Something to Cheer About:

National Trends and Prospects for Sustainable Agriculture Products in Food Service Operations of Colleges and Universities

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Abstract

Trade between sustainable agriculture producers and colleges and universities is not only feasible, it is, in some instances, quite well-developed. Nevertheless, producers of sustainable agriculture products who are seeking access to college and university food service markets face a formidable challenge in negotiating the circuitous route to a sustained marketing relationship. In an effort to identify barriers and opportunities to successful initiatives, this study followed up on reports of instances where a sustained marketing relationship is known to exist.

Fourteen individual colleges and universities participated in the first phase of the study, from which six were chosen for further study and analysis in Phase 2. The reporting of lessons derived from this national sampling provides producers with insightful information that will aid in decision-making about whether or not to invest time and resources in developing a market with a college or university food service.

Executive Summary

Anecdotal reports from producers, processors and marketers of sustainable agriculture products suggest that trade opportunities with college and university food services are difficult to establish and sustain. This study seeks to address the feasibility for sustained marketing relationships among sustainable agriculturists and institutions by investigating reports of successful trade relationships.

The study's primary focus is on providing market research information to benefit the producer, processor or marketer. The fourteen participating institutions from across the country were initially identified from leads generated from a national email query, and consequently, some producer-school marketing relationships may be overlooked and not discussed within this report. The report provides 15 key points generated from the analysis of extensive telephone interviews and discussions with food service directors and chefs at participating colleges and universities.

The study revealed that some food service operations are "self-managed," while elsewhere, many colleges and universities are inclined to contract for efficient management of their food service operations. The study's findings suggest that a focus on profitability, efficiency, and national supply contracts precludes most food service operations from seriously examining and exploiting the complex community-level benefits known to accrue from local food purchasing initiatives.

The principal recommendations to sustainable agriculturists are to gather information specific to their "target institution," to facilitate a "precision marketing" approach that conserves time, capital, and marketing resources while alerting the marketer to where resources can best be applied to maximize returns on the marketing effort. "Relationship marketing" is defined and described to underscore the importance of making a customer instead of simply making a sale. Though the findings of this study suggest that prospects for trade appear greater with small, private colleges rather than with larger, state supported institutions, effective promotion and personal marketing can result in successful, and sustained placement of sustainable agriculture products in any institutional setting. The development of new cooperatives, or partnerships with an institution's current distributors may provide a "win-win" sharing of benefits for a concerted marketing effort.

The report recommends that higher education institutions consider undertaking an eco-audit and accounting of food system trade activity and policies in order to establish and improve on the current magnitude of purchases of sustainable agriculture products. The study's findings suggest that, presently, many institutions are unable to account for and report on the extent of local, farm-level economic impacts that accrue from annual food purchases. Significant potential exists for institutions of higher education to capitalize on the public relations potential of the real benefits that accrue to their state's farmers, once an accounting of this benefit is properly made. It is further recommended that colleges and universities consider instituting some reforms of current purchasing policies and procedures to allow partial-year bidding to facilitate seasonal supply and to establish mechanisms to facilitate acceptance of bids at prices that cover the costs of production of a local producer.

The report includes several important policy recommendations to consider that may require legislative action, the most significant of which relates to current federal regulations that require vendors to a college or university that receives federal grants to certify equal employment opportunity practices, or similarly, for example, a state requirement that may exist to factor a 5% minority preference in the bidding process. People interested in local food system patronage might consider working with policy-makers to establish a certification requirement, or a 5% best environmental practice preference, for sustainably produced local products. Establishing a statute requiring a 5% local and sustainably produced preference is perhaps a first step toward a more equitable, progressive, 50-50 share balance in purchases made from local producers and out-of-state-trading partners.

I. Introduction

Not too long ago, a Wisconsin farmer who was about to send her daughter to the University of Wisconsin-Madison lamented the high tuition bill that she was expecting. As the conversation continued however, it became clear that what really bugged this farmer was not the tuition, but the fact that the University would not buy her meat and produce for its food service operations. This parent and farmer knew her pasture-raised beef and certified organic produce were of the highest quality, yet she wondered aloud what it took to do business with this well-respected University.

Her daughter, accustomed to healthy food at home, expressed concern that she might not eat as well at school. It was not that she expected the food to be bad, as much as she would miss the connection that comes from knowing about where and how it is produced. She recalled that her older brother entered the University last year was pretty excited when he called home to report the good news that the housing food service participated in an organic food and farming day in response to some persistent students' requests for organic food. "It was cool," he said, "for one day we met and talked with farmers, ate their food, and learned more about where the food came from." The bad news, according to her brother, was that as far as he could tell, "this one day of organic food was it . . . there was no telling where the food would come from the rest of the year."

This fictional vignette could describe the situation for many producers of sustainable agriculture products with an interest in selling to the colleges and universities in their state. To many producers, institutional markets seem closed, or fraught with high barriers to entry that preclude the small producer from sustained marketing relationships with educational institutions. This study of these markets will aid producers, processors and marketers with assessing the feasibility of a sustained marketing relationship with a college or university. The primary research questions for this feasibility study are:

- Is it feasible for producers of sustainable agriculture products to sell their products to institutions of higher education?
- What are the characteristics of this market that make it attractive, yet so tough for producers to participate in?

The corollary to these questions is, of course,

- Is it feasible for colleges and universities to include sustainable agriculture products in their purchasing and supply chain, and in their daily dining fare?

- What are the characteristics of sustainable agriculture producers and their products that make them appealing to diners in the general public yet so scant in a dormitory cafeteria's serving line?

Several related lines of inquiry were addressed in this study, including:

- How common is it for college and university food services to be self-managed or managed under contract by a corporate food service management organization?
- Do institutions supply their food service operations with food products from local and regional producers of sustainable agriculture products?
- When institutions do purchase locally, what can people who are experienced with these purchasing patterns share with us about the barriers and opportunities to establishing and maintaining relationships with local producers and processors?
- How do reporting colleges and universities draw distinctions among the terms and concepts among local, organic, and sustainable and how do these distinctions impact the purchasing, preparation, serving and acceptance of the institution's food?
- Does institutional, or state policy facilitate open markets for local, sustainable producers?

The primary purpose of this report is to provide high-quality market research and helpful marketing information for the producer of sustainable agriculture products. The secondary purpose is to provide insightful recommendations to senior administrators involved in college and university food service purchasing and operations.

With access to this information, producers are better equipped to make production and marketing decisions that enhance profitability while sustaining ecological integrity and community quality of life. The baseline study of fourteen local food system projects in institutions of higher education around the country provides useful information for the producer or marketer of sustainable agriculture products.

Several important questions related to whether or not trade with a college or university is profitable and worthwhile are beyond the scope of this study. Can a producer sell at the price the institution is accustomed to paying, or conversely, is the institution capable and motivated to pay the price that sustains the producer, the farm, and land-water resources? Determining whether profitable trade is feasible will require careful consideration of the producers' production economics and the buyers' product-specific price-cost history, labor availability, and other important features of a specific institutional market. For the reader interested in pursuing this critical dimension of marketing feasibility, many public colleges and universities provide public-accessible, web page resources with the published price the institution has contracted to pay for food products. In most cases, a phone call is all it takes to secure current price data. With access to this information, the producers can easily crunch their own cost/price ratios to determine whether business with a college or university is something they want to pursue.

II. Approach and Methods

The study, conducted in three phases, commenced with a single internet posting to a sustainable agriculture email discussion list (sanet-mg) requesting listserv participants to report if they knew of any colleges or universities with local, organic or sustainable food service sales or operations. The study concluded with an in-depth case study of food service at the University of Wisconsin-Madison.[1]

It is important to note that as the study got underway, it quickly became apparent that couching the line of inquiry in terms of organic or sustainable products generated confusion over definitions and meaning. As a consequence, the approach taken in this study was first to assess the general construct of the institutions' foodshed[2] and the degree of reliance on local and regional foodshed products. Then the inquiry addressed whether any of these products were organic or "sustainable," and finally whether any of the purchases from non-local vendors included organic or "sustainable" products. To simplify reporting, this report makes reference throughout the text to "local food initiatives."

