Understanding Values-Based Institutional Food Procurement Practices and Potential Benefits for Communities in Colorado

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Introduction

The intention of this paper is to provide an overview of institutional food procurement, its potential to create a more equitable food system in Colorado, and to highlight how shifting procurement dollars may increase access to healthy food for primary clients as well as the broader community. Food system work is thriving in Colorado. With growth in farm to school and food hubs that aggregate food for large buyers, the groundwork for institutional food procurement change has been created. Major challenges still exist in Colorado’s food system, however. We see high rates of food insecurity and low rates of fruit and vegetable consumption in urban, suburban, and rural communities in the state. This paper summarizes current literature and key informant interviews that highlight emerging opportunities to shift procurement dollars towards values-driven standards that could help create significant change in our food systems and for those involved in every step of our food supply chain. These values go beyond health, geographic preference, and sustainability to integrate other important and often overlooked aspects of our food system such as animal welfare and fair labor. The culmination of these values-driven standards have the potential to make a more equitable food system. This paper explores how shifting the resources already being used on food procurement to carry multiple community benefits may bring about positive, systematic change.

Among the many organizations leading food systems efforts in Colorado, LiveWell Colorado has been working in the field of healthy food access for close to eight years. The organization’s food system work focuses on building a more equitable, sustainable, health-promoting food environment by increasing availability, affordability, and purchasing of nutritious food in low-income communities and communities of color, and by decreasing the availability and market share of unhealthy food. LiveWell Colorado’s work ties closely with the changes that can be brought about in the food system through institutional food procurement in Colorado. LiveWell is exploring partnerships with institutions in Colorado to increase healthy food access and is seeking to understand the means and benefits of working more collaboratively with anchor institutions.

Glossary

Anchor institutions: place-based entities (e.g., schools, hospitals, higher education) that are tied to the surrounding community via their mission, goals, and relationships.

Community food system: integrates food production, processing, distribution, consumption and disposal to enhance the environmental, economic, social and nutritional health of a particular place.

Health disparities: differences in health outcomes linked to social, economic, and environmental disadvantage driven by social conditions in which people live, work, and play.

Procurement: the process by which institutions purchase food.
I. Institutional Food Procurement

Institutional food procurement, the way in which large entities purchase their food, can have great impact on our food system. These entities range from K-12 schools to correctional facilities to higher education to hospitals. With large-scale purchasing power, these institutions have large influence over what food is being bought, where it is being purchased, and who is handling it. According to The Johns Hopkins Center for a Livable Future, the institutional food service market is about $72 billion annually. Changes in our food system, specifically in relation to the food supply chain, will take big levers to gear us in the right direction; a direction towards a healthier, more equitable food system.

II. Why Colorado: The Case for a New Approach to Food Systems Change

A. The Need to be Addressed

Colorado has consistently placed among the top healthiest states in America’s Overall Health Rankings. However, Colorado has significant health challenges and a more equitable food system could play a large role in addressing those issues.

Both communities of color and low-income communities have disproportionately higher rates of obesity (White – 19.9%, Black – 30.4%, Hispanic – 26.8%). Various factors, including institutional and systemic barriers, prevent these communities from having equitable access to nutritious food and opportunities to be physically active. According to the City and County of Denver, 49% of low- to moderate-income Denver neighborhoods lack access to convenient grocery store. Determinants of health include economic stability, neighborhood and physical environment, education, food, community and social context, and the health care system.

Colorado has made progress but still has a great need in making a more equitable food system to help combat health issues such as hunger and obesity. Forty-two percent (42%) of Colorado students (K-12) are eligible for free or reduced cost lunch. According to the Colorado Department of Public Health, 86 percent of adults do not meet the recommendations for fruit and vegetable consumption, and 54.6 percent of adults are overweight/obese while more than 25 percent of children are overweight/obese. Annually, obesity and its related diseases cost Colorado $1.6 billion.

