“Success for Family Farms”
Project

A Sysco / H. A. Wallace Center Project

Joe Colyn, Originz, LLC – Project Manager
July 2009 To: National Good Food Network Webinar
Strategies for Future Food Systems & a Healthier World

• we help our customers answer their consumer’s question:
  “Where does my food come from?”

• champion the creation of integrated food systems that links consumers to the source of their food; the farmer, whom we recognize as the stewards of the land and water in our rural landscape for all of society to enjoy.

Joe Colyn      269 441 7280      joe.colyn@juno.com      www.originz.net
Success for Family Farms

Sysco Corporate - Introduction

Craig Watson, VP Quality Assurance and Sustainability
Sysco Foodservice, Houston, TX
“Success for Family Farms”

Moving Local Fresh Produce Through the Food Service Channel:

The Sysco Grand Rapids, MI Experience

– 2008 Learning
– 2009 Plans/Action
– Other Learning / Going Forward
Success for Family Farms Project

Grand Rapids 2008-09

Denis Jennisch, Sysco Grand Rapids - Produce Manager
Sysco Grand Rapids
Service Area:
West Michigan
Northern Indiana
Success for Family Farms

• Goal:
  – More Local, Good Food through Sysco Foodservice channels
    • Satisfy increased demand
    • Efficiency/economy/sustainability vs. farm-direct
    • From local sources whenever possible
      – Realize we are ‘season constrained’ in Michigan
      – Leverage season extensions whenever possible
Success Factors

• I - Branding
  – MIPROD
  • So the Sysco sales force and customers could identify
  • MI = “Michigan” or “Michiana”
  • A ‘local’ identity – resonates well
  • Distinct from standard SUPC items
  • Complete with new item code – for tracking

Clarity / Unique
Success Factors

• **II - Aggregation**
  – A trusted partner with ability to bring together items from a number of farmers
    • For volume needs
    • For season ‘stretch’ along south/north axis of state
  – Insurance / Hold Harmless Agreement
    • Accountability for produce and grower compliance
  – Food Mile efficiency
  – GAP/GHP certification of grower, record management

Assurance / Simplicity
Success Factors

- III - The Grower Story
  - Connections for the customer and consumer
  - Farm
  - People and family
  - Heritage
  - Practices, Certifications, and Assurances
  - Land stewardship
  - Other interesting
  - Identify new opportunity “on the ground”
    - Farm visits are key – actual, and virtual
  - It’s a process --- relationships take time...

Relationship / Opportunity
Success Factors

• **IV - Product**
  – New items – “boutique” and other specialty items that previously may not have met ‘volume’ expectation
  – More volume:
    • featuring as MIPROD “local” increased demand
      – alfalfa sprouts +30%!!
  – Less distance
    • Sysco trucks run everywhere
    • *more lbs/mile* – fewer, fuller trucks

Growth / Diversity
Sysco GR Successes 2008 (overview)

• **Branding** – **MIPROD**
  – High customer interest, clarity of communication
• **Grower face-to face** – invaluable (building relationships)
• Marketing and Promotion – the **grower story**
• **Volume moved** + ~10% (VYG, like items)
• **Fair price** – with a long view to volume
• **Aggregation** – leverage established base
2009 – Thinking Ahead (November ’08)

• Re-frame / Simplify
  – Realization:
    • Good Food – definitions is complex
    • “Local” has the strongest market resonance, we started here, will build from this base

• Complex Corporations/Organizations do need to do assessments:
  – Learning: Communication & Trust are key indicators for success in year #2 (see next chart)
Project Sub-Goal: We are a sustainable distribution partner for small farmer offering chefs new/unique local produce.

