the best opportunities for scaling up the distribution of local foods. These models have been designed with five objectives in mind, to:

1. Overcome barriers to scale up distribution identified by farmers, institutions and distribution firms.
2. Take advantage of regional opportunities to scale up distribution efforts.
3. Increase the number and variety of farm to institutions programs in practice.
4. Scale up the mechanism and means to distribute local foods.
5. Replicate or adapt models to different regions in California.

Local School Food (LSF)

The term Local School Food has been developed by CFJ to describe a concept for a new food product line to be carried by produce firms. It is designed exclusively to market local foods to institutions and school food service directors.

In conjunction with school food service and produce firms throughout the Los Angeles region, CFJ will develop the concept, design, brand identity and marketing materials for the LSF line. LSF will be promoted to produce firms throughout the Los Angeles region, specifically those already sourcing local foods. LSF will feature only local food items such as fresh fruits and vegetables and value-added products, which will address the critical institutional barrier of inadequate kitchen and processing facilities and labor. LSF will streamline food choices available to institutions and focus on select seasonal products that can meet institutions' requirements for quality, quantity, and price. Working

with established produce firms to pilot this model will allow us to capitalize on tested business practices and use developed infrastructure at a minimal cost to consumers and farmers.

For example, LSF products will address barriers such as inadequate kitchen facilities, limited cooking skills, high labor costs or limited labor availability by selecting items that will need minimal processing. LSF food items will include value added products when possible, reducing labor needs and cooking skills required to prepare food. The LSF line will include items such as: citrus or cherry tomatoes which institutions can simply wash and serve with peel intact.

Women, Infants & Children (WIC) Local Food Line

The WIC food package has recently been updated to include fresh fruits and vegetables, this concept for a new food product line would be carried by produce firms designed and exclusively to market local foods to WIC -only stores in Los Angeles.¹³ The WIC Local Food line will feature local food items that have been selected to specifically address the distribution issues of perishability, high food costs, and limited food preparation facilities.

The WIC Local Food line will streamline food choices and provide nutritious options to supplement recipients overall shopping experience. The WIC Local Food line will focus on select seasonal products that can meet retail store owners' requirements for quality, quantity, and price as well as provide recipients with variety and nutritionally dense foods. The WIC Local Food line will operate similarly to the LSF line and ideally will be executed by similar produce firm partners. A study conducted in Los Angeles which supplemented WIC recipients' monthly voucher allotment with financial support specifically for fresh fruits and vegetables, previously not allowed with WIC coupons, showed that approximately 90% of the fresh fruit and vegetable vouchers were redeemed indicating a significant increase in participant's consumption and use of fresh fruits and vegetables.¹⁴

CFJ is also considering a WIC only CSA.

Farmers' Market Hub (FMH)

The term Farmers' Market Hub has been developed by CFJ to describe an emerging model of local food distribution, which draws on the management structures of farmers'

¹³ The Women, Infants, and Children program is a federally supported Supplemental Nutrition Program to support low-income women, infants and children up to age 5 who are at nutritional risk by providing foods to supplement diets. Participants receive checks or food instruments to purchase specific foods each month that are designed to supplement their diets.

¹⁴ Herman, Dena R., et al. 2006. "Choices Made by Low-Income Women Provided with an Economic Supplement for Fresh Fruit and Vegetable Purchase." *The American Dietetic Association*. 106(5).

markets. This model will engage farmers' market associations (FMAs) and farmers' market managers in performing key organizing functions to distribute locally grown foods to institutions through farmers' markets. FMAs will assist in developing wholesale marketing opportunities that will be run through a single hub market, but will draw on growers from other regional markets.

Wholesale orders will be collected, packed, and shipped from the hub market in order to fill large institutional orders. The hub can or may be an actual physical structure near the market or a space that is set-up at the market and used only when the market is open. Resource sharing, such as utilizing empty trucks returning home from the farmers' market to deliver wholesale orders, represents one of the many innovative ways farmers' markets can play a role in building viable distribution models. This model takes advantage of the many farmers gathered at farmers' markets, and it can make markets more attractive and profitable to farmers who are experiencing reduced sales amidst today's increasingly frequent and competitive farmers' markets. FMAs can encourage resource sharing or in-kind trades between the association and its members or use membership dues to execute a collective effort to develop institutional programming.

