

Report for Project - Sustainable Local Food Procurement Consulting Services

Request for Quotation No.: UWORFQ03-12224



401 Richmond Street West, Suite 365, Toronto, ON M5V 3A8

Telephone: 416-699-6070 --- www.localfoodplus.ca

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The Project

- Assess Hospitality Services' current local food procurement practices,
- Undertake a benchmarking analysis, and
- Make recommendations which would assist in developing a strategic business plan.

Project lead for LFP – Don Mills (President)

Project lead for UWO – Jacqueline Hassall (Operations & Systems Development Manager, Hospitality Services)

Assessment of Current Local Food Procurement Practices

The Sustainability Team at UWO includes a focus on food with the Eating On Campus Initiative. In addition to the composting, Travel Mug and Water Preservation Programs the Sustainability Team lists the Fair Trade/Organic and Keeping it Local initiatives under Eating On Campus¹. Hospitality Services is responsible for enacting sustainability initiatives within the food sphere on campus. The Sustainability Initiative with Hospitality Services dates back to at least 2007 and Hospitality Services have demonstrated continued engagement with the sustainability measures.

Hospitality Services self operates food services at UWO allowing for maximum flexibility in procurement decisions in terms of product and vendor choices. Several vendors currently supplying Food Services are located in London and South Western Ontario in close proximity to UWO. Origin of product supplied has been a consideration in awarding the UWO produce contract to a local London Vendor. All the above indicates a solid base to move forward on local procurement practices.

Food Services procurement staff are interested and observant in the provenance of the food served on campus. UWO self reported in The College Sustainability Report Card for years 2010 and 2011 with regard to Food Services and scored an A for their food and recycling practices in both years².

¹ http://sustainability.uwo.ca/initiatives/eating_on_campus/index.html

² <http://www.greenreportcard.org/report-card-2011/schools/university-of-western-ontario>

Bench Marking of Existing Supply

Methodology

The most relevant areas of spending were decided in conversation with the UWO Project Lead. A decision was made to focus on a representative sub set of total food service spending. Purchase records for three UWO food service locations were chosen – Saugeen Hall, Delaware Hall and Great Hall (Catering). The vendors considered for a 2011-2012 detailed review were:

- Green City Produce
- Hayter's Farm
- Norwich Packers (Norpac)
- Agropur
- Sysco (specifically Burnbrae Eggs)

For the Sysco purchases, reports were provided by UWO detailing the vendors supplying through Sysco, brands, products and dollar amounts purchased for periods January 1 through March 31 2012 and for the period September 1 through December 31 2012.

For the other chosen vendors available invoices for the months of March, July, September and October 2012 were provided and reviewed.

Discussion was held with representatives from the selected Vendors to determine provenance of food items provided to UWO.

Invoices were examined to detail products considered local (Ontario). The product categories were compiled to create monthly buy. Where applicable, local vs. imported designation was assigned to each product category to derive a local monthly buy.

Inference was made to the total local purchase per vendor based on the sample locations.

Using the information derived from examination of selected vendors and locations an estimate of total local spending was established.

Within this report Local always means produced and processed in Ontario

Results

Green City Produce

Two interviews were conducted with Green City Produce. Don Mills interviewed owner Mohamed Hamid, and Sherry Nielsen (LFP Certification Manager) had a telephone conversation with Green City Produce staff Evva to determine Green City Produce's local sourcing to serve the UWO contract. Green City has its main office and warehouse located in London. Green City Produce reports that they maintain relationships with several specific local farms to serve the local procurement needs of UWO.

Confirmation of Green City Produce reporting of local product was made through consideration as to seasonal availability of product category with regard to:

- harvest periods
- Ontario green house rest periods
- storage capabilities of crop (differs across apple varieties for example)
- farm names provided as suppliers
- validation through competitor offer sheets
- LFP organizational knowledge

210 invoices were reviewed to determine the dollar amount of local produce supplied by Green City Produce.