Trust

# of Partners

Sysco Facilitates new relationships between grower and users

Grand Rapids Produce

Commitment to program from buyers at Sysco

New communication tools strengthen relationships thru the value chain

“Trust” & “Communication” are key Indicators to strengthen in 2009

# of menu items featuring local food
Guiding Principles

• Identified a need for a simple, concise, high-level document to frame Good Food and Values-Based Value-Chain for concise communication to key stakeholders
  – Is: 1-page: “we’re all in this together”
  – Is Not: contract, pricing, product, timing

See next slide (also posted at NGFN website)
Preamble: These Guiding Principles outline our intended common line of action to provide healthy, produce and other good food from sustainable farms into local and regional food service distribution. We will do so in a trust relationship, using sound business practices and open communication to ensure the realization of a fair return for effort and investment to all participants in the value-chain – field workers, farm owners, packing house operators, aggregators and shippers, distributors and food service operators and consumers they serve. We desire to maximize the use of local, in-season fresh produce in satisfying the market needs and to tell the story of the production of the food to create strong links between consumers and the farmers/stewards of the land that grow the crops. We envision forging strong ties in this value-chain partnership that result in long-term relationships that benefit all participants with health, economic success, and a sense of community. We further envision creating economic and community benefit from season extension whenever possible through the application of new production, storage, handling, package, food safety and distribution technology and practices to meet the appreciation and demand for good food. Furthermore as a broad line food distributor and aggregator desires to extend these benefits across product categories (preserves, dried food, packaged goods, meat, dairy, etc.) and seeks to lead with us and our neighbors to create new value-chain partnerships for these categories across the region.

Principles:

- Values-based food value chains are trust relationships and supply chains that:
  - Are strategic alliances that deal in significant volumes of high-quality, differentiated food products and seek to distribute rewards equitably across the supply chain;
  - Treat farmers as strategic partners, not as interchangeable input suppliers;
  - Recognize that creating maximum value for the product depends on significant interdependence, collaboration, and mutual support among strategic partners.
  - Build value beyond the product to include the story of the people, land, and practices

- Specific agreements between farmers and other value-chain partners ensure:
  - Reasonable calculation of production & transaction costs, with price negotiated on that basis;
  - Fair agreements and for appropriate time frames;
  - Opportunity to own and/or control their own brand identity as far up the supply chain as they choose; possibly involving co-branding with other value-chain strategic partners;
  - Full participation in the development of mechanisms to resolve conflicts, communicate concerns about performance, or alter directions within the value chain.

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<th>For Grower</th>
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Continuing Success: ’08-’09

- **High customer interest:** PULL
  - MSU and other universities – 250 mile, changing buying patterns when available
    - Mushrooms, corn-on-the-cob, melons,
  - Thinking & featuring good food (*shift from the commodity model*)
    - Even when different – leafy mid-west romaine vs. California
  - When available in season, go local
    - Education on product attributes is key

- **Creative solutions to “miles”** – grower drop points, new alliances

- **Expanded interest** in replicating the model: PUSH
  - Sysco Detroit now also uses MIPROD
  - Cross-learning – Sysco Central Illinois and others

**Key Challenge:**
- Managing food safety risk - GAP/GHP third party certification of small growers – education, formalization, cost containment.
Recent Progress: 2009

• **Season Extension**
  – Greenhouse – counter-seasonal use of floral infrastructure – May-September

• **Processed Items**
  – Romaine/Cabbage – MI crop to Sysco “ready to serve” processors for prepared salads and coleslaws
  – Green Beans – tipped, cut
    • Easy to use: still fresh, still local

• **Boutique Items** – new offering to the market
  – Zucchini blossom
  – Baby veg
  – Potted herbs

• “Local” – area of strength in a soft 2009 foodservice market
Sysco - Grand Rapids

Denis Jennisch, Produce Category Manager
Tel – 616 956 0742
3700 Sysco Court, Grand Rapids, MI 49512
jennisch.denis@grr.sysco.com
www.sysco.com
The NGFN/Sysco Partnership:
Local Food Value Chains and Sysco Operating Companies

Good Natured Family Farms Perspective
Where we are!
Where we are going…
Where we are!

Producers
GNFF – 150+ local family farms

Warehouse
Balls Foods Central Warehouse

Distribution
Sysco Kansas City
Aggregation and Warehouse
Pack Standards
Traceability and Identification

**PRODUCE TRACE-BACK DATE SYSTEM**

All produce growers are now required to use the following ‘Produce Trace-Back Date System’ for numbering produce boxes. On the following 6 month calendar each week has been coded with a letter (A, B, C, etc.) and each day of the week has been numbered (Monday is 2, Tuesday is 3, etc.) Use the correct letter and number behind your ‘Grower’s number’ on your labels to indicate the harvest date of your produce. (An example is shown below.) Using this code gives every day a different code. This will enable us to narrow down a problem to a specific day if one should occur.