Phase 1

An E-mail inquiry posted on the Internet yielded reports of local food system initiatives at fourteen colleges and universities around the country. A telephone survey of these institutions was undertaken to discern the nature and characteristics of these efforts and to ascertain which of these might warrant more in-depth inquiry. At the conclusion of Phase 1, it was determined that while several institutional food initiatives should be tracked over time, only six institutions had initiatives worthy of immediate further study.

Phase 2

In-depth telephone interviews with Food Service Directors and Chefs at six colleges and universities generated a profile of each institutional effort to establish a local food initiative. Each interview provided experience-based insight into the barriers and opportunities to establishing and maintaining working relationships with farmers, ranchers, and producers of sustainable agriculture products. A few interview participants were able to provide more detailed quantity and annual expense information for local product purchases. The interview data was analyzed and, as critical distinctions became apparent, tabulated accordingly.

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[1] The in-depth case study of the University of Wisconsin-Madison is not included in this report. Publication of the UW-Madison case study is planned for a later date.

[2] The concept of a foodshed is similar to that of a watershed. A foodshed is defined by the geographical boundaries of food procurement sources that "flow" into a point of consumption. The term was coined as early as 1929 to describe the flow of food from an area of supply into a given locality. Recently, the term has been revived by folks in Wisconsin as a way of looking at food systems and as a label for local sustainable food systems.

Phase 3[3]

The discovery process and line-of-inquiry developed and refined in Phases 1 and 2 helped frame the inquiry subsequently deployed in an in-depth case study of food service operations at the University of Wisconsin-Madison. Phase 3 utilized in-person, semi-structured interviews as the primary data collection method.

Report on Findings — Phase 1

The initial E-mail inquiry yielded domestic and international reports of local food initiatives.[4] The fourteen colleges and universities contacted for the study were:

Bates College, Maine*
Carleton College, Minnesota
Evergreen State College, Washington
Grinnell College, Iowa ‡
Hendrix College, Arkansas *
Iowa State University Memorial Union *
Northland College, Wisconsin *
Oberlin College, Ohio ‡
Potomac State College, West Virginia ‡
College of St. Benedict, Minnesota *
St. John's University, Minnesota *
College of St. Olaf, Minnesota`
Tufts University, Massachusetts ‡
University of Minnesota Earle Brown Center

At the conclusion of Phase 1, a total of eight schools were dropped from the study. Four of these warrant further inquiry in the near future, and one of these, Tufts University, perhaps should have been included in Phase 2. All of the eight schools dropped from the study are described briefly here in alphabetical order.

[3] See Footnote 1.

[4] This inquiry did not pursue international leads (The University of Trier, Germany), K-12 public school initiatives (Mothers and Others CORE Values Northeast project with apple growers, Hartford Food System, New York City Public Schools and others), or "small," unique settings (such as Heartwood, a certified Massage School in California serving exclusively organic vegetarian meals to students) that were not viewed as germane to the study's focus on the college and university food service setting. As a consequence, the study is not exhaustive and generalizations beyond the study group need to be qualified.

Carleton College, Minnesota
Carleton College has a contract for food service management with Sodexho-Marriott. Approximately 98% of food supply purchases are under contract with national purveyors. Some local apples are purchased in the fall. Between 1989-1991, Carleton College and The College of St. Olaf collaborated on "The Campus and the Biosphere Initiative, a project which investigated, and for a short-time, financed a local foods project with energy savings.

Evergreen State College, Washington
Evergreen College has a contract for food service management with Northwest Food Services, a division of Fine/Host International Corporation. While the bulk of purchases are made under contracts with national purveyors, some local purchases are made of coffee, bread, dairy, and some packaged goods.

Evergreen College also operates its own organic farm which until recently was a principal supplier to a student-run restaurant on campus. Recent management problems led the College to replace the students as managers, and the fate of the organic farm as supplier to the restaurant was unclear at the time of this inquiry. The farm has some internal sales to campus faculty and staff, but is too small to address the needs of the colleges' food service.

Grinnell College, Iowa ‡
Grinnell College self-operates its food service but has a primary vendor agreement with an Iowa distributor for all of its food, grocery, and supply needs, though with no criteria for where any product may come from or specifications for methods of production. Grinnell has looked at the local food issue off and on for several years. The current food service director recently participated in a "local food system project" conference sponsored by the Leopold Center for Sustainable Agriculture. The conference helped foster a commitment to building an infrastructure that will sustain the marketing relationships with local and regional producers. Several ideas are under consideration including the development of a web-based marketing format that the College or its primary vendor can access for "one-stop shopping" of local and regional products. Keep an eye on this college!

Oberlin College, Ohio ‡
Oberlin College has a contract for food service management with Sodexho-Marriott. Approximately 98% of food supply purchases are under contract with national purveyors. The college looks at the local and regional food issue from time to time with the impetus coming from periodic revisiting of the issue by student environmental groups. The food service is developing an "All-Ohio meal" event, likely for early September, 1998, If available, organic or sustainable foods will be used so that the effort "scores the more points, the better."

Potomac State College, West Virginia ‡
Potomac State College has a contract for food service management with Daka Restaurants, a wholly owned subsidiary of Compass Corporation, a British organization that also owns Canteen, Batemans, Chartwell, and other food service companies. Daka Restaurants also has a contract with the Lightstone Foundation, which is situated on a 530 acre organic farm in Northern West Virginia. It is this

connection with Daka Restaurants that brought the College and the Lightstone Foundation together on a local food system initiative. The Lightstone Foundation has started to create a community model unique to West Virginia's setting that links local farmers with grocery stores, nursing homes, Potomac State College, and groups of restaurants. The Compass Corporation's operating philosophy is reportedly to provide management services that are "whatever the college wants." This is the first year of this initiative and only a few farmers are expected to participate. Keep an eye on this college, its partner community foundation, and its accommodating food service management provider!

College of St. Olaf, Minnesota

St. Olaf's has a contract for food service management with Bon Appetit, a national food service provider with a primary vendor agreement with Alliant Foods in Minneapolis. A high percentage of food supply purchases are under contract with Alliant and other national purveyors. Some local apples are purchased in the fall, and some produce is acquired locally in the summer. Between 1989-1991, Carleton College and The College of St. Olaf collaborated on "The Campus and the Biosphere Initiative," a project which investigated and, for a short time, financed a local foods project with energy savings.

Tufts University, Massachusetts ‡

Tufts University self-operates its food service, which is supplied primarily by contract purveyors. The opportunity for expanding local and regional supply is reportedly limited. Nevertheless, four features distinguish Tufts' operations. The first is the Tufts Environmental Food Awareness Project (TEFAPS) which succeeded in replacing Washington State apples with locally and regionally-grown apples. The regional marketing of apples is also partially driven by *Mothers and Others'* CORE Values Project, which works to encourage local apple consumption among Northeast schools and communities.

The second feature of the Tufts food service is the establishment of a central kitchen. From an operational standpoint the kitchen is certainly more efficient. But more importantly, the kitchen operation as a whole was constructed to facilitate waste minimization and accommodate the recycling and composting of all kitchen waste. Tufts' waste management practices, discussed in depth in the publication *Ecodemia*, are coherent with a pioneering greening-the-campus initiative undertaken in the late 1980s called the Tufts Environmental Literacy Institute, a mechanism for delivering professional development training on the environment to faculty and staff of Tufts.

Third, Tufts purchases some local produce as seasonally available, and also supports a local tortilla chip factory that employs Mexican workers. Though some organic products like Stonyfield yogurts are sold at Tufts, sales are stronger in convenience stores than in cafeterias. Demand for organic products by students, faculty, and staff is reportedly weak.