Based upon the information provided by Green City Produce applied against the invoices considered, an estimate of Local produce supplied is:

- 45.8% for fiscal year May 2011 – April 2012
- 57.8% for period May 2012 – December 2012

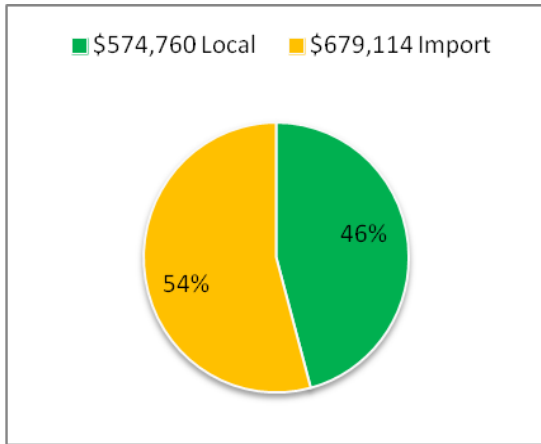


Figure 1 Green City Produce May 2011 to April 2012

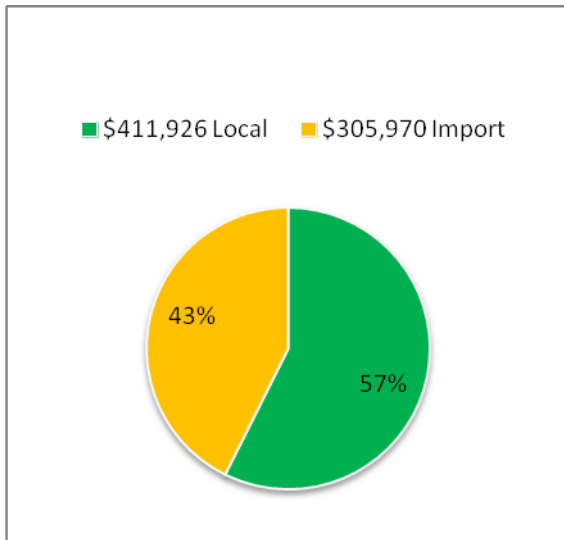


Figure 2 Green City Produce May to December 2012

The lower estimate for previous entire fiscal year is largely accounted for by the unavailability of local tomato and pepper greenhouse products in December through February.

Hayter's Farm

A telephone conversation was conducted with Patty Hayter.

Hayter's Farm (turkey products) is located in Dashwood Ontario approximately 60 km from London. The Hayter family operates several farms in the Dashwood area and buys the balance of the birds required for their business from farms through South Western Ontario with the furthest purchases from the Niagara region. Whole birds and raw cuts are provided from the Hayter Plant in Dashwood. Further processing (example

sausage) is done at Metzger Meats in Hensall Ontario which is 20 km from the Dashwood Plant. Hensall is approximately 55 km from London.

All Hayter's products are local to UWO and the proximity of the processing makes this a very tight supply chain relationship.

Norwich Packers (Norpac)³

A telephone conversation was conducted with Ron Heliniak (owner.)

Norpac owns approximately 20 – 30 % of the cattle they process. The remainder are purchased direct from area farmers or from local stockyards such as Denfield and Brussels. Norpac owned cattle and the majority of Ontario fed cattle receive a predominantly corn diet to finish. The Norpac processing facility is in Norwich Ontario, approximately 65 km from London.

With the caveat that it would be theoretically possible although unlikely that significant numbers of finished cattle from out of province were sold through a local South Western Ontario sales barn and subsequently purchased by Norpac, all products from Norpac can be considered local and this is a tight supply chain relationship for UWO

Agropur⁴

A telephone conversation was conducted with Linda Gavin from Agropur and a 2010 report from Agropur was considered in making local estimates.

Agropur is a large Dairy Cooperative with 27 processing facilities, 3 of them in Ontario. The Ontario facilities are able to provide most fluid milk products, some cheese but no cultured products such as yogurt, sour cream or cottage cheese.

51 Agropur invoices for March and September/October were considered for Saugeen and Delaware Halls to determine the proportion of each product within the total Agropur buy. The Agropur buy is quite consistent in terms of product range week over week. Detailed examination to determine local percentages was made on \$19,219 of Agropur spending from October 2012.

The information provided by the examined invoices indicates an Agropur purchase with a local component of 79.4%. A previous report provided by Agropur to UWO indicates a higher local component of 89.8%. The discrepancy can be explained by differing reporting periods and/or the LFP estimate is based upon a limited sample of locations. Given the consistent nature of the UWO dairy buy, LFP is comfortable attributing the

³ <http://www.norpacbeef.com/>

⁴ <http://www.agropur.com/en/>

Agropur reported percentage. An up-to-date report should be requested from Agropur to confirm.

