

2001

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## Recommended Citation

Enshayan, Kamyar, "Community and economic regeneration through strengthening the local food economy" (2001). *Leopold Center Completed Grant Reports*. 169.

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# Community and economic regeneration through strengthening the local food economy

## **Abstract**

The goal of this project was to work with institutional food buyers to explore and implement ways that would help them purchase a greater portion of their food supply from local/regional farmers and processors.

## **Keywords**

Community-based food systems

## **Disciplines**

Agricultural Education | Environmental Education



## Community and economic regeneration through strengthening the local food economy

**Abstract:** *The goal of this project was to work with institutional food buyers to explore and implement ways that would help them purchase a greater portion of their food supply from local/regional farmers and processors.*

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**Budget:**  
\$16,400 for year one  
\$16,900 for year two  
\$16,900 for year three

### Background

Project organizers believed that institutional markets offered significant potential for expanded sales of local agricultural products. This would result in greater retention and investment of local food dollars in Iowa.

Project objectives were to:

1. Determine the proportion of the locally or regionally produced food currently purchased by two major institutional food buyers in northeast Iowa,
2. Understand and document the constraints as well as opportunities for institutional food buyers to purchase locally produced food,
3. Develop and implement methods to increase purchases of locally and regionally produced food by the cooperating institutions,
4. Develop relationships with the people who are served food at these institutions and make them aware of the benefits of locally and regionally produced food,
5. Develop a resource packet that would be helpful in linking buyers, growers, processors, and distributors of locally produced food, and
6. Document what was learned and share it with others.

### Approach and methods

The primary approach used was to work one-on-one to establish a relationship with food

buyers. The University of Northern Iowa (UNI) Dining Services, Allen Memorial Hospital (Waterloo) Food Services, and Rudy's Tacos agreed to participate in the project. The dollars spent in various food categories (i.e., fresh and frozen vegetables, fresh and frozen meat, etc.) were documented for each institution.

Using existing farmer directories and farmers market contacts, a pool of 20 farmers was identified as interested in working with cooperating food buyers. Early in the season, student interns were assigned to work with each food buyer to assist with weekly ordering. The interns placed orders, documented every purchase, prepared publicity materials for the customers, and summarized purchasing data.

### Results and discussion

Food expenditures at the UNI Dining Services for 1997 were close to \$2 million. Allen Memorial Hospital spent more than \$725,000 in 1997. If even a portion of these food dollars stayed in the area, the economic impact would be considerable. In the first year of the project, UNI increased its local food purchases from 0 to 11 percent of the total, while Allen Memorial went from 0 to 22 percent in 1998 and up to 30 percent in 1999. (UNI did not participate in 1999 because of kitchen renovations and a change in their computer system.) Rudy's Tacos purchased 37 percent of its foodstuffs locally in 1997, but with assistance from this

project the total rose to 47 percent in 1998 and 61 percent in 1999.

Is locally grown food more expensive? Based on the word from food buyers, there is no simple answer. If only price is considered, some items are cheaper purchased locally while others are more expensive. Looking at seasonal totals, costs seemed to average out for the cooperating institutions. Plus, as one buyer stressed, price is only one of many considerations when calculating total expense. Local products often may be higher quality, fresher, and more likely to satisfy customers.

Most of the local products used were fruits and vegetables, but the project also helped institutions switch to local meat purveyors. This change allowed the food services to use beef raised in Black Hawk and Bremer counties and processed at a local meat locker.

The project also noted several barriers to local food purchases that will need attention if institutions are to continue to increase their local buying. Many institutions have contracts that may require them to make most of their purchases from one or more distributors. Unless there is some flexibility in these contracts, local buying potential is limited. In some cases, institutions have told farmers that a minimum of \$1 million insurance is necessary to become a vendor for that establishment. None of the institutions involved in this project required such insurance, but the possibility exists in other venues.

Only ten farmers were used to supply this institutional market, but more would be needed if the institutional market increased or if present suppliers were unable to provide enough fruits and vegetables to meet the demand. Also, there is a lack of food processors in Iowa. Since institutional markets often require pre-processed products, this could hinder an increase in local food buying. More planning

and flexibility is required by the institutional kitchens to deal with unprocessed food items.

Promoters of local food purchases need to encourage enthusiasm and interest on the part of institutional food buyers and kitchen workers to build good working relationships. Farm tours, seasonal charts for product availability, and workshops with experienced chefs are among the initiatives that will help develop ownership and commitment to local food sources.