The fourth key feature of Tufts' food service is that it is in the market area of a new local produce brokerage, Red Tomato™, which is in the business plan development and start-up phase. The brokerage, under the leadership of one of the founders of Equal Exchange, Michael Rozyne, is committing its operations to providing a fair price to local farmers by "cutting out the middleman." As a brokerage,

Red Tomato will not take possession of the products it vends but will foster the sale and direct delivery. It is important to note that while Red Tomato is placing a priority on sales of local production, it intends to be a year-round supplier by securing food products from non-local sources when local supply is not available. Red Tomato is also not limiting its operation to organic, or "sustainable," but expects to supply these products when demand and supply can be effectively matched. The operative element in the Red Tomato brokerage is that a fair share of transaction revenues is a critical piece of sustainability for farms and farmers, and for the earth. How the Red Tomato plan is operationalized remains to be seen, and the level of trade with Tufts and other colleges in the area will be interesting to track over time. Tracking Red Tomato's commitment to local farmers during the market season will be an important task in the years to come.

Together, these four features render Tufts University as an exciting venue for food system initiatives. Tufts is certainly an outstanding candidate for further study. However, Tufts University was not included in Phase 2 of this study because its purchase of local products is reportedly low. Since the Red Tomato brokerage endeavors to be price competitive with national competitors, it is possible that Tufts will realign its purchasing contracts and increase its local purchases through Red Tomato. Keep an eye on this University for its integrated environmental management programs and the development of its relationship with Red Tomato.

University of Minnesota Earle Brown Conference Center

The University of Minnesota operated its own food service for many years. In the spring of 1997, casual discussions over a cup of coffee led the leadership of the Earle Brown Center to the St. Paul Farmers' Market and new direct buying relationships with area producers. By fall there was talk of some special planting. In January 1998, the University of Minnesota signed a contract with Aramark Corporation, a national food service provider. The local food initiative was terminated and key staff reassigned.

Barriers and opportunities to greater reliance on local and regional food

Each interviewee was asked to comment on the barriers and opportunities to greater utilization of local and regional food products in their food service venues. A list of the key barriers and opportunities as "voiced" by food service directors is presented in Tables 2 and 3.

Barriers
“Many of our needs are well-planned for.”
“Farmers cannot guarantee supply. Climate, weather, and seasonality make local supply unreliable.”
“Fragmented organizational structure and poor representation in the marketplace is non-competitive with brokers and wholesalers that make timely, efficient sales calls.”
“The farmer who does produce locally has no functional understanding of how a college food system works.”
“I already have a great produce supplier.”
PRICE
“The greatest barrier is on the supply end: i.e., bad economies of scale and high price points.”
“Price is a major constraint with student dining populations.”
“Colleges lack pricing structures that are in-line with local suppliers.”
ONE STOP SHOPPING
“There are too many vendors to call when any one farmer cannot produce enough volume to satisfy the college’s demand.”
“The lack of a collective, cooperative, wholesaler or distributor in the area is a major obstacle.”
LIABILITY CONCERNS
“Small farmers can’t be good farmers and monitor production, packaging, processing, grading and transport, to cover all the bases of food safety, too.”
“Most food services will not take the risk of working with individual farmers.”
“The liability issue and the need for a million dollar insurance policy are major obstacles.”
LABOR, “IMAGE,” STORAGE, and COMMITMENTS
“Our kitchen cannot process vegetables because of scarce labor availability, and wages too low to attract workforce.”
“Sanitary, sterile, cleanliness standards of the industrial confinement facilities have an obvious appeal to someone that works in an institutional food service setting.”
“Colleges lack cold cellar and freezer space.”
“Farmers often want an up-front commitment from buyers when buyers seldom accept production risks.”
“Farmers and food service professionals demonstrate a lack of commitment to work on and sustain the inter-relationships.”

Table 2: Barriers to Greater Reliance on Local and Regional Farm Products

Opportunities
“Local farmers can become contract vendors if approved.”
“Customers report higher satisfaction with local foods than non-local foods.”
“Local produce is often of higher quality and therefore is easily marketable on campus.”
“It depends on the product, the offering must fit with the college’s menu mix.”
“Demand is strong on our campus, but lack of consistent and available supply is limiting factor.”
“We are mostly interested in mainstream staples.”
“We are also interested in to what extent value is added to a product.”
“We are exploring web-based, Internet marketing formats.”
“We plan on asking farmers to participate in our all “insert your state here” (example: All-Iowa) feature menus.”
“We are interested in durable vegetables with shelf life.”
“We can purchase up to $1,500 from a non-approved vendor, and can use this discretionary policy to sample and taste new products.”
“We are interested in featuring locally-produced foods in our summer programs and special events.”

Table 3: **Opportunities for Greater Reliance on Local and Regional Farm Products**

While some of the barriers are economic and some are related to knowing the client and delivering customer service, several items suggest that good-old fashioned sales skills will at least get a food service directors’ attention. Once a producer or processor recognizes a viable opportunity and envisions a way to overcome the barriers, there are often other common key requirements, such as those listed in Table 4, for conducting business with a college or university food service. None of the colleges contacted for this study actually required all of these, but many of the items were mentioned frequently enough to suggest that a producer or marketer is likely to encounter several in the course of establishing a sustained marketing relationship with a college or university.

Common Key Requirements
Vendors may be/are required to hold a minimum of $1 million liability insurance.[5]
Vendors may be/are required to pay for corporate quality control auditors to inspect producer or processor facilities.[6]
Vendors may/must be able to satisfy product specifications related to quality and portion control.
Meats must often be state inspected at a minimum or federally inspected.
Vendors typically must be willing to take a purchase order and be patient for payment.
Vendors may be/are required to possess certifications that satisfy sanitary, health, and food safety criteria.
Vendors may be required to certify equal opportunity employment practices.

Table 4 Common Key Requirements of Prospective Vendors

It is important to note that when a producer or processor engages with a college or university food service, in reality, the producer is also doing business with two to three firm-like entities. There is of course, purchasing to deal with, and quite possibly behind-the-scenes players like the institutions' liability and risk management office. Food service directors sometimes have different perspectives on a food item than the chefs working directly with the food; here, too, lies another relationship a prospective vendor might need to nurture to establish and maintain a sustained marketing relationship. In short, conducting business with a college or university is seldom as straightforward as direct marketing to a dozen small restaurants.

The liability insurance requirement is such that any single producer is unlikely to bear the burden without some assurances of a market. Unfortunately, the assurances are not likely to materialize until the insurance certificate is on file. Organizing into producer or processor cooperatives will spread the burden of the insurance premiums as well as help build the infrastructure that will overcome several of the other barriers such as one-call shopping, producer storage, transportation and timely delivery, and product quality assurance and consistency over time. Cooperating with other producers can also lead to the pooling of resources to hire sales and marketing professionals, or the services of a brokerage or distributor whose expertise lies not in the production of food but in getting good products to market and keeping them on the customers' plates.

The opportunity presented by institutional marketing, and all of its challenges, might not be for every producer or producer group. And for those producers that do surmount the obstacles, it is important to bear in mind that now that you've got the dog by the tail, how do

[5] Liability insurance requirements vary with each institution. For example, the University of Wisconsin requires $2 million in liability insurance coverage.

[6] For example, one college reported that the cost for this audit is approximately $350.

you keep from being wagged? The competitive pressures in the institutional food service market are such that it is a significant challenge for sustainable agriculture producers to be price-makers rather than price-takers.

Five Key Summary Findings from Phase 1

Key Finding 1

1. Since most institutions already have produce suppliers, the producer or marketer of sustainable agriculture products faces significant challenges to developing a market presence. Get to know the customer. Familiarizing oneself with the local college and university's food service is a prerequisite to making the first sale. With school in session while farming is out-of-season, consider how to extend your marketing season to better match your product availability with the academic calendar. Explore how to provide products for summer programs and special events during the summer growing season.

Key Finding 2

2. Sustainable producers often have higher costs of production that result in higher wholesale and retail prices to recover costs and to ensure profit. Colleges and universities, on the other hand, are often seeking ways to minimize and control costs and some will find the costs of sustainable agriculture products hard to justify. While there is some opportunity to place high-end items in these markets, the buying tends to be driven by a "bottom-line focus."