B. Unique Colorado Strengths

Colorado is in a unique position to address such health challenges through procurement, as it
has multiple assets in the food system and a commitment to work towards a healthier state. Its large agricultural sector is well integrated into the food chain with initiatives like farm to table restaurants and farmer’s markets. As of 2016, Denver County had 16 farmer’s markets and 22 front-yard farm stands. Statewide, Colorado has 100+ farmers markets. Additionally, work has been done in the hospital sector through the Colorado Healthy Hospitals Compact. This compact currently has 19 participating Front Range hospitals, including safety net hospitals like Denver Health that support low-income communities, and that all have made a pledge to offer a healthier environment. This comprehensive compact includes specific policy changes in relation to standards for following sectors: Healthier Food, Healthier Beverage, Marketing, and Breastfeeding.

Extensive food system work has also been done in Colorado’s schools. The LiveWell School Food Initiative has worked in 13 counties to train in the areas of culinary, operations, and marketing to deliver nutrient dense meals to over 14,496 school children. Additionally, according to the Farm to School Census, $17,854,400 has been invested in local food procurement in K-12 in Colorado. On a local level, models exist in places like Chaffee County, where Salida’s garden program has led to a 12% increase in the amount of fresh produce being consumed by students. Moving beyond the immediate benefits, initiatives like Farm to School help create infrastructure for further community change. For example, in San Miguel County, farm to school efforts have sparked other local community resources such as the Norwood F.R.E.S.H. Food Hub.

C. Infrastructure to Advance this Work
Colorado has the programing and assets it needs to succeed, but it also has statewide infrastructure via various organizations to make systemic change. These organizations range from our state government to local grassroots coalitions. In terms of government, Governor Hickenlooper has committed to making Colorado the “healthiest state in the nation” through 18 policy initiatives from prevention to health system integration. These policy initiatives are operationalized throughout various sectors where local organizations incorporate this into their daily work.

Statewide coalitions focusing on the food supply chain are crucial in building the framework to create large systemic change through an institutional framework. For example, there are dozens of local coalitions across the state – from LiveWell Longmont to Vida Sana in Fort Collins to Westwood Unidos and Cultivando in metro Denver – that focus on increasing access and decreasing barriers to healthy eating and active living. Similarly, LiveWell Colorado and the
Colorado Municipal League have helped to create the HEAL (Healthy Eating and Active Living) Cities & Towns Campaign in 46 municipalities in Colorado. Their focus is adopting policy to create an environment where everyone can have access to healthy eating and active living. Dozens of the state’s local public health departments have also prioritized obesity prevention and access to nutritious foods in their public health improvement plans and contribute extensive dollars, coordination, and technical assistance to community-based efforts. Another important organization involved in food policy work is the Colorado Food Policy Network. This network consists of 18 coalitions across the state whose goal is to build capacity, advance policy, and encourage collaboration across the food system.

Not only does Colorado have organizations focused on policy work, but it also has an abundance of producers and producer groups who are actively involved in the food system community. The Rocky Mountain Farmers Union, founded in 1907, is a statewide group of farmers, ranchers, consumers, and the local community. Their mission centers around creating more profit for farmers, promoting sustainable use of natural resources, and strengthening the rural communities their farmers come from. Their work extends beyond this effort in creating the Colorado Food Hub Network. Networks like these are the groundwork for how small and mid size farms may be able to compete for a bid from a large institution. Similar to this organization, other producer groups like the National Young Farmers Coalition, Colorado Fruit and Vegetables Growers Association and the Colorado Department of Agriculture allow producers to have a voice in the food supply chain which connects yet another link in our food system. Similar to producer groups, such as the Colorado Immigrant Rights Coalition and local Teamsters unions, fair labor groups also provide support to Colorado’s food system.

In terms of food security, in addition to the many community-based advocates and engaged residents across the state, various state organizations can help us determine where our state’s most significant barriers to health exist, and where residents face the greatest challenges in finding and purchasing nutritious foods. This information can help guide where we target changes in institutional procurement. Groups like the Colorado Enterprise Fund, Colorado Fresh Food Financing Fund, Healthy Corners Stores and Hunger Free Colorado can help make the connection between institutional food procurement and the many benefits it could bring to the broader community, especially low-income communities and communities of color, which may face entrenched barriers to health.
III. Lessons Learned from Local, Multi-Benefit Food System Work

Even if procurement is not the current focus of the program, food system work that carries multiple community benefits is vibrant in Colorado and can inform institutional procurement work. Multi-benefit work can make changes from seed to table; the work may focus on one population (e.g., school-aged children) but may also benefit others (e.g., farmers). Results documented from efforts that aim to achieve multiple benefits lead us to believe that institutional procurement may be the next trend in the food systems movement and can build upon lessons from other multi-benefit efforts. The Farm to (School, College etc.) Movement has penetrated areas such as schools, colleges, and hospitals. Farm to School efforts brings multiple benefits to the food system by giving children access to healthier food, stimulating the economy through local farm procurement, and increasing community engagement. Of the Colorado schools surveyed, 42% participate in Farm to School activities, which covers 456,222 students. A majority of their local food procurement focuses on fresh produce such as vegetables (75%) and fruits (85%).

