Presented by Kristen Osgood
Regenerative Strategy Manager
About Stern Produce

• Arizona’s largest produce distributor
• Family owned/operated since 1917
• PRO*ACT - Founding member since 1994
  o PRO*ACT family is more than 50 members strong (71 DCs)
  o Greener Fields Together
Stern’s Future

Rebuilding a 100 year old company
• New warehouse management tools, SOPs, recruiting, etc..
• Defined company culture
• Defined community giving
• Building sustainability programs and initiatives
• More community and stakeholder engagement

Vision – Positively Impact People

Mission - Our commitment to Positively Impact People is fueled by the strength of our organization, the well-being of our employees, and the partnerships we weave.

• Family – The Stern Family is rich with cultural diversity which provides a variety of perspectives, experiences, and strengths.
• Fun - Work, play, and love with an intensity that inspires.
• Food – Consistently provide the highest quality and most diverse selection of products to ensure we make every meal a great one.
• Forever – Positively Impacting: Hunger, Food Systems, Workplace, and Earth another 100 years.
Small Farm Facts

• 1935 US had 6.8 million farms...decline started 1970s, appx 2 million remain (2018, USDA)
• 88% of US farms are small family farms; 90% of farms in Arizona are family-owned
• The projected median farm income for 2018 is negative $1,316 and the majority only surviving on off-farm income
Arizona Fresh Together

By supporting regional food systems, we can:

• Support local and often family run farms.
• Help protect our health and the health of our communities.
• Stimulate our local economy.

WHEN YOU SPEND HERE
your money stays here

$43 REMAINS
LOCAL

$13 REMAINS
NON-LOCAL

For every $100 spent at a locally owned business, $43 remains in the economy.
For every $100 spent at a non-locally owned business, only $13 remains in the economy.
Funding is available for those farms that need assistance for the audit program.

GFT Local Farms Criteria

• The local farm is located within a 7-hour drive from where the food is distributed.
• The farmer or farm family participates in the day-to-day and management of the farm and owns or leases its productive assets.
• Local farms are required to be inspected annually by an approved third party food safety organization.
Required Stern/PRO*ACT Supplier Compliance

- All growers must adhere to Good Agricultural Practices (GAPs).
- All distributors and processors must practice Good Manufacturing Practices (GMPs).
- All processors must have a functioning HACCP plan in place.
- All suppliers must:
  - have a tested, traceability and recall program in place.
  - have a Food Defense Plan.
  - be in compliance with the FDA Food Safety Modernization Act
- All suppliers that handle allergens must have an Allergen Control Program.
- Distributor Cold Chain Management

Above items are applicable based on specifics of each individual operation.
Application Process

• Non GFT eligible farms/producers
  o Stern’s Approved Supplier Form which includes food safety information
  o Stern’s Vendor Set-up Form which includes a W-9
  o Hold Harmless agreement
  o A COI with Stern listed as the certificate holder (at least 1 million umbrella)
  o A copy of your third-party food safety audit certificate

• GFT eligible farms
  o Local farm application http://www.greenerfieldstogether.org/local-farms/application
  o High-risk food safety questionnaire
  o W9
  o Indemnity agreement
  o COI with “PRO*ACT and all it’s Members” listed as the certificate holder
### Arizona Fresh Together