Key Finding 3

3. Food service directors' time is scarce and at a premium, affording scant opportunity to interact with vendors. Dealing with multiple farmers on a personal level is rare. Food Service Directors appreciate one-stop-shopping that allows them to purchase as many items from one phone call as possible. Sustainable agriculture producers and marketers are wise to collaborate, cooperate, or develop strategic partnerships to limit demands on the institutional buyer's time and enhance marketing prospects for sustainable agriculture products.

Key Finding 4

4. The research findings suggest that food service directors perceive farm products from local, small, or organic sources to have higher risk than items currently purchased through more traditional marketing channels. Liability concerns affecting all food purchases are commonly addressed by enacting steep liability insurance requirements.

Key Finding 5

5. Securing a sustained marketing relationship with a college or university will require a tireless commitment to explore ways to build the relationship. Things like the "cleanliness," or image of the production or processing setting, storage

responsibility and workforce availability on campus are important aspects of the marketing relationship. Guaranteed markets, or forward-contracted prices are rare, so planting for the institutional market can be speculative if undertaken without a solid relationship to enhance marketing prospects.

These five key findings suggest that organizations, as compared to individuals, may have some advantages for marketing to colleges and universities. For example, the formation of a marketing cooperative can facilitate the sharing of the cost of liability insurance, support the hiring of a marketing professional, and facilitate the adoption and certification of food safety procedures by producer-marketer members.

IV. Report on Findings — Phase 2: Eight Key Points Learned from Studying Six Colleges and Universities

The existence of several local food initiatives suggests that some institutions and producers are addressing the barriers and opportunities to the satisfaction of the participating parties.

- What are the key characteristics of existing local food system initiatives at colleges and universities?
- What makes a local food system initiative work or not work?
- Of the colleges and universities contacted for this study, how advanced is each school's effort?

The text commences with an outline of the research framework, followed by a brief description of each college or university, then closes with highlights from the tables used to organize and present the data (See Appendix 1 for the complete data tables).

Six major categories were constructed to frame the inquiry:

1. Where do the ideas for local food initiatives come from? How do they get started?
2. How are food service operations managed?
3. How do colleges and universities address sustainability and the confusing distinctions among local, organic, and sustainably-raised food?
4. Who are the trading partners for local purchases?
5. How does the way a college recovers its food costs influence the price paid to a farmer?
6. What local and regional products are colleges and universities buying?

The inquiry also sought to identify other important aspects of school-producer marketing relationships including:

1. Descriptors of the food service setting and the customer being served, i.e., serving who and where - enrollment data, dining venues.

2. Purchasing patterns over the course of a year and whether purchases are on a regular or seasonal basis, including specific product listings.
3. Dialogue among farmers and a college about plantings, delivery and processing infrastructures, and other details.
4. A willingness to buy more local items in the future.
5. The rationale that sustains the local-buying initiative.

The Colleges and Universities

This phase of the study took a more in-depth look at six colleges and universities around the country. All six of the institutions reported that the local food they purchase is always of a higher quality than long-distance food. The six participating institutions are:

1. Bates College, Maine
2. Northland College, Wisconsin
3. College of St. Benedict, Minnesota
4. St. John's University, Minnesota
5. The Iowa State Memorial Union, Iowa
6. Hendrix College, Arkansas

Bates College, Maine

Bates College, a small private college with an enrollment of approximately 1,650, began their local food initiative in 1994 and quickly expanded purchases of local food products to approximately 30-40% of total purchases, of which 100% are organic. The local food initiative at Bates evolved from the college's waste minimization, recycling and composting efforts, and a desire to better integrate the college's operations within a community ecology. The college's food service was recognized as a natural source of compostable materials that could support local growing of food for local consumption. Early involvement of an enthusiastic and supportive chef has resulted in creative uses of local foods and a rapid expansion of Bates local food initiative.

At Bates, the maturity of the project is such that local farmers consult with the Chef and Food Service Director on pre-planting decisions and the logistics of handling, storage and delivery of bulk quantities of potatoes and other crops throughout the school year. Farmers have developed infrastructure to simplify transaction costs including one-call shopping, and coordinated deliveries and invoicing. Supplying Bates College with local potatoes has also helped farmers develop the infrastructure to serve other local markets as well. The college's appreciation of organic products remains during the cold-weather months when local producers are unable to supply the food service operation, and this then causes Bates to secure organic supplies from warmer climates with longer growing seasons. The college is encouraging local farmers to explore economical ways of extending the local production season. Bates food service staff members are extremely pleased with the quality of local produce and are exploring the potential for locally-produced, value-added products like french fries and tomato sauces.

Northland College, Wisconsin

Northland College, with an enrollment of 800 students, is situated near the shores of Lake Superior. While this is not exactly a prime location for a long growing season, Northland, nevertheless, manages to secure 15-20% of its food locally during the course of the year. Like Bates College, Northland's local purchases are 100% organic. Northland buys produce from a producer cooperative as well as grocery items from a grocery cooperative. One distinguishing feature about Northland's Food Service is that of the six institutions examined more closely in Phase 2, Northland is the only one of the six to be managed under contract. It is notable that the contractor is the Compass Group, the same company that manages food service operations for Potomac State College. The data from Northland confirms the Compass Group's commitment to provide "whatever the college wants."

College of St. Benedict, and St. John's University, Minnesota

These two schools are in close physical proximity to each other just outside of St. Cloud, Minnesota. St. Ben's is a women-only college, while St. John's is a men-only campus. Together, the two schools pump over $2 million into the local economy for food, grocery and food service-related purchases. While the colleges were founded and continue to operate as Benedictine communities with stewardship tenets as the foundation for local purchases, none of these purchases are organic. St. Ben's has purchased locally for over 23 years, while St. John's initiative got underway approximately 15 years ago. Both schools were part of a local food system project called "The Three Saints Project," which also involved St. Cloud State University.[7]

Iowa State University Memorial Union

This study did not look at the ISU food service directly, but instead, following a lead generated from the E-mail inquiry, pursued a report of activity underway at the ISU Memorial Union. At the behest of international visitors wanting an "Iowa food experience," and Iowa's Leopold Center for Sustainable Agriculture, the Memorial Union's catering chef has initiated an "All-Iowa Menu" development project. The project will provide catering sales staff with three or four All-Iowa menu options for use with planning and selling the Union's facilities for meetings and conferences. Planning projections expect that 20% of the catering business to choose one of these featured menus. At this time, the Union does not plan to offer organic items. While patronage of small farms is planned, the volume of business is such that a commitment to small farms will require the development of infrastructures to support such trade over time.

Hendrix College, Arkansas

Hendrix College started its local food system initiative in 1989. Hendrix is often cited as the "mother" of all local food system initiatives since it is more contemporary than St. Ben's or St. John's and has been the focus of multiple reports and publications by one of the founding project champions and various student inquirers over the course of the next decade. The facts of the Hendrix experience between 1989 and 1992 are widely known, including a transformation of the food system from 2% local supply to well-over 30% in the three-year period.

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[7] Web-based research on St. Cloud State University revealed that the University Food Service is managed by Aramark.

While much of Hendrix's food supply was local and organic during the three-year grant-supported initiative, once the grant funds were exhausted and the key champion for the effort left the college in a career move, the support for the initiative changed somewhat. The Hendrix College Food Service does not buy any organic products anymore. The College's focus on local trade still remains, and there is something to be said about the long-standing commitment to benefit the local economy. However, where the Hendrix Local Food Project departs from its early ethos, is that the local purchases are now principally with "big" agriculture. Chicken comes from Tyson's, rice is bought from Riceland Industries, and eggs from BBM Farms, one of the nations largest egg producers. A single, small producer remains in the supply stream, supplying a high quality, low-fat hamburger unavailable from conventional meat-processors.

Highlights and Key Points From the Research with Schools Participating in Phase 2

The in-depth study of these six schools yielded a surprising amount of information that is presented here.

Where do the ideas for local food initiatives come from? How do they get started?
There is no sure-fire formula for getting a local food initiative established or for sustaining the effort. Of the six institutions consulted in Phase 2, all but two, the College of St. Benedict and St. John's University reported a unique catalyst. St. Ben's and St. John's are distinguished by their school's founding principles and Benedictine Community stewardship tenets.