## Conclusions

- Each institution is different. Management system, product needs, client needs, vendor arrangements, and potential benefits from local buying vary for each institution.
- A positive working relationship with the food buyer/staff is critical. Trust and commitment must be built through an ongoing relationship.
- Food service managers are extremely busy. They are more receptive to integrating local buying when they receive outside assistance that makes the process less time-consuming for them.
- It can be done. Institutional markets are significant and can be expanded for local growers.
- It takes time. Strengthening the local food economy requires establishment of new relationships, new marketing pathways, and a new infrastructure.
- Much more can be done to expand institutional markets.
- Public policies at the state level are needed to provide incentives for institutional buyers to buy locally. States could compel

*Price differences between local and distributor sources of produce for Allen Hospital*

<b>May Purchase</b>	<b>Local Cost</b>	<b>Vendor Cost</b>	<b>Difference</b>
Asparagus	\$1.60/lb	\$1.71/lb	\$0.11(+)
Green Onions	\$0.67/lb	\$0.64/lb	\$0.03(-)
Radishes	\$0.56/lb	\$0.90/lb	\$0.34(+)
Tomatoes	\$1.00/lb	\$0.72/lb	\$0.28(-)
<b>June Purchase</b>	<b>Local Cost</b>	<b>Vendor Cost</b>	<b>Difference</b>
Asparagus	\$1.60/lb	\$1.85/lb	\$0.15(+)
Green Onions	\$0.67/lb	\$0.64/lb	\$0.03(-)
Leaf Lettuce	\$0.50/head	\$0.39/head	\$0.11(-)
Potatoes (Red)	\$0.21/lb	\$0.50/lb	\$0.29(+)
Radishes	\$0.56/lb	\$0.90/lb	\$0.34(+)
Strawberries	\$1.63/qt	\$3.93/qt	\$2.30(+)
	\$1.75/qt	\$3.93/qt	\$2.18(+)
Tomatoes	\$1.00/lb	\$0.68/lb	\$0.32(-)
<b>July Purchase</b>	<b>Local Cost</b>	<b>Vendor Cost</b>	<b>Difference</b>
Broccoli	\$0.80/lb	\$0.67/lb	\$0.13(-)
Cabbage	\$0.50/lb	\$0.37/lb	\$0.13(-)
Cantaloupe	\$2.50/piece	\$0.61/piece	\$1.89(-)
Cauliflower	\$1.10/lb	\$1.09/lb	\$0.01(-)
Cucumbers	\$3.60/doz	\$2.93/doz	\$0.67(-)
Green Beans	\$1.00/lb	Not Available	
Potatoes (Red)	\$0.50/lb	\$0.50/lb	
Sweet Corn	\$2.00/doz	Not Available	
Watermelon	\$5.00/piece	\$5.42/piece	\$0.42(+)
Zucchini	\$0.50/lb	\$0.51/lb	\$0.01(+)
<b>August Purchase</b>	<b>Local Cost</b>	<b>Vendor Cost</b>	<b>Difference</b>
Acorn Squash	\$0.24/lb	\$0.33/lb	\$0.09(+)
Cabbage	\$0.14/lb	\$0.37/lb	\$0.19(+)
Cantaloupe	\$3.26/piece	\$1.11/piece	\$2.15(-)
Cucumbers	\$0.22/piece	\$0.27/piece	\$0.05(+)
Green Beans	\$1.00/lb	Not Available	
Green Peppers	\$1.06/lb	\$1.22/lb	\$0.16(+)
Onions		\$0.15/lb	
Potatoes (Red)	\$0.50/lb	\$0.32/lb	\$0.18(-)
Sweet Corn	\$0.10/ear	Not Available	
Tomatoes	\$0.59/lb	\$0.70/lb	\$0.11(+)
Watermelon	\$5.00/piece	\$5.25/piece	\$0.25(+)

state-funded institutions to develop plans that significantly increase their purchases of locally grown foods. The state could assist with identifying local food sources and additional funding.

- The economic and societal benefits of local food buying need to be documented more thoroughly.

### **Impact of results**

Several institutions invested more of their food dollars locally. In the second and third years of the project, three buyers spent \$110,000 and \$135,000 on local products. This benefited local farmers. Five new food buyers at other institutions have now been added to the initial trio.

Results from this project have been shared with other local food initiatives in Iowa and beyond. An internship program has been created to train college students to assist food buyers in making local purchases.

### **Education and outreach**

Presentations about the project have been made to farmers, food buyers, economic development officials, agricultural lenders, and other local food organizers. Food service staffers who have worked with local food products have made presentations about their experiences to other food service workers. The project also organized field trips for the food service staff to see nearby farms where the food was produced.

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