**Coverage Radius**

**Arizona Local**

150 MILES

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<table>
<thead>
<tr>
<th>Jan Program Launch – 17 Total Vendors</th>
<th>Current Program – 32 Total Vendors</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 Produce providers (Farms, Hydroponics, Greenhouses)</td>
<td>16 Produce providers (Farms, Hydroponics, Greenhouses)</td>
</tr>
<tr>
<td>1- GFT Farm</td>
<td>3 - GFT Farms</td>
</tr>
<tr>
<td>3 Dairy providers (Milk and Cheese)</td>
<td>3 Dairy providers (Milk and Cheese)</td>
</tr>
<tr>
<td>1 Grass-raised Beef provider</td>
<td>1 Grass-raised Beef provider</td>
</tr>
<tr>
<td>1 Egg provider</td>
<td>1 Egg provider</td>
</tr>
<tr>
<td>3 Specialty Food (Seasoned salt, Pickles, Olives/Oil)</td>
<td>9 Specialty Food (Honey, Pickles, Olives/Oil, Bread, Coffee, Tortillas)</td>
</tr>
<tr>
<td>1 Whole-food meat substitute</td>
<td>1 Whole-food meat substitute</td>
</tr>
</tbody>
</table>
Arizona Fresh Together

2017 Program Data

• Local cases sold: 95,073
  • 64,478 eggs and dairy
  • 30,596 produce vs. 4687 in 2016
• Local economy spend: $1,863,733.65
• Hired dedicated buyer
Arizona Fresh Together
Arizona Fresh Together

**Program Details:**
- Keep as much as possible in stock (70-75%)
- Farms set their pricing
- Farm planning and buying commitments
- Local in the DOD program (11 items/6 farms)
- Local as commodity items (microgreens, butter lettuce, spring mix)

**Future work:**
- One item project
- Menu planning and ideation with customers
  - Cont’d Farm planning and buying commitments
- Sun Produce Cooperative growing for the DOD program
- Logistics lanes
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Challenges:
• Inconsistent volumes and product availability
• Lack of 3rd party food safety certified farms
• High shrink/Low margins
• Lack of customer demand
• Transportation issues
  ➢ Product not ready for pick up
  ➢ Driver/Farmer incompatibilities
• Lack of sales focus/confidence
• Operational rebuilding
Dollars Matter:

If each Arizona resident spent $20.00 of food directly from a local farm each month, local farms would earn $1.7 billion which is nearly half of current cash receipts (Meter, 2017).
Thank you!
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Our Roots
Mission + Core Values

To inspire healthier communities by connecting people to real food.

win, win, win
create solutions where the company wins, the customer wins, the community wins.

think sustainably
make decisions that last longer than you will.

keep it real
cultivate authentic food and relationships.

add the sweet touch
create meaningful connections every day

make an impact
leave people better than you found them.
Our Food Ethos

Scratch cooking, transparent sourcing, sustainability, locality
Partnering with soil farmers
And putting boots on the ground to build the relationships
Finding the win-win-win across our value chain

Soil  Farmer  Distributor  Sg stores  Customer

Efficiency  Transparency  Equity
Opportunities + Challenges

● Opportunities
  ○ Spec flexibility
  ○ Constant menu innovation
  ○ Consistency
  ○ Backup sourcing
  ○ Consistent pricing
  ○ Crop planning
  ○ Regional cuisine

● Challenges
  ○ Food safety
  ○ Local freight
  ○ Volume
  ○ Forecasting
  ○ Finding the win-win-win
A decade in the making
And we’re still learning every day...
sweetgreen
Next Generation Organics
Vertical Integration

- Seed Sourcing
- Ranch Ownership
- Fully Employed Ranches
- Harvest Machine and Crews
- LGMA Certified
- Primus GFS Certified
- Certified Organic

- Solar Powered Production Facility
- Laser Optic Sorting
- Chemical Dosage Systems
- Form and Fill Equipment + Bagger
- Metal Detection
- Vacuum Cooler Tube
- Full Fleet Control
- Certified Organic, Primus GFS
- Monterey Green Business
Creating Evangelist

- Customer’s Needs Focused
- Custom Harvests
- Custom Salad Blends

- Market Awareness
- Protecting Our Label
- Long Term Decision Making
Building Relationships

- CEO and COO Routine Visitation
- Customer Service Reviews
- Handshake Agreements
- Integrity and Accountability

- Customer Loyalty
- End User Feedback
- Product Development
- Supply Chain Understanding
We are Jayleaf!