A Campus Environmental Issues Committee comprised of students, faculty, and staff, including the campus director of dining services, conceived the Bates College initiative. At Northland College, the initiative was catalyzed by four students working on a term paper, one of whom worked in the campus food service operation part-time. At Iowa State University's Memorial Union, international visitors are key, paying customers of the catering operation. Their interest sparked a customer-service oriented Chef to examine how to keep the customer satisfied. The state's premier environmental institute helped promote this project.

When the Hendrix College initiative commenced in 1989 it was brought to fruition by students, faculty, and key administrators, one of whom was responsible for student development and also on the board of a sizable non-profit organic teaching-farm (MeadowCreek Farm). Together, the farm and the college approached a foundation for funds to underwrite the effort.

If there is no sure-fire formula, there are at least one or two key ingredients to make the recipe work. Schools with ongoing initiatives, and several without initiatives, stressed that if a local food initiative is to succeed it requires a champion for the project coupled with broad support within the college and campus community. Several Phase 1 schools without local food initiatives reported that environmental activists or a few select faculty members usually revisit the idea of local food from time to time. Failure of these initiatives can perhaps be attributed to lack of a champion, lack of a broad coalition, insufficient power among advocates, and the operational and

profitability interests of the contract manager and the restrictions on off-contract purchases built into many such agreements. Contract managers frequently cited food safety concerns as the principal reason for not using "local" food in their operations.[8]

Key Point 6

6. Like a milkweed seed, the idea for a local food initiative can come from just about anyone. Whether the idea takes hold depends on where it lands and whether a broad coalition led by a champion of the idea will see that the idea gets nourished and fed. Another key factor is how the food service is managed and whether the management is open and receptive to new approaches.

How are food service operations managed?

While the study in its entirety considered 14 schools, seven schools are self-managed and seven are contract managed. It is important to note that of the six schools with initiatives examined in Phase 2, only one is contract managed (Northland College) while the other seven are self-managed. In contrast, of the 8 schools discussed in Phase 1 without initiatives, only one is self-managed, Tufts University (note the earlier comment on the hindsight consideration of including Tufts in Phase 2 given their reported interest and potential involvement with the Red Tomato produce brokerage). All of the schools reported a high degree of autonomy with the exception being Northland College. This college acknowledges a "medium," or fair amount of autonomy because the contracting firms' U.S. offices must review new purchasing arrangements. The data suggests that self-managed or college-operated food service operations are more likely to have local food system initiatives in place than are contract-managed operations.

If we look at enrollments for the Phase 2 participating schools, it appears that small private colleges dominate the study group, with the primary exception being the high traffic ISU Memorial Union. This finding suggests that small, private colleges might be more inclined than large institutions to purchase from community-based, or local producers. A number of things might account for this, including a college's mission, its affiliation with any religious group, stewardship tenets, or an increased flexibility to respond to student requests for high quality food since the school is smaller than its larger institutional counterparts.

Key Points 7-9

7. College-operated food services are perhaps more likely to buy local because they have more autonomy to establish and maintain relationships with local vendors than their contract managed counterparts.
8. While all colleges are expensive, students attending small, private colleges may be more likely to have the ability to pay for high quality local or organic food.

[8] This is a particularly disturbing phenomenon as it appears to be unsubstantiated by empirical evidence. To the contrary, popular media frequently report food safety and food quality problems with industrialized food system products.

9. Small, private colleges have some of the same food safety worries as larger institutions, but more flexibility to respond to student requests for local or organic foods

How do the six colleges address sustainability and the confusing distinctions among local, organic, and sustainably-produced food? Data analysis suggests that at least four approaches to sustainability are evident among the six schools. Table 5 presents a summary of the approaches evident among the schools participating in this study.

Certified organic offered year-round from greater than 6 small farms		Not organic offered year-round from less than 6 small farms		Not organic theme-menus under development	Industrial offered year-round, 1 small farm
Bates College	Northland College	College of St. Benedict	St. John's University	ISU Mem. Union	Hendrix College

Table 5
Four Approaches to Sustainability

Two schools, Bates College, and Northland College, offer certified organic products year-round and source these items from more than 6 small, local farms each when in-season. Two of the schools, the College of St. Benedict and St. John's University, do not offer any organic products, but have significant local purchases, some of which are acquired direct from less than 6 small, local farms each. One university-affiliated participant, the ISU Memorial Union, currently purchases a scant 1-2% non-organic locally, but anticipates a rapid increase to 20% local purchases with featured menus. Finally, one school, Hendrix College, offers local products year-round, with primarily an "industrial," or "big" agriculture local supply chain.

Key Point 10

10. The study findings suggest that it is "easier" to sell colleges and universities on the benefits of local purchases than on the benefits of organic. Trade with local producers is easily recognized as being of benefit to the community. However, trade with organic producers, while seen as a potential benefit to the local community, is also seen as hard to justify since the price is usually significantly higher. Economic benefits to the local community are perhaps more tangible than the environmental benefits of organic production methods, or the intangible health benefits commonly associated with organic products.

Who are the trading partners for local purchases?

The inquiry repeatedly generated comments from all study participants regarding the need for one-stop shopping and producer infrastructure.[9] Both Bates College and Northland College make most of their purchases from local cooperatives. It is significant to note that St. Ben's and St. John's both make the bulk of their local purchases with a local-to-the-community (not national) food distributor and that this distributor carries many local and regional products. At Iowa State, where the All-Iowa menu project is just getting underway, the managing chef expects to deal directly with 20-40 different vendors in the set-up and get-acquainted phase of the project. Here too, the chef anticipates some winnowing of this unwieldy call list, and hopes to persuade a current distributor to manage the vendor list as it evolves over the next few years.

Key Point 11

11. Time is a precious commodity for Chefs and food service Directors. Direct sales are not as easy in the high-volume, institutional market because of time management constraints. Producers and processors can simplify things for prospective institutional buyers by consolidating marketing, sales, order-taking, delivery, and customer service whether through cooperatives, wholesalers, or distributors. If you want to cut out the middleman, the college and university market might not be for you.

How does the way a college recovers its food costs influence the price paid to a farmer?

When a producer wants to sell to a college or university, it is helpful for the producer to know something about how the institution recovers its food costs. Two types of systems predominate, the board plan, or a cash or debit-card ala-carte system. Some schools have multiple food service venues that provide students with a choice of one or the other means of payment. The board plan is significant in that it is the dominant form of charging students for their food. Students prepay at the beginning of each semester or quarter and the food service must keep its costs within the budget developed with these available funds. With the board plan, an institution has no means of passing on costs for high-end, or expensive items, except to make an internal adjustment such as serving a low-cost meal like spaghetti to make up for buying more costly organic produce. If a food service manager is to make a profit on operations, and a board plan constrains costs, then a manager is motivated to keep costs within margin by seeking whatever quality can be afforded at a low price.

The other method, cash sales or ala-carte systems, allow a student to self-select a particular item at a price and quality point that is attractive and affordable to the student. Clearly, with this format, an institution is better able to pass on high-end item costs to customers. Ala-carte systems provide more opportunity for producers of sustainable agriculture products to ask for and receive a price closer to their real cost of profitable production. Still, bear in mind that students are increasingly self-supporting, or squeezed by rising

[9] The findings of this inquiry are consistent with the results of an earlier inquiry. See Greg Lawless, G. W. Stevenson, John Hendrickson, and Robert Cropp. 1996. "The Farmer-Food Buyer Dialogue Project: Toward a More Regional Food System." UW Center for Cooperatives. University of Wisconsin-Madison. Additional information can be found at <http://www.wisc.edu/uwcc/info/ffbuyer.html>.

tuition, falling financial aid, and low wages for part-time employment, so the ability of a student to pay a higher price is always subject to some very real limits.

Bates College, Northland College, and St. John's utilize both the board plan and ala-carte sales venues. All three of these schools reported making internal adjustments when more expensive local or organic items were included in board plan supported venues. St. Ben's dining hall is on an ala carte plan which offers a little more flexibility in recovering costs without making menu compromises elsewhere. The ISU Memorial Union is able to pass on high-end item costs via catering contract sales agreements. Hendrix College, on the other hand only has a board plan venue which offers very little flexibility for managing high-end costs. At Bates, local, organic items, now common on the menu, always sell out.