Working with low-income communities directly, the Double Up Food Bucks program focuses on reducing hunger, providing nutritious, fresh produce, and stimulating the local economy by providing SNAP-eligible participants double the value of their benefits, with the extra incentive to be used to purchase fresh, Colorado-grown produce. From July 2015–October 2016, $135,315 was spent on fresh fruits and vegetables via the combination of SNAP benefits and Double Up Food Bucks at 42 different locations throughout Colorado. The dollars spent increased the food budget for low-income families and went directly to the local economy via local farmers.

B. CASE STUDY: Shifting Institutional Food Procurement at Fletcher Allen Healthcare

Fletcher Allen Health Care, along with the Center for Rural Studies at the University of Vermont and Community Development and Applied Economics, conducted a study comparing how their shift to more local food procurement affected the Vermont economy. In 2012, Fletcher Allen spent $1.784M on local food procurement which resulted in an economic output of $3.53M–$4.713M. This economic output not only included procurement of the food itself, but the employment, labor income, and value added to the Vermont community in multiple facets of the food supply chain. With this economic effect, up to 30.3 jobs could or have been added within the Vermont food chain supply due to this increase in local spending. In addition, suppliers gained more experience working with larger institutions which opened doors to work with additional large-scale business.
IV. Potential Community Impact

A. Anchor Institutions

Anchor institutions and the many roles they play in their communities are the focus of much study currently. This is likely due to the place-based relationships between institutions and their communities but also simply due to their incredible purchasing power. Nationally, spending in hospitals and universities totals $1 trillion annually. Anchor institutions such as hospitals, school districts, and universities not only have large-scale purchasing power but are connected to their surrounding community and thereby are able to impact their health and wellbeing. According to Stacia Clinton, National Program Director for US and Canada, Healthy Food in Health Care Program, anchor institutions can potentially impact the outside community in the following ways: by creating market-based changes that individuals would not be able to make on their own, serving as a respected voice for health and wellness that the outside community can look to for advocacy, and implementing standards that can serve as best practices for other institutions. Not only can these actions affect the surrounding community but they can build channels to smaller institutions or institutions in rural areas that can benefit from an improved food supply chain that they may not be able to secure themselves.

Anchor institutions serve as a way to improve the lives of not only their immediate stakeholders (i.e. hospitals – patients, school districts – students) but of the lives of low-income residents near their institutions. The Democracy Collaborative at the University of Maryland created an Anchor Institution Dashboard, which summarizes the outcomes of institutional spending and the indicators for the outside community. Many of the indicators implicate improvements in economy and housing for low-income residents in the surrounding community based on institutional procurement. For instance, if a larger percentage of procurement dollars were focused on local and minority-owned businesses, this could help local businesses succeed and support and compensate employees well.

The significance of institutional food procurement in relation to anchor institutions has sparked a coalition called “Anchors in Action,” comprised of Healthcare without Harm, The Real Food Challenge, School Food Focus and The Center for Good Food Purchasing. Integrating their resources, strategies, and programming, they seek to create best practices for food procurement in multiple sectors (K-12, hospitals, higher education, etc.). With this combined approach, Anchors in Action covers 7,800 elementary schools, 850 hospitals, 194 colleges/universities and six major municipalities. One of their recent wins is the creation of
ProCureWorks which connects hospitals (Healthcare without Harm) and schools (School Food Focus) across California to create a more sustainable food supply chain within and outside their communities. The creation of this coalition shows that the power of anchor institutions in the food system is geared in the direction of making systematic change.

