



Sustainable Food Procurement: Working with Current Supply Chain Partners

Many hospitals prefer to purchase most, if not all, food and beverage items, including any sustainably produced items, via their current supply chain partners. In using this approach to support sustainable farmers/producers, hospitals will encounter opportunities and challenges.

KEY OPPORTUNITIES

- Most mainline distributors now carry a variety of USDA Organic food and beverage items and fluid milk and yogurt products produced without recombinant bovine growth hormone (rBGH)/recombinant bovine somatotropin (rBST) (see Table 1.1). They may also carry Marine Stewardship Council certified seafood items, and one or more lines of Fair Trade certified coffee, tea, cocoa and chocolate.
- Regional distributors, specialty distributors, and bread and dairy suppliers are also likely to carry some certified organic items and fluid milk produced without rBGH/rBST.
- Some distributors carry a limited supply of one or more types of food, e.g., produce, cheese and beef, grown/raised by sustainable farmers/producers local to their distribution centers.
- Upon request, distributors and suppliers will usually try to find sustainable products that meet the needs of one or more specific customers.
- Sometimes when a hospital finds a supplier they like whose products are not currently carried by their distributor, such as a company that sells chicken that was raised without antibiotics, their distributor will help to facilitate a relationship in order to keep the hospital's business.

Table 1.1 Excerpt from a list of USDA Organic products carried by one distributor

Description	Type	Vendor name
Tea bag organic pure green	Organic	Bigelow
Coffee Grnd Organic Decaf Serena	Organic	Starbucks
JUICE ORANGE PULPY	Organic	Organicville
MILK HOMO ORGANIC	Organic	Organicville
Milk Choc Low Fat 1 % Organic	Organic	Organicville
MILK NON FAT ORGANIC	Organic	Organicville
EGG SHELL BRN ORGANIC	Organic	Hillandale Iowa
Milk Soy Plain	Organic	White Wave
Milk Soy Vanilla Organic Kosher	Organic	Med Diet
YOGURT FRENCH VAN L/F ORGANIC	Organic	DOT FOODS

Table 1.1 Excerpt from a list of USDA Organic products carried by one distributor

Description	Type	Vendor name
Yogurt Vanilla Low Fat Organic	Organic	Stoney Field Farms
Potato Fry Crinkle Cut	Organic	LAMB WESTON
Bagel 16 grain w/ seed organic	Organic	French Meadow
Pasta Fettuccine Organic	Organic	Med Diet
Pasta Spaghetti organic	Organic	Med Diet
ROLL CIABATTA SNDWCH HOGIE ORG	Organic	Richs Products
Sauce Soy Tamari No Wheat organic	Organic	Med Diet
Chicken CVP Thigh Bnls Skinless ORGANIC	Organic	Hain Pure Protein
Squash Acorn ORGANIC	Organic	organic
TOMATO CRUSHED ORGANIC	ORGANIC	GENERAL MILLS
CARROT ORGANIC BABY PEEL FRESH	Organic	BOLTHOUSE FARMS
LETTUCE SPRING MIX ORGANIC PLW	Organic	BSCC PRODUCE SALINA
Bar Granola choc chip organic	Organic	General Mills
Choc bar roseberry organic	Organic	European Imports

KEY CHALLENGES

- Other than USDA Organic items, major distributors sell and/or identify in catalogs and ordering systems very few, if any, other types of eco-labeled products. So unless hospitals purchase these certified items directly from farmers/producers or companies that sell these products, most hospitals will find it extremely difficult to purchase foods that are American Grassfed certified, Animal Welfare Approved, Certified Humane Raised & Handled, Fair Trade certified, Food Alliance Certified, Non-GMO Project Verified, etc.
- It can be even more challenging for hospitals to identify and purchase items appropriately identified as “raised without antibiotics,” “raised without added hormones,” “no genetically engineered ingredients,” or “USDA Grassfed.” Though many of these products have made it into mainstream markets, distributors do not always carry them or carry them only in certain markets. Even if distributors are carrying these products, hospitals still have to go out of their way to find them in catalogs.

- Some distributors and suppliers identify fluid milk, yogurt, and other dairy products produced without rBGH/rBST in on-line ordering systems, but these products seem to be inconsistently marked. For instance, produced without rBGH/rBST since August 2009, Yoplait yogurt products should be consistently marked as such in distributor catalogs, but they are not—some of these products are marked as “rBST-free” in ordering catalogs and some, though produced the same way, are not. This inconsistency makes it harder for hospitals to choose these products when ordering, to know which of their purchases are sustainable, and to have trust in the information provided by these distributors (see Table 1.2).
- While many distributors use the term “local” to describe products that they sell, distributor definitions of “local” often differ considerably from what most consumers think of as “local.” Thus, use of this term, though intended to help customers identify and purchase “local” items, leads to further confusion. If a hospital does not pay attention to the difference in definitions, it will lead to misunderstanding about what they are actually buying. They can result in their erroneously giving a purchasing preference to a corporation, instead of the sustainable farmers/producers they intend to support (see Table 1.3). In addition, when distributors do actually carry products produced by local, sustainable farmers/producers and label them so they are easy for hospitals to order, these products may not be available in the form most readily used by hospitals, such as three- or four-ounce boneless, skinless chicken breasts and pre-processed fruits and vegetables.
- Since supporting many types of sustainable farmers is not always as easy as picking products out of an online catalog, a hospital’s food service director, or other food service staff person could end up spending many extra hours working to increase their use of sustainable products through their current supply chain partners.