Key Point 12

12. Ask your college customer how students or customers pay for their food and you will know more about whether the college is looking for the cheapest food or high quality food at reasonable prices. A la carte systems allow the student to choose a sustainable agriculture product if they want it and can afford it. Don't expect your product to sell itself, and don't entrust that responsibility to food service staff. Look into making a personal appearance with several other farmers or providing point-of-sale literature or information signs.

<u>What local and regional products are colleges and universities buying?</u>
With the exception of Hendrix College, all of the schools reporting in Phase 2 are "northern tier" states with relatively short to medium-length growing seasons that, of course, impact the availability of local products. The mismatch between the growing season and the school year also impacts the trading prospects for institutions and local producers, and as a consequence, many high quality late spring and early summer vegetables don't fit into the food service calendar. Northland College, on the shores of Lake Superior, seldom purchases local organic salad greens because they are usually not available until after the students have left the college for summer break.

Some sales of greens and other items are possible if a producer is prepared to deal with supplying the conference and catering needs of a nearby college. At Iowa State University, the catering activities of the Memorial Union over the summer offer the potential for a producer that develops a market in the spring to still have a customer over the summer. Since conference and meeting activity fluctuates considerably at most schools, the demand for produce and vegetables is not consistent from week to week.

Nearly all the reporting schools purchase fall root crops, especially local potatoes, but also onions, carrots, and turnips. Colleges and universities seldom have adequate cold storage for these items. Bates College reports working with farmers to establish a transshipment cold storage facility that facilitates the Maine Potato Growers Association marketing of potatoes to other customers. While St. Ben's and Bates still peel their own potatoes, many colleges have labor shortages in the kitchen, or are disinclined to have costly

labor performing value-added functions that a machine can perform. Nearly every school reporting expressed interest in locally produced, value-added potato products.

Bates, Northland and St. Ben's carry local apples when in season, and Northland is especially pleased with an applesauce produced locally. In Minnesota, where there is an abundant supply of wheat nearby, locally milled flour and pasta products from North Dakota are regular items in the supply chain, as are cheese, dairy, and locally produced eggs. While both the ISU Memorial Union and Bates College reported using local tomatoes, none of the schools reported using locally produced value-added tomato products such as ketchup, salsa, tomato sauces and paste.

Locally-produced dry beans and grains are regularly purchased by Bates, Northland, and St. John's, the latter of which also purchases wild rice from local Native American growers and processors. While Bates reported buying various locally grown organic herbs, none of the other reporting schools indicated similar purchases. Some undeveloped opportunities may exist at these schools to develop a sustained marketing relationship for these items.

The prospect for the marketing of "natural" meats, on the other hand, is not so evident. St. Ben's and St. John's reliance on a local distributor that started as a meat packer and distributor perhaps accounts for the schools' purchases of locally produced meat products. Neither of these schools uses "natural," or hormone and antibiotic-free beef, though St. John's does serve free-range chicken. ISU Memorial Union occasionally features locally produced specialty meats from the Amana Meat Company. The rest of the schools rely on boxed meat from the more conventional meat production and distribution system.

Nevertheless, some opportunity exists as demonstrated by Hendrix College which acquires all of its ground beef from a small, state-inspected beef producer because of its extraordinary lean qualities, a specification no other meat packer or distributor would meet for Hendrix. Reportedly, this hamburger is so lean and performs so well, both on the plate and in the eyes of grease-loathing students, that the food service gladly pays twice the market price.

Food safety concerns are significant for any institutional food service, and anecdotally, are even more significant for school food service settings where youth are at risk. Periodic meat contamination incidents across the country heighten the concerns of institutional food service directors, and trade in meat products in the schools considered for this study is reflective of these concerns. While many of the schools do not purchase meats locally, most indicated a willingness to consider the purchase of local meat that was both state and federally inspected. Since meat is one of the more expensive items in a food services' budget, food service directors also want meat that is competitively priced.

Key Point 13

13. A college interested in local purchasing will buy whatever the students will eat, providing the quality is there and the price is competitive. Most institutions want certified assurances of food safety protection, especially with meat products. Seasonal

availability and the academic calendar limit what a college will buy. High labor costs in institutional kitchens build demand for locally produced, competitively priced, value-added products.

Key Point 14

14. Competitive pricing, emphasized here and elsewhere in this report, is commonly interpreted to mean “a price as low as the next guy’s.” But, there is more to competing successfully than simply establishing a low, cost-covering price. Competitive pricing requires the ability to effectively communicate the qualities and worth of a thing, and the ability to convince the buyer that the price asked is worth the expenditure. The qualities inherent in the product, and those benefits further ascribed to it in selling and marketing promotion activities, must be tangible, meaningful, and relevant to the buyer’s value system. Price matters, but quality is more important. Understanding the quality of a product is the key to competitive pricing and the successful sale of product to people with a willingness to pay more for high quality.

The qualities of organic or sustainable agriculture products and processes may not be readily known, understood, or appreciated by students and the food service personnel with responsibility for feeding them. Qualities like those in the following partial listing are perhaps real to a sustainable agriculturist, but quite unheard of, unfamiliar, and thus, more likely to be undervalued by students and food system professionals.

- regenerative soil structure ;
- enhancement of local economy;
- improved populations of biotic soil constituents, the “friendlies” in soil systems;
- improved rural-urban social diversity and community interactions;
- toxics reductions, improved waste management, less pollution and improved surface and groundwater quality;
- improved wetlands habitat and filtering performance;
- enhanced wildlife support systems and habitats;
- improved product integrity, i.e., reduced presence and risk of toxic, persistent chemicals, biohazards, genohazards and other contaminants;
- reduced transportation and storage time yield environmental energy savings;
- fresher to market, therefore, improved flavor and taste.

Marketing into a setting where these qualities are not widely appreciated presents challenges. The sustainable agriculturist must find the marketing approach and message that develops a willingness on the part of the buyer to pay a price that is coherent with a sustainable social, economic, and ecological system.

This “undervaluing” may likely contribute to the unwillingness of a student or food service administrator to pay a higher price for sustainably produced goods. In many instances, the case for the buyer’s personal stake, or role, in sustainability has not been effectively stated or heard and preference for the high quality, higher-priced product will not be expressed. The real work of competitive

pricing is in communicating quality. In instances where communication has been effective, price is less of a concern in the buying process. Education efforts such as the Tufts Environmental Literacy Institute (TELI) initiative of the late 1980s-early 1990s,[10] the Tufts Food Awareness Project, the environmental education focus of Northland College, and farm-awareness food days can help offset the undervaluing of food.

Key Point 15

15. This study reveals that low-margin pricing is not always the rule. Both Bates College and Northland College demonstrate that a willingness to pay more for high quality, local and organic products can be developed and sustained within the institutional marketplace. Also, it is important to note that quality and price points for high quality items, such as beef tenderloin, are often set high enough that a sustainably-produced product is already very price-competitive.[11]

Summary of Phase 2 Findings

Only two participants in this study, Bates College and Northland College, purchase certified organic products. While few in number, the purchasing patterns of these two schools are sufficient to demonstrate that when the willingness is there, it is feasible for producers of organic products to establish a sustained marketing relationship with a college or university. The long duration of local purchases by the Hendrix College, the College of St. Benedict, and St. John's University underscore the viability of a sustained marketing relationship for locally produced products from more conventional production systems as well. The positive outlook and projections for the All-Iowa Menu introduction in a high volume catering setting bodes well for producers interested in tying-in with their state and community's promotional events.

While the outlook is generally upbeat for sales of sustainable agriculture products to colleges and universities, the prospects for a sustained marketing relationship are wholly dependent on a producers' ability to prevail in a highly competitive marketplace. The philosophical rationale of organic production methodologies alone is not sufficient to capture the interest of a food service director or chef. As one participant put it, "You might get a person of a different faith to attend church with you once to be polite or to satisfy their

[10] Over a five-year period, the TELI initiative required all faculty members to participate in an intensive two-week environmental literacy program. The program endeavored to ensure that all faculty members shared a basic environmental awareness and sought to provide instruction to faculty on how to integrate environmental education into their instructional programs and courses.