Most Agropur products (almost 90%) are local to UWO⁵.

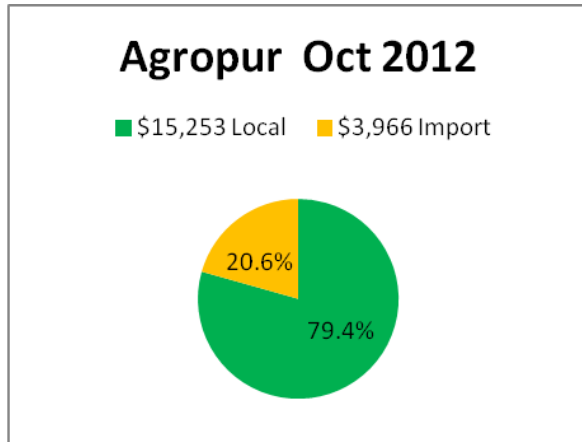


Figure 3 Agropur local component derived from invoice review

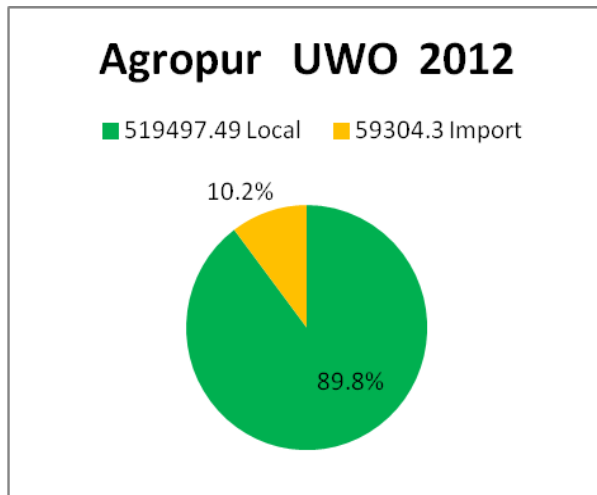


Figure 4 Agropur local component derived from 2010 report from Agropur

⁵ Note that a small amount of Agropur products are purchased through other suppliers such as Sysco and not included in the above information. Additional dairy product is purchased through Sysco which may be local in some instances.

Burnbrae Eggs⁶

UWO receives the majority of their Burnbrae egg product sourced through Sysco⁷.

A telephone query regarding origin of egg products and housing of associated hens was placed to Errol Roulston (Burnbrae Farms Mississauga) with a reply from Gord.

The egg purchase was considered using Sysco vendor report information from two periods. January 1 through March 31, 2012 and September 1 through December 31, 2012.

Burnbrae sources liquid egg products through facilities in Quebec and to a lesser extent Manitoba. Shelled egg product is from Ontario.

UWO is receiving liquid product from cage free hens but the shelled product is from conventional caged hens.

The percentage of Ontario sourced product is between 22 and 28%, an average would be 26% of egg product sourced from Burnbrae is local.

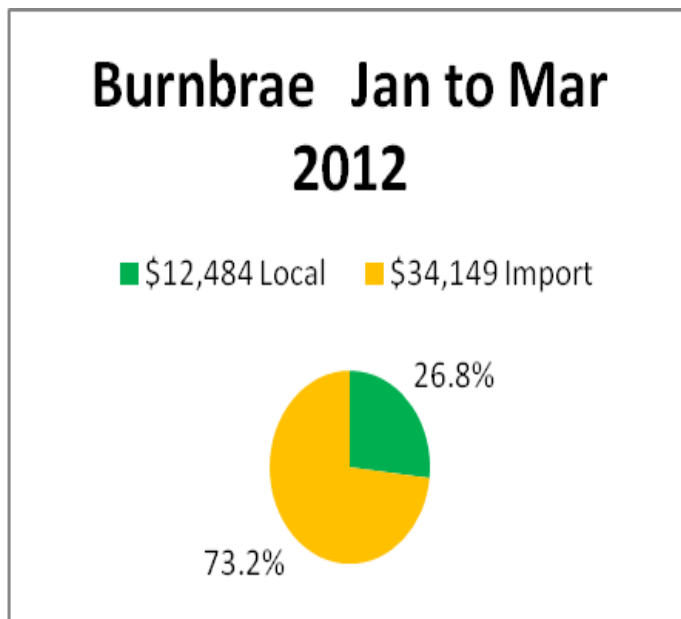


Figure 5 Local component from Burnbrae Jan - Mar 2012

⁶ http://www.burnbraefarms.com/food_service/index.htm

⁷ A small amount of eggs and egg product is sourced through other distributors such as Green City. These eggs are likely local but not cage free.