Table 1.2 Examples of Designated and Undesignated “rBGH-free” Products Purchased from a Distributor

Description	Label
MILK CHOC FF RBGH FREE	LOLORIG
MILK LO FAT 1% RBGH FREE	LOLORIG
MILK SKIM RBGH FREE	LOLORIG
MILK SKIM WHITE SELECT	KEMPS SELECT
MILK 1% WHITE SELECT PLST	KEMPS SELECT
KEMPS SEL CHOC 1% MILK	KEMPS SELECT

Table 1.2 Examples of Designated and Undesignated "rBGH-free" Products Purchased from a Distributor

Description	Label
YOGURT, STWBY BLNDED RBST FREE	YOPLAIT
YOGURT, BLBRY LIGHT RBST FREE	YOPLAIT
YOGURT, VNL LOW FAT POUCH RBST	YOPLAIT
YOGURT, STWBY GREEK FT/FR SS	YOPLAIT
YOGURT, BANA CRM PIE LIGHT	YOPLAIT
YOGURT, KEY LIME FT/FR SS CUP	YOPLAIT

Table 1.3 An Alphabetical Sample of Items Included in a Distributor Report of "Local" Products Purchased by a Minnesota Hospital

Product description	Grower/Producer
BEEF, STK FIL SRLN MRNTD WHSKY	J&B GROUP-ELLISON FOODSERVICE
BISCUIT, STHRN STYL EASY SPLIT	GENERAL MILLS INC
CANDY, COTN BAG	BARREL O FUN INC
CHEESE, CHEDR MILD SS REC IW	MONARCH FOODS
CHIP, SESD SPORT KTL	BARREL O FUN INC
CHIP, TORTLA CORN YLW RND	MONARCH FOODS
CORN DOG, CHIX BTRD .67 Z MINI	BRAKEBUSH BROTHERS INC
EGG, HARD CKD PLD WHL DRY PK	MICHAEL FOODS INC
ENHANCER, MSG PWDR PURE SHKR	MONARCH FOODS
FOOD COLORING, RED LIQ BTL	MONARCH FOODS
JUICE BASE, ORNG 100% 4.5:1	MONARCH FOODS
MIX, STFNG SESD TFF TRADL	DIAMOND CRYSTAL BRANDS
PUDDING POP, SWIRL LOW FAT FZN	WELLS ENTERPRISES INC
SALSA, MILD SHLF STABL PREM	COOKIES FOOD PRODUCTS
SAUCE, GRLC TFF PLST REF DBL	VENTURA FOODS LLC
SAUSAGE, TRKY LNK 1 Z SPCL	HORMEL FOODS CORPORATION
SPICE, CURRY PWDR PLST SHKR	MONARCH FOODS
TURKEY, BRST & THIGH RST SKON	JENNIE-O TURKEY STORE SALES LL

BENEFITS AND TRADEOFFS

As hospitals likely know, there are at least a few benefits to buying sustainable food items through their current supply chain partners. It can be a time saver with all orders placed at the same time. It can be convenient since sustainable and conventional products are delivered at the same time. Product pricing may be better. In addition, all purchases will count

toward the overall percentage of products purchased through the supplier and thus can lead to further discounts. However, hospitals should be aware that there are several tradeoffs.

Hospitals may pay more

When buying USDA Organic and other products produced by sustainable farmers/producers via intermediaries, such as distributors, hospitals may end up paying more for these products than they would if purchased directly from the sustainable farmers/producers. How much more will depend on the mark-up added by distributors, cost of delivery via the farmer/producer, current supply and demand, and type of product, production methods, and other factors. However, if hospitals are not communicating with sustainable farmers/producers in their community, they will never know.

Support only the largest farms

Many distributors, especially the larger mainline distributors, have product liability, food safety, volume, and pricing requirements that only the largest farms and operations can meet. Thus, in relying only on distributors to obtain sustainable foods, a hospital may unknowingly bar many of the more modest scaled farms/operations in their community from selling to them.

Less benefit to local environment and economy

Most sustainable food and beverage items carried by distributors and suppliers consist of raw ingredients that originate far from the purchasing hospital. The farmers, farm workers, rural communities, and overall environment will benefit from purchase of these sustainable items, but an opportunity is lost to support the people, places, and natural resources closer to home.

NEXT STEPS

To increase purchase of sustainable foods via existing supply chain relationships, hospitals are encouraged to take the following steps.