[11] Data reporting on the 1997 HomeGrown Wisconsin Organic Food Day at the University of Wisconsin-Madison reveal that for this event, "natural" tenderloin cost $1.77 per 4 oz. serving. As supplied, this product required additional labor of $0.4104 per serving, for a total raw food and labor cost of $2.1804 per serving. At the time of this event, the food service "normally" listed a menu price for tenderloin of $4.39. Calculating the difference between menu price and actual cost, this "natural" tenderloin yielded a "profit" per serving of $2.2096. Other organic items purchased for this meal were not as "profitable," and in fact, cost more than items purchased through traditional marketing channels. For example, organic spaghetti sauce, unavailable in an institutional size and quantity, was purchased retail from Whole Foods resulting in a $2.2400 cost per 8 oz. serving. Adding labor per serving of $0.9850, and deducting the total raw food and labor from the menu price, the organic tomato sauce cost $1.6650 more per serving than was charged.

curiosity, but it takes a lot more work and relationship building to get them to go twice." A local producer or processor still needs to deliver those traditional stalwarts, quality, price, performance, customer service, and delivery if they expect to establish a sustained marketing relationship.

The study suggests that there are several important questions for prospective vendors to ask a college or university in the course of investigating a sustained marketing relationship.

1. Are contracts exclusive? How do contracts accommodate seasonal suppliers?
2. Where can producers, processors and marketers obtain more information on specifications, the bidding process, current contracts, and the bidding cycle?
3. What are the principal criteria to be an approved vendor?
4. Who is/are the "go to or sell to" person/people for marketing food products to the food service operation?
5. How long has the food service been buying local, organic or sustainable products?
6. What kinds of products does the food service wish to purchase?
7. Can the food service test products from a non-approved vendor?
8. What steps should be taken to start the process of selling organic products to a college or university food service? Some possible steps to take might be to:

    Step 1: Review the purchasing services Web pages or call to obtain current price-paid data.
    Step 2: Contact the food service and set up a meeting to sample, taste, and test your product.
    Step 3: Work with the food service on the development of a new product specification.
    Step 4: Contact purchasing services to begin the new vendor applicant review process.
    Step 5: Become an approved vendor.
    Step 6: Put the specification out for bid.
    Step 7: Be the low bidder.
    Step 8: Deliver on the contract, and keep quality and service up.

VI. Summary of Recommendations

As one food service director emphasizes, "We can sell anything the students will buy." Another institution's food service manager reports that "the demand for organic simply is not there," adding that, "the benefit of the price has never outweighed the cost." We can infer from these statements that for the producer of sustainable agriculture products wishing to sustain a marketing relationship with a college or university, it will be important to:

1. Determine who the buyer is and ask yourself if you have the resources and skills to persuade them to buy your product.
2. Focus on innovative ways to increase demand.
3. Effectively communicate the benefits of a higher price and why this should matter to your consumer.

These admonitions are straightforward approaches to the operation of any business. But, producers and processors are encouraged to develop a "precision marketing" approach by assessing their own position relative to that of the customer terrain prior to sowing the seed of relationships and investing in sustained marketing relationships. Know where you are before committing to planting the crop. Increasing demand for sustainable agriculture products by college and university students is a process heavily predicated on competitively selling the ideas, premises, and practices of sustainable agriculture in a competitive market where the incumbent marketers hold considerable advantages.

Furthermore, acquiring and expanding market share in this market is greatly complicated by mobile demographics, i.e., the target consumer group is hardly captive, moving out of dorm life after four years, with even earlier departures common. If institutional purchases of local and regional sustainable agriculture products are to expand significantly in this setting, sustaining the marketing effort will require costly annual education or advertising campaigns, and aggressive demand-stimulating, market development initiatives such as the Tufts Food Awareness Project and the Hendrix College Wellness Program. As elsewhere in business, sustaining the marketing relationship also requires attention to customer service, product performance and competitive pricing.

Recommendations for the Producer, Processor, and Marketer

Producers and processors of sustainable agriculture products are encouraged to explore the full potential for sustained marketing relationships with institutional food service operations. The following recommendations will aid the marketer.

1. Many institutional markets rely on student consumer demand as a prerequisite to being open to alternative supply systems or new products. It is easier to sell to a market that is already demanding your product and thus is educated, knowledgeable and respectful of your expertise, time, and investment in its production. Evaluating market demand and this critical "appreciation" is essential before moving ahead with market development.
2. When there is direct access and a strong relationship between the producer and buyer, demand is predictably easier to stimulate. Building these relationships and focusing on relationship marketing are essential components to success in these markets.
3. In the higher education food service market, prospects for trade appear to be greater with small, private colleges with self-managed food service operations than with larger, state supported institutions.[12] This may be because of a college's particular mission, its

[12] The University of Wisconsin-Madison is currently an exception to this finding.

community centered values or perhaps the limited supply requirements. Marketing efforts targeted toward smaller institutions may be more likely to succeed.

4. Promote, promote, promote! In today's competitive marketplace, your product will not "sell" itself. Effective and profitable promotion requires time, skill and financial resources. Develop a marketing cooperative to concentrate critical mass, to grow available resources for the marketing enterprise, and to reduce demand on the institutional buyer's time. This is especially important if the large, state-supported institution is selected as your target market.
5. Consider partnering with one of the institution's current distributors in lieu of establishing a marketing cooperative. An alternative strategy is to supply a competitor of the current distributor thereby building capacity for sustainable agriculture producers in the institutional market. Marketing local, regional, organic or sustainable products under a distributor's liability insurance 'umbrella' is a shortcut that benefits both the producer and distributor.

Further investigation such as a product-by-product, or class of product, feasibility analysis is recommended.

Recommendations for College and University Food Service Administrators

One of the most significant findings of this study is the significant potential for greater utilization of sustainably produced farm products by the parties involved in the management and administration of food service operations.

Considering the significant expenditures for food purchases common to colleges and universities, it is clear that the bulk of these purchases are made from national distributors with an in-state presence, yet little effort is made on the part of distributors or institutional representatives to clearly identify the origin of these products and to ensure that a high percentage of direct benefit accrues to local producers. Every campus food purchase of out-of-state products exports a student's, parent's, or visitor's cash outside the state rather than benefiting a farmer-neighbor, or fellow community or state resident. This establishes an exchange pattern that further undermines the vitality of the state and its rural communities. Simply buying from an alumnus who is now an in-state distributor, and not ensuring the integrity of the supply, fails to deliver on the promise of the institution's relationship with the surrounding community.

It is not uncommon for a State Tourism Board to encourage its state residents to vacation in-state, further supporting the notion that while the state encourages growth of an export economy, the state appreciates the need for residents to support the local economy. In a similar way, when state residents, and parents around the country and the world send their children to a local college or university for higher education, when out-state residents visit the campus, and when national and international visitors step on college grounds and partake of "our" food, it should be just that, "our food." Authentic local cuisine starts with sustainably produced local products.

The findings of this study lead to consideration of the role of institutional policy in establishing the context for purchases of sustainably produced farm products. Here are examples of the kind of policy changes that institutions might want to consider:

- Audit the institution's food supply chain in order to evaluate the current magnitude of purchases of sustainable, local farm products.
- Establish progressive percentage goals for increasing purchases of sustainable, local farm products, moving toward a 50-50 share balance as a measure of supply chain trade integrity between the institution, local farmers, and suppliers in neighboring states.
- Capitalize on the public relations potential of the real benefits that accrue to local farms and surrounding communities.
- Scrutinize and reform purchasing policies and procedures to take the seasonal nature of local food production into account:
    - allow partial-year supply bidding to facilitate seasonal supply;
    - establish mechanisms to facilitate the acceptance of bids at prices that cover the costs of production of a local producer rather than some cheaper out-of-state operation;
    - supplement the requirement for certification of Equal Employment Opportunity practices with a requirement for certification of "Best Environmental Production Practices," and a "Statement of Product Origin;"
    - by new statute, supplement the current 5% minority preference with a 5% local, sustainably produced preference.

