Providing the Local Story of Produce to Consumers at Institutions in Vermont: Implications for Supply Chain Members

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Abstract

Farm to institution (FTI) is a movement which aims to increase procurement of locally grown foods by institutions such as schools, colleges, hospitals, senior meal sites, and correctional facilities. FTI provides an opportunity for farmers by expanding their markets, for buyers by meeting demand for fresh, locally grown food, and for distributors by meeting buyers’ demands and expanding their network of suppliers. Previous research has discussed the importance of the story of the food in creating connections between farmers and consumers, yet it becomes difficult to communicate this story as supply chains lengthen. This study focuses on institutional procurement of fresh fruits and vegetables in Vermont. Face to face, semi-structured interviews were conducted with 19 supply chain actors (farmers, distributors, food hubs and buyers). We find that providing the story has both value and cost, with costs often being borne with those least able to afford them.

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Introduction
Farm to Institution (FTI) is a movement that aims to provide an increased amount of locally grown fruits and vegetables to institutions such as schools, colleges, hospitals, senior meal sites, and correctional facilities. FTI has the potential to benefit local farmers by providing new markets for their produce. Similarly, institutions can combine local produce with experiential education opportunities to increase consumption of healthful food products and address the national obesity crisis (Briefel & Johnson, 2004; Siega-Riz, Popkin, & Carson, 2000).

Research suggests that maintaining the story of the food through supply chains creates connections between farmers and consumers, potentially increasing the consumption of fresh produce (Izumi, Alaimo, & Hamm, 2010). However, advocates have questioned the ability of the FTI supply chain to retain farmers’ identity and the farmers’ connection to consumers at the institutions when the supply chain is long and indirect in nature (Ohmart & Markley, 2007). The research questions at hand are: How is the local story of produce currently being provided at Vermont’s institutions and what are the types of costs for the farmer, distributor, and institutional buyer to convey this local story to the consumer through a long and indirect supply chain? The following paragraphs address the recent literature on local story of food.

Selected Literature

Our analysis is motivated by a recent study (Izumi, et al., 2010) which found that where there is more local story or local identity, there is an increased consumption of fruits and vegetables. Their study suggests that if the students know the farmer, i.e., the story of the food is presented - students consider the food to be “cool” and consume more of it (Izumi, et al., 2010) (p.87). The FTI literature shows that this “local story” is provided in a variety of forms including school field trips to farms, visits to the institution by the farmers, and visuals such as posters, plaquards, photos, and signs. The personal interactions and visuals raise the awareness of the benefits of local produce and makes the local story of produce more visible for the consumer, therefore increasing its value (Berkenkamp, 2006; Izumi, Wright, & Hamm, 2009; Kloppenburg, Wubben, & Grunes, 2008; Strohbehn & Gregoire, 2008; Vogt & Kaiser, 2008;).

In long commodity supply chains, the identity is usually lost, as maintaining the story of food may incur high transaction costs for one or more supply chain actors. Other common barriers identified in the literature include relationship maintenance, infrastructure, seasonality and limited budgets all of which contribute to institutions sourcing from intermediaries rather than directly from farmers (Allen & Guthman, 2006; Bagdonis, Hinrichs, & Schaffit, 2009; Berkenkamp, 2006; Gregoire & Strohbehn, 2002; Hobbs, 1996; Izumi, et al., 2009; Joshi & Beery, 2007; Kloppenburg, Wubben, & Grunes, 2008).

Produce often travels through a large distributor, because of the transaction costs associated with multiple farmers and multiple invoices (Berkenkamp, 2006). Large distributors offer a standardized, streamlined procurement environment that is well-suited for school budgets (Berkenkamp, 2006). The issue of a deepening fiscal crisis in public education is also a major barrier when it comes to purchasing local produce, causing many schools to have no choice but to choose produce that isn’t local (Murray, 2005).
Few if any studies have researched costs of providing local story or a longer supply chain, such as FTI; this paper addresses the gap. The next section of this paper addresses the methods, followed by a discussion of the nature and costs of “local story” currently being provided at institutions in Vermont.

**Methods**

Face to face, semi-structured interviews were conducted with nineteen supply chain actors (farmers, distributors, and buyers) in order to evaluate and inform efforts to increase the efficacy of FTI. Interviews were between 25 and 60 minutes. Participants were asked about their experiences in FTI, including motivations, agreements, communication, relationships, costs, and perceived needs. Vermont Food Education Every Day (VT FEED), a local stakeholder, helped establish an original interview list which was further developed through snowball sampling. Interviews were audio recorded and then transcribed to text. Transcripts were read multiple times to understand the situation of FTI as a whole. Data was then coded by hand, and by a secondary coder.