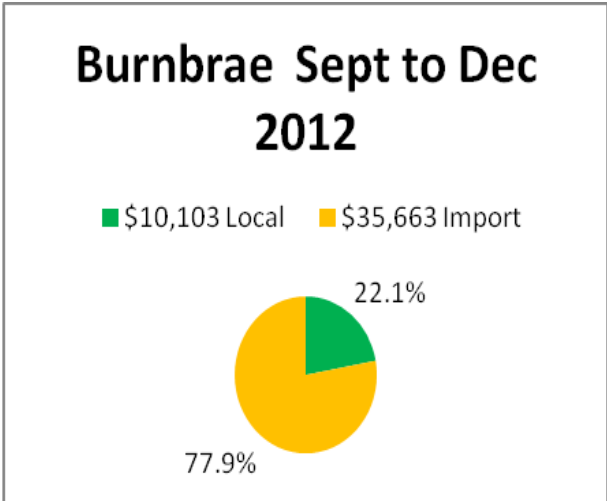


Figure 6 Local component from Burnbrae Sep - Dec 2012

The percentage of cage free (but not local) product sourced from Burnbrae is 78%

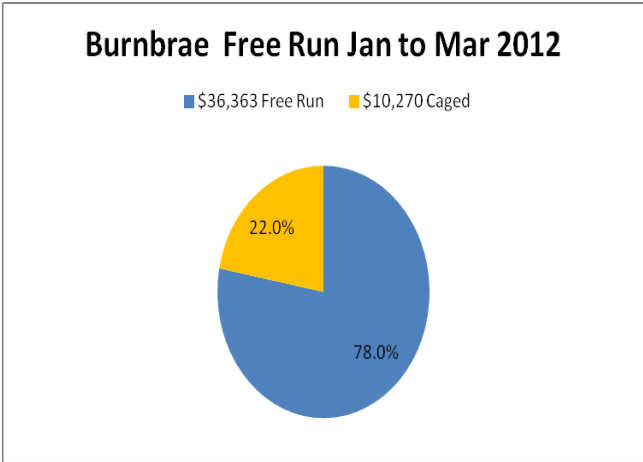


Figure 7 Free Run Component from Burnbrae Jan to Mar 2012

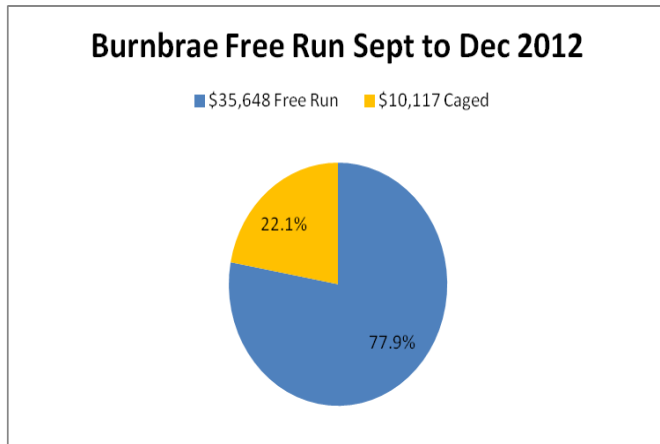


Figure 8 Free Run Component from Burnbrae Sept to Dec 2012

Also to note when making egg claims regarding cage free or local is other suppliers. A small amount of shelled egg product is provided by Green City Produce with Grey Ridge being the source. The Green City Produce eggs are likely Ontario but unlikely to be cage free. Egg Solutions Products are also supplied through Sysco and Gordon Food Services. The amounts are small in comparison to the Burnbrae numbers but caution should be taken with making total claims especially with regard to cage free production.