The Farmers' Market Hub will address issues identified by farmers and institutions such as limited or inconsistent food supply, seasonal fluctuations, and high price points by optimizing the structure of a farmers' market as a gathering point for multiple farmers from across the state, and therefore points of congregation for large amounts of produce. The consolidation of multiple farmers and their food products can help in addressing barriers such as seasonal fluctuations and supply issues that a single farmer cannot overcome alone. Given the larger number (ninety-seven) of farmers' markets in Los Angeles and staff managing these markets a farmers' market hub has the potential to impact many farmers but also provide reliable and quality local foods to institutions throughout Los Angeles County. For example, FMAs can develop order sheets and track inventory. Market managers can coordinate large orders and pull product from multiple farmers to fill gaps in orders. In addition, FMAs and market managers can negotiate reasonable price points by facilitating large volume orders from/for institutions and distribution firms.

Farmer Collaborative (FC)

The term farmers collaborative group of farmers working collectively to market their crops either through a formalized legal cooperative, an informal collective of farmers addressing best management strategies, or by partnering with a third-party organization that markets, distributes, or sells food on behalf of the farm group is a farmer collaborative. From our research, we have identified northern San Diego County as the area most ready to enter into this form of arrangement, and the existence of Tierra Miguel Foundation Farm, which is committed to serving as a leader for small and medium sized growers, will significantly increase the chances of the model being successful.

By developing capacity to collectively market, process and distribute their own foods through the FC model, farmers will be better able to meet the local food and distribution needs of institutional clients in both San Diego and Los Angeles. The FC model will

minimize production and legal risks by spreading the risk among multiple farmers, while also expanding direct sales to large institutional clients. Possible FC models include: a formalized legal cooperative, an informal collaborative (where farmers are working together but not legally bound to a cooperative), organizing around a distribution company, establishing a marketing board (a body to help market farm products), or other structures suggested by farmers.

The model of farm collaborative networks has proven successful for consolidating, packing, marketing and selling farm products on a larger scale for decades. As the popularity of local foods and farm to institution programs increase, this model will provide support to small and medium sized farmers seeking to identify and utilize niche-marketing channels, representing a new marketing tool for farmers to further distinguish themselves in an increasingly competitive marketplace. Collaborative business models will advance wholesale markets for local foods in the Southern California region by addressing fundamental problems, not only of distribution but also processing, marketing, and business development from the farm perspective.

Farmer Collaborative will have the capacity to address barriers identified by both farmers and institutions such as unrealistic institutional quality controls or food safety standards. The FC can then work together in developing workshops, outreach, and education on how to overcome and meet food safety standards. In addition, items sold through the FC model could avoid strict quality controls by avoiding particularly controversial products. For example no leafy greens, meat or animal products will be sold via the FC.

Farm Direct Distribution Model, CSA in the Classroom:

Through years of experience implementing farm to school programs, CFJ has found that many schools and districts, such as those in the Los Angeles Unified School District, have limited facilities, infrastructure, and administrative capacity to adopt a more comprehensive farm to school program. As a result, CFJ advises schools to take small steps towards the adoption of a comprehensive farm to school program in the cafeteria and classrooms. CSA in the Classroom is one such entry point for schools. The model encompasses a CSA relationship between a local farm and school with schools utilizing CSA boxes of local foods for classroom instruction and taste tests. Beyond a proven successful educational tool, CSA in the Classroom also serves as an early step in developing the distribution models outlined above. This program area will first target schools in Orange County located near South Coast Farms, which has a vibrant CSA program. Once relationships are established, CFJ will work with schools participating in the CSA in the Classroom program to scale up their programs and utilize emerging distribution models to purchase local foods for their cafeterias.