**Results**

*For institutional buyers*

Some schools K-12 are invested heavily in providing the local story of food. These schools provide educational trips in the form of farm visits in order to create a connection between student and farmer. One school system has photography of local farmers displayed around the high school cafeteria, created by the photography class. This institution is passionate about providing the local story of produce, and also offers a locavore day (where 90% of the lunch is local) once a month. The food service director of another K-12 school system comments on the success of providing local story:

“We try to bring our farmers into the school to have face time with kids as often as possible. One of my favorite stories is a mom calling me up, because her kid took off from her at the farmer’s market and she said “Wow, who are you talking to?”, and he said, “Oh this is Thomas he grows our carrots for school.” And that’s so cute, right? For me it’s like, cha-ching, customer forever, this mom loves our program. And the connection was made with that farmer and that student. And that’s great.”

A large hospital finds it difficult to provide local signage to the patients, although there is plenty of signage denoting local in the cafeteria. The nutritional director of the hospital comments on linking the farmer with the consumer:

“We have reached out to farmers, (once those relationships are established) for other things. Like, a couple of those farmers had been invited to be speakers at different events that we’ve hosted. One of them has been on our calendar that has gone out to ten thousand people. We try not to make the relationship about buying; it's about developing a community tie.”

Some institutions have a low budget for “local story”. Other institutions do not see the value in providing the local story of produce. A senior meal site in the Northeast Kingdom relies on word
of mouth to get the message out about the fresh produce they are serving. Even for a well-endowed college, the budget for local story of produce isn’t there. There is no marketing department and a college food service director comments that in terms of marketing they are “always scrambling at the end of the day.” He sees no need to provide local story of ingredients because there is “nothing sexy about a local carrot.” The food service director only finds it necessary to identify a particular farm if there is a hard knock story or some kind of ethnic minority involved. It has to be “a success story,” in order to be worth the effort of telling.

For distributor

The type of local story provided by distributors depends on the type of distributor. Non-profit distributors tend to provide an extensive amount of local story, which is costly in terms of time and preparation. Larger for-profit distributors tend to be more focused on providing posters and advertisements to institutional buyers. This type of local story does have a cost for the distributor, but it is not a great one.

All of the non-profit distributors interviewed provided education to the consumers and/or faculty at the institutions. They see their work as “alternative” and as “creating awareness and community.” The non-profits provide recipes to institution staff, coordinate farmer visits and educational farm trips, and prepare lessons involving produce for students. The work of the non-profits is costly. They rely heavily on grants which cannot last forever, and they would need a larger budget for further promotion.

For producers

Producers are passionate about providing “local story”, although the costs sit on the farmers’ shoulders. One organic fruit and vegetable farmer talks about the importance of local story: “People have a hard time walking past you when they see your name. They see me all day on my tractor in the field growing their food, and then they see a picture of me. When they see a picture of the farmer, they humanize where that food comes from. Every time you humanize where the food comes from there is a connection. That person wants to feel part of that movement. It's empowerment. The humanistic approach is really important. So, giving a name, giving an address behind it is always good. When they see you, they shake your hand, they hear your story, they hear how much you work for it, it's like “Oh I never realized this piece of equipment is only used for a week, and that's why it's more expensive.” Every piece of information gives people empowerment.”

The local connection is costly for farmers. It takes time and money for school trips, farmer demonstrations, and delivering produce directly. One farmer speaks about delivering produce: “I mean, that's my local school, I take care of them. I'll deliver it even though it's not worth my time delivering it.”

CONCLUSION
Providing local story to consumers at institutions is vital for experiential learning purposes, and can potentially increase consumption of healthy foods (Izumi, et al., 2010) as well as create a connection to the farmer, and create value for the consumer. This paper discusses the implications of providing local story of produce to consumers in a longer and indirect supply chain of FTI, by interviewing supply chain actors (institutional buyers, distributors, and farmers) in Vermont. We find that providing more of the farmers’ “story” is a double edged sword. It is both valuable, and costly. Creating the connection between consumer and farmer is valuable, although the creation of this connection requires time, effort and money. Future research could provide a quantitative analysis of the “local story” costs of FTI supply chain members, building on our purely qualitative approach. It may be beneficial to know consumers’ perspective on “local story”, and how it affects what they eat. Researching behaviors, infrastructure and technology that seek to maintain the local story of produce throughout the FTI supply chain, while relieving the costs of “local story” from the farmer, could also prove useful.

REFERENCES