Sysco

Sysco is UWO's largest supplier with a complex product list. A Sysco UWO sales report provided by UWO was referenced to consider what claims might be made with regard to local product sourced through Sysco.

A number of Vendors are likely to be providing Ontario products. Examples would be Gay Lea Foods, a portion of the Agropur Cheese offering through Sysco, a portion of the Bonduelle frozen vegetables, a portion of the cheese through Arla Foods, and a number of small suppliers.

An estimate of local product through Sysco is 11%. A higher proportion may be determined with a detailed examination of the Sysco sales with cooperation from Sysco and their suppliers.

Additional Conversations Where Percentages Were Not Tracked

Macgregor's Meat and Seafood

A telephone conversation was conducted with MacGregor sales staff Paul Foster von Kalben with a follow up reply from John Tarantello.

MacGregor's is a newer supplier and the detailed spending was not examined. Macgregor's source their chicken products from Farm Fresh Poultry Cooperative (Harriston, Ontario) making the chicken a local product. Beef for the cuts that MacGregor's supply UWO is currently sourced from Alberta. John indicated MacGregor's had the option to purchase from Cargill in Ontario if this was a consideration. LFP hasn't made a determination as to the provenance of the products supplied by Cargill.

MacGregor Chicken and potentially beef could be considered local products for UWO

Capo Foods

A telephone conversation was conducted with Cathy from Capo Foods. Cathy indicated that they sourced all Ontario Cheese and Milk, Vegetables in season and Beef could be Canadian outside of Ontario as well as Ontario sourced. This was not further verified by contacting Cappel suppliers. While Capo was not included in the Local products for the purposes of this report, the conversation with Capo indicates the potential for including prepared and/or processed products in measuring local procurement.

Summary of Findings

UWO Hospitality Services has a working practice of considering local in making purchase decisions as evidenced by the amount of local food offered through UWO food serving locations, the awareness of Hospitality Service staff regarding local food and awareness of UWO suppliers in Hospitality Services' interest regarding local food sourcing.

Using reported previously reported annual Food Budgets of \$5,300,000⁸ and applying the findings of our analysis of spending, an estimated annual local spend would be \$2,268,026 - **the annual local portion would be approximately 43%**

⁸ <http://www.greenreportcard.org/report-card-2011/schools/university-of-western-ontario/surveys/dining-survey>

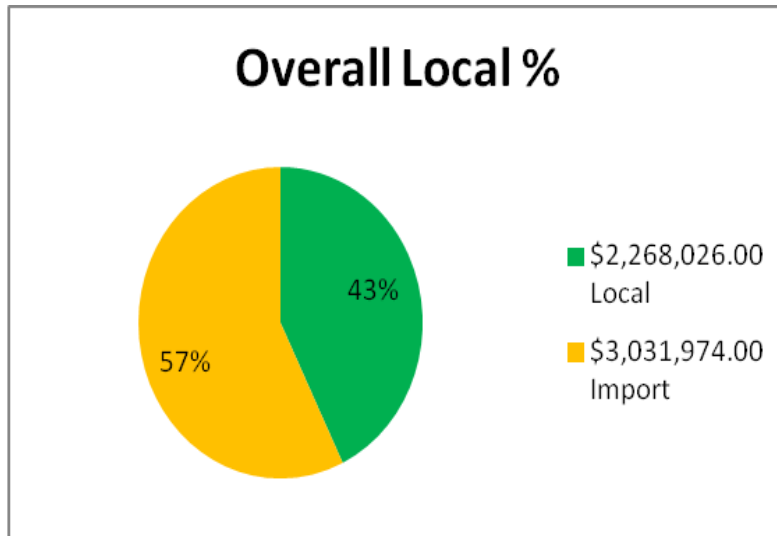


Figure 9 Estimated Total Local Percentage

Recommendations

- 1) Work with existing vendors to identify local (Ontario) foods by invoice and reporting
- 2) Identify significant foods to customers.
- 3) Shift spending to vendors providing best local sourcing service
- 4) Implement systemic tracking of local foods within Hospitality Services information systems.
- 5) Consider placing greater emphasis on seasonality
- 6) Consider adding more sustainability measures to procurement decisions.