The CSA in the Classroom model avoids many institutional and farm barriers associated with local food programs by avoiding direct cafeteria food sales. When long term partnerships and reliable relationships have been established with schools, CSA in the Classroom will be leveraged to implement broader holistic farm to school programs. As this occurs, emerging models of distribution will be more readily available to

accommodate school food sales. This model has the potential to have an impact on the families of low-income and food insecure children participating in the CSA in the Classroom. It has been demonstrated through a CSA pilot in North Carolina that food insecure households given access to fresh fruits and vegetables via a CSA program has positively impacted eating habits and increased families' consumption of fresh fruits and vegetables.¹⁵ South Coast Farms, who would be the first CSA in the Classroom partners, is looking into accepting EBT for their CSA baskets so that more low-income participants can access their CSA baskets.

¹⁵ Andreatta, Susan; M. Rhyne; N. Dery. 2008. "Lessons Learned from Advocating for Low-Income and Food Insecure Households." *Southern Rural Sociology*. 23(1)116-148.

Discussion

Although this report identifies multiple barriers to scaling up the distribution of locally grown foods it has also presented five new strategies to overcome such barriers and increase Southern California's access to health, fresh and local foods. Sweeping reforms in our conventional food system, health and farm policies and private industry coupled with grassroots activism will bring about the incremental changes needed to reorder our food system. Programs such as farm to school and farm to institution are critical in building constituencies of young eaters who know and demand tasty, healthy foods. Farm to school and farm to institution efforts coupled with increased research and pressure to improve urban food retail outlets and environments, where a majority of unhealthy food is sold at a low cost to urban residents, will result in deep system changes.

As is evident from the variety of models developed by CFJ, we believe that multiple models of distribution are needed to meet institutional food purchasing needs as well as scale up local food distribution efforts in Southern California. Although some regions in Southern California are poised to scale up their distribution efforts, not all regions have the ability to do so. By building the distribution capacity of produce firms, farmers, and farmers' market associations within specific regions, we are supporting the development of broader distribution solutions. These solutions can and will most likely deliver foods to other regions and thus support farm to institution programs in other areas until, if need be, more localized solutions arise. Los Angeles is unique in that very few farms exist within county boundaries and even less within city boundaries¹⁶. Los Angeles is and will continue to be dependent on farm and food resources from other regions, whereas San Diego, Ventura, Riverside and San Bernardino have ample farm and food resources to support Southern California's local food programs.

The models have not only been designed in order to support the distribution of large volumes of local foods but to support different styles of farm to institution programming. Not all institutions are prepared to establish holistic farm to school or farm to institution programs nor can smaller institutions that may want to begin sourcing locally always meet minimum wholesale orders. Presenting an all-or-nothing approach to distribution will deter enthusiastic and strong supporters of local food programs.

The proposed models are designed to scale up distribution efforts in Southern California based on unique regional opportunities and infrastructure. Although these can be seen as place-specific, these models can be potentially replicated as is or altered slightly to meet distribution needs in different regions throughout the state of California. For example, any county that has a farmers' market could utilize the Farmers' Market Hub model. Cities

¹⁶ Within the County of LA there are 1,543 farms. 1,003, of which are identified as between 1-9 acres in size. USDA 2002. 2002 Census of Agriculture. USDA National Agricultural Statistic Services.

which have distribution firms that currently distribute locally grown foods can create a Local School Food line or WIC food line specific to their region.

All of the distribution models discussed above attempt to address the many barriers to local food distribution that farmers, distribution firms and institutions identified during our year-long assessment. Although no single solution addresses all barriers identified collectively, the models proposed by CFJ do address a wide variety of barriers for stakeholders across the farm to institution spectrum—from institutional practitioners to farmers, distribution firms, and end consumers. Implementing these models will require considerable support from farmers, private industry, non-profits, community partners and many others, but the outcome can be a healthy and vibrant local food system that meets the needs of all Southern California residents—from farmers to end consumers.

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