From hospitals to school districts, Colorado anchor institutions have large purchasing power that can have great influence on the surrounding communities. Annual food purchasing budgets, Denver Public Schools spends $20M, Children’s Hospital spends $3.5M, and University of Denver spends $3.3M. Large spending power, in combination with programs to support surrounding communities, is laying the groundwork for leveraging institutional procurement for large food systems change. Making systemic changes in our food system involves multiple stakeholders within the food chain. From seed to table, multiple vendors are involved in growing, producing, manufacturing, transporting, and processing our food. Institutional food procurement has the power to go beyond changing the menu of a school cafeteria; it affects the entire supply chain with the potential to alter the way farmers grow their food, manufacturers process their ingredients, and truck drivers deliver their produce.

Considering the large-scale purchasing power of institutions, changing their procurement policies can have many potential benefits in the following areas: socioeconomic, environmental, health, social justice, animal welfare, and many more. Local institutional food procurement may also breakdown barriers to access of nutritious food.

Breaking down these barriers is a key ingredient in increasing availability of fresh produce to low-income communities and communities of color. Systemic and institutional barriers to livable wages, quality education, and safe and accessible

VII. How has Institutional Food Procurement affected the Food System?

Changing the way in which institutions procure their food is a powerful tool in creating a shift we have yet to fully realize in our food system. Nationwide, changes in food procurement have shifted standards, policies, and products.

- In California, using an aggregated approach, 65 hospitals in the state combined purchasing power to gain better access to sustainable meat through existing vendors resulting in 89% of hospitals purchasing meat raised without antibiotics.

- Nationally, Compass Group has revamped multiple aspects of their food procurement such as purchasing less red meat, more whole grains and fresh produce.

- In Los Angeles, food producers have reformulated their products to have higher nutritional values for the Los Angeles Unified School District.
physical environments prevent marginalized communities from gaining access to healthy food options. If these barriers can be addressed using existing institutional procurement dollars, a potential shift could occur.

Local institutional procurement may increase the quality of food by having a shorter distance to travel from farm to plate.\textsuperscript{22,34} Furthermore, the variety of fresh produce is also increased and therefore the physical food environment changes by altering what food options are available throughout the community.\textsuperscript{22,34} With these changes in food environment, there is a possibility for social norms to shift due to the variety of options, which also removes a barrier to healthier food options.\textsuperscript{22,34} If patrons are offered more options, they may be more likely to purchase fresh produce.\textsuperscript{22,34} By helping to decrease barriers such as cost, quality, variety, environment and social norms, local institutional procurement may increase the consumption of healthier food.\textsuperscript{22,34,45}

V. Integrating Multiple Values into Institutional Food Procurement

The shift in institutional procurement seems to be moving towards a more holistic approach, embodying multiple community benefits. The current trend has advanced beyond focusing solely on local food; now other aspects of the food system, such as animal welfare and fair labor are also being taken into consideration. This switch to a more holistic approach where each stakeholder of the food system is considered may be the answer to shifting towards a more equitable food system.

Various holistic procurement movements have developed such as the Real Food Challenge, The Green Guide to Health Care and the Good Food Purchasing Program. According to Farm to Institution New England (FINE), institutions have a diverse set of priorities (cost, freshness, healthy, nutritious, local etc.) for why they are shifting their procurement dollars.\textsuperscript{16} For example, in the hospital setting, Healthy Food in Health Care is changing procurement standards to focus on a combined approach which includes environmental sustainability, nutrition, human dignity and justice.\textsuperscript{24} Similarly, The University of Denver has embraced the Real Food Challenge which focuses on just, sustainable, healthy and green food purchasing.\textsuperscript{42} The University of Denver pledged that 20\% of their food would be purchased following these standards.\textsuperscript{42} On a national level, over $60 million has been spent by universities participating in this multi-level approach to procurement.\textsuperscript{42}
VI. Challenges in Changing Institutional Food Procurement

Changing the way in which large institutions purchase their food can be understandably very challenging, and most institutions are already doing the best they can to feed their clients or students on very limited budgets. Coordination among the various stakeholders from farmer to end-user can be difficult. In addition, contracts can often be complicated and lack flexibility due to the rebate pricing system in which incentives are given for purchasing certain amounts from certain vendors. Local purchasing often means purchasing from small producers and thus is a challenge due to the seasonality, consistency, and minimum insurance liability in products within the region. Lastly, new products may increase costs for both the institution and their vendors. Changing institutional procurement may be a difficult task but has the potential to create large systems-level change. In response to the importance of institutional food procurement, values-driven standards have been created to help with baseline reporting and support.

