Increasing Viability of Small and Medium-Scale Growers

The Collegiate Market

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Project Partners

University of California, Sustainable Agriculture Research and Education Program
Community Alliance with Family Farmers
Welcome to

FARM TO COLLEGE NIGHT

Wednesday, October 25

A Festive Meal at UC Davis featuring
the Diversity of Foods that are Locally Grown

Country Natural Beef
~Grass fed and grilled Flat Iron Steak with Arugula Pesto,
Sweet Potatoes, Green & Yellow Wax Beans with toasted Almonds.~

Cracked Pepper Fettuccini
~with mixed Mushrooms, caramelized Onions and Arugula
  tossed in Alfredo Sauce with fine Herbs~

Free-range Roasted Thyme Chicken
~served on a bed of Brussel Sprouts
tossed with Apple, Turnips, Bacon & Butternut Squash~

In addition, a variety of culinary dishes featuring
fresh, locally grown foods
The Consumer Perspective: Purpose

To analyze college student potential for support of farm-to-college efforts
- Do students want their college to provide sustainably produced food?
- What are people willing to purchase?

Identify ways to meet education needs and promote farm-to-college efforts on campus.
- How do they define ‘sustainably produced food’ and ‘local’?
- What food system topics hold the most interest?
Approach

- Self-administered mail survey
- Random sample:
  - 1000 college students in U.S.
  - 1000 college students in California
- Modified Dillman method -
  - 4 contacts
  - $1 incentive
- Response Rate:
  - Approximately between 22% and 28% due to significant number of responses from non-students
# Student Characteristics

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<th>Survey Sample</th>
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Food qualities students want their college to provide

- Safe
- Tasty
- Fresh
- Nutritious
- Inexpensive
- Convenient
- Humanely produced
- Living wage
- Sustainably produced
- Locally grown
- Certified Organic
- Produced on a small farm
How students define ‘sustainably produced food’

- Does not harm the consumer: 100%
- Least toxic pest control methods: 80%
- Safe and fair working conditions: 70%
- Humane care for livestock: 65%
- No genetic engineering: 55%
- Fair wage: 50%
- Supports communities: 45%
- Preserves the environment: 40%
- Certified organic: 35%
- Locally grown: 30%
- Small scale: 20%
How students define ‘local’

- Fresh: 84%
- Within state: 72%
- 0 to 50 mile radius: 70%
- 0 to 200 mile radius: 68%
- I know the producer / conditions: 60%
- Small / med-sized farm: 49%
Next Steps

• Perform weighted analysis
• Identify who is most interested in different sustainability related qualities
Collegiate Food Service Buyers Research Purpose

- Analyze the produce buying practices and preferences of food service operations at colleges, universities and teaching hospitals in California
- Measure market potential and identify factors constraining demand for produce that is grown locally, sustainably and/or by small- and mid-scale producers
Approach

• Phone interviews with produce buyers at colleges, universities & teaching hospitals in California
  – 2 year & 4 year schools
  – Public & private

• Obtained names from NACUFS membership

• Supplemented with public listings
Transaction Costs of Buying Locally Grown Produce

- Information Costs
  - Relative ease of finding new suppliers—growers or distributors
  - Relative ease of getting information about product availability
  - Importance of year-round availability of key items that are locally grown
  - Importance of availability of locally grown precut products
  - Importance of stable prices for locally grown produce
Transaction Costs of Buying Locally Grown Produce

- **Negotiation Costs**
  - Relative ease of placing orders with vendors
  - Importance of sourcing locally grown produce from primary produce vendor
  - Importance of having broad range of locally grown produce available from a single vendor

- **Monitoring Costs**
  - Importance of reliability in receiving ordered locally grown items
  - Importance of compliance with institution’s purchasing regulations & policies
  - Relative ease of resolving problem deliveries
Definitions of Sustainably Produced

• Using compost
• Keep local farmers in business, lower fuel usage, organic
• Grown in such a way that does not deplete the land
• Grown using crop rotations, protecting the environment, paying living wages, organic
• Grown to maximize shelf life
Definitions of Local

- Same county
- 30-200 mile radius
- Grown in California
PRELIMINARY Findings

- 78 completed interviews
- Mix of self-operated and contracted food service
- Most buy produce from a produce distributor, some supplement through broadliner
- Many require vendors to provide documentation of different forms of liability insurance
PRELIMINARY Findings

• Maximum volume from specialized supplier of local produce is 25%
• About 25% have local buying program while 15% are developing one
• Buy local produce from produce distributor, growers collaborative, campus farm and/or farmers’ market
PRELIMINARY Findings

• “Local” & “sustainably produced” are more important criteria than organic
• When seeking a supplier for locally grown produce, stable prices and broad product selection are more important than year-round supply of key items
PRELIMINARY Findings

• Most willing to pay ~20% premium for some organic, sustainably produced or locally grown produce
  – Often limited to catering events or special student meals
  – ~33% won’t pay any premium

• Highest average premiums for organic, sustainably grown and “paying living wage to farmworkers”

• Lowest average premium for “grown by small or medium sized farm”
PRELIMINARY Findings

• ~67% interested in locally produced dairy products—many already buying
• ~33% interested in locally produced meat & poultry, and shelf-stable products
• Feel need to educate students about sustainably produced & locally grown
Quotable Quotes

• “I know that I buy a lot of locally grown produce, but it isn’t labeled as local”
• “I need one-stop shopping, such as a small farmers cooperative”
• “It is difficult to find cost effective ways of buying locally grown produce”
• “Our students don’t have much disposable income—we have to be very price conscious”
From farmer to buyer: Distribution Systems

- Describe conventional and alternative distribution models
- Identify factors associated with successful and sustainable arrangements
Distribution Models

Small and Midscale Family Farmers → Packer/Shippers

ALBA

Non-Profit Allied Distributors

GC

Regional Distributors

JCP

LA Spec

Ledyard

RRT

RFG

Distributors

LRT

SYSCO

Broadline Distributor

Fresh Point

Piranha

Buyers

Corporate Cafeterias

Hospital Food Services

College and University Food Services

Prison Food Services

Schools
Preliminary Results from Buyers:

• Ave % of food budget for produce: 15%
• Ave % local purchases: 15%
• Ave $$ local purchases: $75,000/yr.
Preliminary Results from Buyers: Motivations for Change

• Mostly *not* from student demand

• Education is key
  – Professional organizations (NACUFS)
  – Farm-to-College movement
  – Employer (BAMCO)
  – Farmers, distributors
Preliminary feedback: What makes it work?

- **Relationships**—getting to know each other; seeing each others’ work
  - “Integrity is the most important quality.”
  - Partnerships are key.
- **Education and two-way communication** are crucial for success
  - Back and forth along the chain
- **Commitment, persistence and patience**—time to work out the kinks
Farmers’ Sales To Colleges

- Average < 2% of income

- Average ~ $6,920/year
  Can reach $1,000/week in peak season (but not all year long)
Challenges To Growers

• So far—limited market, not a huge economic advantage
• Adjusting seasonal cycles to colleges’ needs for product
• Adapting to volume and processing needs
• Distribution systems