Many of the above recommendations for scrutiny and reform of purchasing policies and practices will be much easier to promulgate if undertaken within the context of a whole-college or university adoption of a set of principles and practices that clearly establish the administration's and community's commitment to best socio-ecological practices. Two such principle- and practice-based systems, The Natural Step and the ISO 14000 Series, provide useful, well-respected models and structures for a campus wide initiative. The University of Missouri-Rolla, recently announcing its commitment to the ISO 14000 Standards Program, clearly demonstrates that any college or university has a window of opportunity to establish itself as a leader in local, sustainable food purchasing.

Cheap, out-of-state food might taste okay, and might even taste "good enough." But rest assured, sustainably produced local food, even when priced marginally higher to help local farmers afford a states' high quality of life, will be easier to swallow, allow that "feel good" sensation to linger longer, and will really give the campus community something to cheer about.

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	Certified organic offered year-round from greater than 6 small farms		Not organic offered year-round from less than 6 small farms		Not organic -menus under development	Industrial year-round, 1 small farm
	Bates College	Northland College	College of St. Benedict	St. John's University	ISU Mem. Union[13]	Hendrix College[14]
Food service management	College	Contract	College	College	Mem. Union	College
Annual food budget	$1.6 million	$350,000	$515,000	$1.5 million	$1.3 million	$730,000
Percentage local (approx.)	30-40%	15-20%	50%	30-35%	20% projected	30-35%
Percentage local that's organic	100%	100%	0%	0%	no data yet	0%
Price differential	0-20%	50-300%	est. to be less	competitive	no data yet	competitive
Buying From						
Direct buy from # of farmers	6+	2 cooperatives	4	2-4	2-4 current	1
Autonomy to buy local	High	Medium	High	High	High	High
Distributor carries local	YES	NO	YES	YES	YES	YES
Buys from a local cooperative	YES	YES	NO	YES[15]	NO	NO
Local buying for how long	4 years (1994)	2.5 years (1995)	23 years (1976)	15 years (1983)	under development	9 years (1989)
Buying What						
Local (and regional) dry goods any organic? yes/no	YES YES	YES YES	YES NO	YES NO	Projected YES no data yet	YES NO
Local fruits & vegetables any organic? yes/no	YES	YES	YES	YES	Projected YES no data yet	YES
Local meats and poultry any "natural/free-range"? yes/no	NO	NO	YES NO	YES NO	Projected YES no data yet	YES NO

[13] Local purchases estimated to be 1-2% currently.
[14] Price differential for hamburger purchased farm-direct is 100% higher.
[15] Pasta products are purchased from Dakota Growers Pasta Cooperative.

Four Approaches to Sustainability: Serving Local Food and Recovering Costs						
	Certified organic offered year-round from greater than 6 small farms		Not organic offered year-round from less than 6 small farms		Not organic theme-menus under development	Industrial offered year-round, 1 small farm
	Bates College	Northland College	College of St. Benedict	St. John's University	ISU Mem. Union[16]	Hendrix College
Serving Who and Where						
Student enrollment	1,650	800	1,900	1,650	500,000	1,100
Monastic/Seminary populations	0	0	170	200	0	0
Dining Venues (BP=board plan, BA= ala carte)	2 BP, 1 cash	1 BP, 1 cash-snack	1 BA 1 sisters	1 BP 1 cash ala cart 1 catering	100% catering multiple sites across campus	1 BP
Cost Recovery Basis						
Board plan customers	20,100/week	525	1,000		300,000 annually	730/day
Board plan ala carte customers	0	0	1,100 daily	2-300 daily	0	0
Cash-basis customers	2,000/week	2-300 daily			0	
Catering contract	low-varies	low-varies	low-varies	low-varies	100%	low-varies
Handling high-cost items						
In board-plan venues	internal adjusted	internal adjusted	passed on ala carte selection	internal adjusted	not applicable	internal adjusted
In cash operations	passed on ala carte selection	passed on ala carte selection	passed on ala carte selection	passed on ala carte selection	menu choice on contract	not applicable

[16] Annual number of participants in catered functions. Approximately 60% of participants eat.

Four Approaches to Sustainability: Key Characteristics of Getting Started						
	Certified organic offered year-round from greater than 6 small farms		Not organic offered year-round from less than 6 small farms		Not organic theme-menus under development	Industrial offered year-round, 1 small farm
	Bates College	Northland College	College of St. Benedict	St. John's University	ISU Mem. Union	Hendrix College
Source of idea/initiative	Campus Environmental Issues Committee staff, students, faculty & director of dining	4 students for paper, 1 worked in food service	Benedictine stewardship tenets	Benedictine stewardship tenets	International visitors and The Leopold Center	Students, faculty, key administrators
Why buying local	college social beliefs and mission. college recognizes needs of local community and farmers. quality is usually better.	initially to save money and the environment by cutting transportation costs. now all local is organic because it is best quality available and students willing to pay.	college social beliefs and mission. college recognizes needs of local community and farmers.	college social beliefs and mission. college recognizes needs of local community and farmers.	Leopold Center facilitated discussions. local-focus builds and enhances Union and Chef reputation. market is interested	availability of local products. low price. college interest.

Four Approaches to Sustainability: Products Purchased						
	Certified organic offered year-round from greater than 6 small farms		Not organic offered year-round from less than 6 small farms		Not organic theme-menus under development	Industrial offered year-round, 1 small farm
	Bates College	Northland College	College of St. Benedict	St. John's University	ISU Mem. Union	Hendrix College
Currently purchasing on a regular or seasonal basis	potatoes	potatoes	potatoes	root vegies, potatoes, turnips, carrots parsnips	potatoes	
	carrots	carrots		onions	onions	
	apples	apples	apples			
	raspberries	(no berries)	strawberries	Eq. Ex coffee	raspberries	
	blueberries		cheese & dairy	cheese & dairy	strawberries	
	broccoli		eggs	eggs	tomatoes	eggs
	cauliflower		pork	fr-range chick	Maytag Cheese	chickens
	tomatoes	applesauce	beef	ground beef	Amana Meats	lean hamburg.
	cucumbers	squash	asparagus	turkey	asparagus	
	mesclun mix	(no greens)	summer prod.	summer prod.	morel mushrm	
	herbs-various			sweet corn	Zucchini	
	grains	grains	flour	flour		
	dry beans	dry beans		dry beans		bread
	pasta	pasta		pasta, wild rice		rice
Dialogue on farmer-college test crops	broccoli-rabi, turnips, potato	carrots	none	none	none	none
Looking for local supply	value-added products	eggs, dairy, bakery	durable vegies, more fruit	anything competitively priced	creamery butter, inspected meat	a local produce wholesaler to be established

Four Approaches to Sustainability: Prevailing Concepts						
	Certified organic offered year-round from greater than 6 small farms		Not organic offered year-round from less than 6 small farms		Not organic theme-menus under development	Industrial offered year-round, 1 small farm
	Bates College	Northland College	College of St. Benedict	St. John's University	ISU Mem. Union	Hendrix College
Prevailing concepts of sustainability among the terms: **local, regional, organic**	Local and organic are recognized as sustainable. Local means from Maine. Most local products come from individual farmers and members of the Maine Organic Farmers Association.	Local and organic are recognized as sustainable. Local means from in-town and neighboring counties. Most local purchases are made from certified organic Chequamegon Growers or the Chequamegon Grocery Cooperative.	Local is recognized as of benefit to community. Local means from in-town and neighboring counties. Most local purchases are from local distributor willing to carry local products.	Local is recognized as of benefit to community. Local means from in-town neighboring counties, and five-state region. Most local purchases are from local distributor willing to carry local products.	Local is recognized as of benefit to community and satisfying catering client requests. Local means in-state (Iowa). Local purveyors are currently being selected.	Local is recognized as of benefit to community and state. Local means in-state (Arkansas). Most local products come from large-scale operations that are represented by distributors.