Animal Welfare is Really, Really Important

“Recently, Los Angeles Unified awarded us a 5-year contract to supply antibiotic-free, hormone-free chicken to the district, which we’re very excited about. It’s an opportunity to provide commercially available product to the schools. They’re going to get the best chicken [sourced in the state of California], from vendors that have a commitment to worker welfare, animal rights, and nutritional robustness and integrity ... Someone in the system has to take the risk, and we’ve gone out and found chicken producers that have guaranteed to work with us. We’ve offered them a financial incentive to do so. What we’ve committed to the district is that we will work with them on our cost, plus a fixed fee. They were transparent with exactly how much the cost of the product is, and what we look at a contribution to be. Again, it’s fair and transparent throughout the process.”

- Sean Leer, CEO Good Star Foods

VIII. An Emerging Model: The Good Food Purchasing Program

One of the procurement models being used nationwide by K-12 schools and municipalities alike is the Good Food Purchasing Program (GFPP). This program combines the power of values driven purchasing standards, comprehensive reporting, verification, and transparency protocol. GFPP differs from other approaches to strengthen institutional procurement as it is broad in nature; many other standards focus on one target area like K-12, hospitals, or higher education, or more heavily on one value area such as local...
procurement. GFPP focuses on the following five values: local economies, nutrition, animal welfare, valued workforce, and environmental sustainability. Focusing on a combination of these values has the potential to promote a variety of positive impacts throughout the community.

- **Local Economies:** Local, smaller farms may contribute less to poor health and grow the local economy.51
- **Nutrition:** Focuses on changing the food environment where population health strategies are more effective than individual targeting.22,46
- **Animal Welfare:** Consumers value high welfare animal based products.38
- **Valued Workforce:** Supporting industrial farms that have quality working standards.19
- **Environmental Sustainability:** Local/small farms may be more sustainable and institutional procurement changes may result in other “trickle down” systematic benefits such as less focus on animal consumption and decreased food waste.19, 35

These values are then used by the Center for Good Food Purchasing to create a baseline report of the institution’s procurement, recommend methods to make improvements, and track progress.4 With a commitment to a common set of standards such as these, institutions in Colorado could not only leverage their purchasing power for their local community but Colorado as a whole could work together to make a more equitable food system.

**IX. Case Study: Good Food Purchasing Program: Los Angeles Unified School District**

In terms of national scope, GFPP currently affects 1,497,047 daily meals in the United States.4 One of the first adopters of the GFPP was the Los Angeles Unified School District. With the large scale of purchasing power LAUSD posseses, large shifts in practice have occurred by changing demand.40

- **Local Economies:** $12 million in local purchases.40
- **Nutrition:** Vendors have reformulated products to have higher nutritional value.40
- **Animal Welfare:** 15% reduction in meat consumption and commitment to 100% antibiotic free.40
- **Valued Workforce:** 150 new jobs created between the multiple stakeholders involved40, 65 news jobs created at Gold Star Foods where wages increased to $19/hour, access to health care benefits and 401K employer match.44
- **Environmental Sustainability:** Saved 19.6 million gallons of water.40
X. Conclusions

LiveWell Colorado sees an opportunity to build on successes of existing multi-benefit programs to make systemic change. We think there is a potential to make a large shift in the food system that benefits not only the institutions themselves but also the broader community. In order to help move this lever towards values-driven institutional procurement, pairing up with community partners in and out of the food system is important. With community partners, we can determine the need for this work and establish the intended benefits.

Many programs have focused on local procurement but that may not be enough to make change on a systemic level. Colorado has an opportunity to take a more holistic approach to institutional procurement by focusing on various values and therefore various benefits. The shift in institutional food procurement has the potential to benefit not only the members of the institution but the surrounding community. Shifting food procurement dollars to focus on multiple community and environmental benefits may help breakdown barriers to access to healthy food for low-income communities and communities of color. When institutions change how they measure the success and cost effectiveness of their food procurement, some costs may decrease, quality may increase, and the overall food environment shifts.
References