Step 1

Meet with each of your current distributor/supplier sales representatives to learn the following:

- The types and brands of products they carry that are labeled as follows:

- Aquaculture Stewardship Council certified (Pangasius and tilapia)*
- Bird Friendly (coffee)
- Certified Humane Raised & Handled (eggs)
- Fairtrade/Fair Trade Certified (coffee, tea, cocoa, chocolate, bananas)
- Food Alliance Certified (variety)
- Marine Stewardship Council certified (wild-caught fish and shellfish)
- Produced without use of rBGH/rBST (fluid milk and other milk-based dairy products)
- Rainforest Alliance Certified (coffee, tea, cocoa, chocolate, produce)
- Raised without added hormones (beef, veal, lamb)
- Raised without antibiotics/No antibiotics administered (beef/bison, lamb, poultry, pork)
- USDA Organic (variety)

NOTE: List only includes eco-labels/label claims most likely tracked or highlighted in product descriptions by distributors/suppliers and the types of products most likely labeled as such now. Asterisked eco-label was not in existence when latest version of Green Guide for Health Care Food Service Credits published. For a detailed list of meaningful eco-labels and label claims see the IATP Sustainable Farm to Hospital Toolkit resource entitled “Food and Beverage-Related Eco-Labels/Label Claims.”

- The methods they use to identify the above-listed items in ordering systems and any other information needed to facilitate order placement, e.g., one distributor labels USDA Organic products as “ORGNC” in product descriptions, another inserts “ORGANIC” in the product description and uses the term “sustainable” to identify Food Alliance Certified and other products. Some distributors and suppliers use the term “rBST-free” to identify products produced without use of rBGH/rBST in product descriptions.

NOTE: Distributors make mistakes such as listing a non-dairy product as “rBST-free” or not identifying products as having a specific attribute, even if they do.

- How they identify food and beverage items produced by sustainable farmers/producers in your local area, and any other information they can provide to help determine whether their methods will assist or hinder your ability to buy and track purchases that meet your priorities.

NOTE: Many distributors will identify products as “local,” but their definitions often do not meet the Green Guide for Health Care (GGHC) Food Service Credit 3 definition of “local” and may not align with what your hospital considers to be “local”, so it is important to get clarification on the definition used by your distributors and others suppliers. For instance, most of items that distributors identified as “local” in the reports it provided to the IATP SARE project collaborators in 2012 and 2013 were products manufactured by food companies that had processing facilities located within 250 miles of their distribution centers.

Step 2

If a distributor/supplier does not currently carry a desired eco-labeled product, such as Fairtrade coffee, or product that meets certain desirable criteria, such as chicken raised without antibiotics, ask the sales representative how they can help to meet the hospital’s needs, and if known suggest names of products the hospital would be interested in purchasing.

Step 3

If a distributor/supplier’s definition of local, sustainable aligns with your hospitals, take the following steps:

- Ask them to substitute local, sustainable produce for non-local produce items automatically when they are available. This can help your hospital to maximize purchase of local, sustainable produce based on what you typically order.

NOTE: During peak season, local produce typically costs less than or equal to non-local items, so this should not result in your paying more for these items. If in doubt, consult your distributor or supplier.

- Ask the distributor to provide information about the typical window of availability for the local,

sustainable products they carry, such as how long produce items that store well—apples, potatoes, onions, or have longer growing seasons—cool season crops will be available and when, versus items that may only be available for a short time—fresh berries, asparagus and rhubarb.

- To increase purchase of local, sustainably grown produce not typically ordered through the distributor or products that a hospital may typically buy in frozen form, such as fresh berries, ask the distributor/supplier sales representative(s) to provide the hospital with advance notice, typically one week, of when local items will be coming in or running out. Also, keep chefs and other menu planners informed so they can adapt menus to reflect what is available, especially when items have a short window of availability.
- Keep a chart of the seasonal availability of foods grown/raised in your geographic area on hand and refer to it regularly. This will provide a general guide to what is available and when, remind procurement staff to keep an eye out for notices from the distributor, and pay attention to the availability of local, sustainable products, especially produce items that the hospital might not buy normally.

Remember that some cool season/more cold tolerant produce items are grown during the spring and fall, and others store well and may be available long after the typical growing season, so pay attention to what is available through your distributor throughout the year, not just in the summer months.

Step 4

If the distributor's or supplier's definition and labeling of local, sustainable products does not align with GGHC FS Credit 3 or the hospital's priorities, purchase food and beverages directly from individuals and groups of sustainable farmers/producers located nearby. In this way, hospitals can support sustainable farmers/producers far and near and large and small. See the IATP Sustainable Farm to Hospital Toolkit resource entitled "Ten Steps to Creating Mutually Beneficial Relationships with Local Farmers, Producers." Note: Per the 2013 IATP SARE project farmer/producer surveys, the majority of sustainable farmers/producers interested in selling products to hospitals (60.9 percent) do not currently work with distributors.

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