Identification of Purchases

The simplest and most effective method for tracking and measuring local procurement toward targets⁹ is through identification of local foods in invoicing and through provision of reports by supplying vendors. It is recommended that UWO communicate to vendors a desire to have additional attributes information made available and consider how to work with vendors assist any systems changes individual vendors might require.

⁹ Identification of other attributes such as certified local sustainable, organic, animal welfare or fair trade in invoicing may also be desirable for UWO

Identify Significant Foods to Customers

Some food stuffs purchased by UWO are not available locally but have near equivalent or equivalent replacements. An example is Granny Smith apples. Granny Smiths are not grown locally but are a significant (approximately 2% of produce buy) purchase. Other apples are available locally and Ontario apple storage infrastructure enables excellent qualities of Ontario apples to be available throughout UWO's purchasing year.

Hayter's Farm and Norpac Beef Products are part of very tight supply chains with minimal distances travelled for the food supplied. Other turkey and beef products are also purchased through different supply chains that are more difficult to ascertain provenance. While Hayter's and Norpac are small percentages of the total food buy at UWO they demonstrate the potential to work with farms and processors in close proximity.

Making students and staff aware of significant foods that are local and those which are not allows the customers for Hospitality Services Food Services to support the efforts being made by the procurement team to increase local procurement.

Shift Spending to Vendors Best Supporting UWO Local Purchasing Efforts

First efforts should be made to continuing communication of UWO's desires to consider provenance in purchasing to existing vendors. Many vendors are aware of and attempting to support UWOs efforts. In cases where UWO has options to obtain desired products through more than one supplier, consideration should be made to shifting procurement to vendors offering food with the desired attributes and with the aforementioned tracking and reporting.

Hospitality Services Information Technologies (IT)

At any point that changes or replacement is being considered for the accounting and purchase IT tracking systems employed by Hospitality Services; consideration should be made to opportunity to track additional attributes such as provenance. With significant vendors, investigation should be made to determine if there is opportunity for coordination in IT traceability systems that could allow efficiency and/or greater scope in UWO's ability to track, measure and subsequently make decisions on purchasing.

Seasonality

UWO purchases significant quantities of imported fresh products on a consistent basis monthly. Examples are pineapple, fresh grapes and melon. In the case of pineapples and grapes there are no or extremely limited local opportunities. With melon the local season is quite constrained and not aligned with peak UWO purchasing. Other menu options could exist. Within limitations of pricing, providing for balanced nutritional needs and variety demanded by students and staff consideration could be given to shifting and/or increasing spending on preserved and/or frozen local products that could serve as partial alternatives to imported products.

Potential may also exist within the limitation of kitchen and staff infrastructure to engage in preservation of local seasonal product on campus to extend local product beyond the growing season. This would provide another opportunity for outreach education for significant foods. Another option would be to work with existing or new vendors to expand offerings of locally grown preserved product¹⁰.

Additional Sustainability Attributes

UWO has identified and has been acting on desired attributes of food procurement such as locality; in the circumstance of egg products, animal welfare; and with coffee, fair trade.

There is opportunity to expand consideration of additional attributes embedded in food such as:

- Pesticide use – certified local sustainable and/or certified organic
- Animal welfare and antibiotic use – dairy and animal protein
- Energy use
- Labour practices
- Fair Trade in products other than coffee – tropical fruits
- Water use

Public awareness and concern with the issues associated with food production is increasing. UWO could reach out to the student and staff bodies to determine which additional attributes are of greatest concern in order to focus procurement efforts beyond locality.

¹⁰ Green City is working with some local frozen product and interested in developing further the opportunity to extend season for local fruits and vegetables.

Summary

UWO has demonstrated understanding and commitment to the importance of local sustainable food systems through their existing purchase decisions. The estimate of 43% local purchases is significant and probably underestimates actual total local purchasing. Food distributors are becoming increasingly aware of institutional desires to support local communities with procurement while information systems being employed by producers and distributors are making measurement of progress more feasible.

On-going tracking of existing procurement with vendor support should demonstrate increased measurable local purchasing. Opportunities exist to shift purchase decisions to increase local procurement further. Next steps would include expanding consideration of additional sustainability attributes in purchase decisions to increase the impact UWO offers to positive local sustainable food systems change.