*Example:*  
Grower #: 18-G3  
18 is Karl Brubacker and G3 is June 16, 2009

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*Note:* The dates in bold indicate specific days for each month.
Market Pull Through
Where are we going

Hoop Houses

Crop Diversification
Year Round Program
BFBL Food Display
Sysco’s Garden

“Good things come from Sysco.

“and good things grow here, too!”
The NGFN/Sysco Partnership:
Local Food Value Chains and Sysco Operating Companies

Good Natured Family Farms
Good Agriculture Practices
Good Handling Procedures
GAP Training

Producers
GNFF – 100+ local family farms trained

Resources
Cornell University
USDA AMS
Sysco
SES – Food Security and CLEAN
What is GAP?

GNFF has established a program to minimize the possibility of produce products to be implicated in any contamination incidents. It is important for the produce industry and for our producers to be proactive in their demonstration to the consumer of good agricultural (GAP) and good handling practices (GHP). The GAP/GHP Audit Verification Program is a volunteer program designed to assess a farm’s effort to minimize the unintentional microbial or chemical contamination of produce prior to reaching the consumer.
The GNFF GAP Audit Organizational Manual was developed to coordinate your farming operation’s standard operating procedures (SOP) of Good Agricultural Practices (GAP) for food and farm safety with the requirements of the USDA GAP Audit Checklist. The manual was designed to simplify the necessary requirements to successfully pass the USDA GAP Audit.
GAP Training
GAP Manual Layout

The manual includes the following sections:
Introduction and references, Audit checklist information, Overall Farm Standard Operating Procedures (SOP), SOP Appendix, Maps, Documentation, Employee signed policy forms (in English and Spanish), Current USDA Audit Checklist and Miscellaneous.
The SOP Appendix contains procedures that require documentation but provided in greater detail compared to the Overall SOP. The four USDA Audit sections (scopes) included in the GNFF handbook are: General Questions, Farm Review, Field Harvest and Field Packing Activities, and Storage and Transportation. Not every operation will require all these scopes and some operations may require others not listed in this handbook. The farm/company (auditee) will determine which scopes of the checklist they would like covered.
Not all questions in each audit will be applicable to every farm and therefore some questions may be answered “not applicable”. A passing score is 80% of the points for applicable questions.
Main issues

Employee Hygiene

Contact Surface Cleaning

Manure Management
Animal Proximity to fields
From field to packing house
Contact Surface
For further information

Diana Endicott  
Founder/President GNFF  
allnatural@ckt.net

Pat Cipolla  
Director Of Produce Operations – Sysco KC  
cipolla.pat@kc.sysco.com

Otavio Silva  
Buy Fresh Buy Local KC Administrator  
sustainability2020@kc.rr.com
Food Safety - Grand Rapids
The 2009 Challenges & Learning

• Getting growers compliant
• Enough auditors in the field to meet increased audit load

• It is a Sysco corporate requirement
  – GAP/GHP
  – LGMA

• Grower Training
  – Sysco collaborated with MIFFS/USDA/primus – Winter/Spring session
  – Sysco helped clarify the importance of compliance to growers

• Walsma & Lyons (aggregator) support
  – Grower interface
  – Documentation – system support
Ongoing Goals – 2009 (i)

• Expand and replicate business models developed during Sysco GR and Kansas City projects to Sysco Chicago operating company (and wider)
  – Chicago’s focus is communicating the grower story to sales-force and customers to increase interest and market ‘pull’ for good food from their 250 mile regional supply

• Address key issues identified in 2008 to strengthen the program:
  – training and awareness of good food for value chain participants,
  – grower communication,
  – food safety & risk management (a dominant focus)

...that will support SYSCO in being successful at sourcing and selling sustainably produced food
Goals – 2009 (ii)

- Apply the concept of "values based value chains" as a strategy to create a win-win between small and medium size farms and large scale buyers
  - Guiding Principles
  - win/win/win

- Extend Grand Rapids produce learning to other categories that extend beyond the typical growing season

- Plug this work into the National Good Food Network to accelerate learning and application in other regions
  - Foundation for a renewed food system
Q & A Session