Towards Local and Regional Sourcing: Chipotle and Sysco

An NGFN Webinar
Presentation Outline

• **Chipotle Mexican Grill**
  Heidi Wederquist
  Director of Quality Assurance and Food Safety

• **Sysco Corporation**

• **Questions and Answers**
Local Sourcing
Overview

1. Chipotle
2. Why local and regional
3. Successes and challenges
4. Resources and needs
5. What’s next
Chipotle

A quick look under the foil
Chipotle

- Founded in 1993 by Steve Ells
- Food served fast does not have to be typical ‘fast food’ experience
- Fresh, high-quality ingredients
Chipotle

- Focused menu
- Classic cooking techniques
- Served in a distinctive environment
Food With Integrity

Chipotle is seeking better food not only from using fresh ingredients, but ingredients that are sustainably grown and naturally raised with respect for the animals, the land, and the farmers who produce the food.
Chipotle

Why Local and Regional
Why Local and Regional

• Fresher, better tasting
• Support family farms
• Support local and regional food economies
• Reduce food miles
Local Success

- Expanding each year
- 50 local growers in 2010
- 70% of produce less than 150 miles
- One-third of produce less than 50 miles
Local Success

- Mid-sized family farms
- Predictable volume for growers
- Produce houses
Local Success

• Passionate, dedicated growers and partners
• Engaged restaurants
• Local store marketing
Local Success

- Fifth generation family farm
- Apple Valley, MN
- Bell peppers and jalapenos
Chipotle

Challenges
Challenges

• Food Safety
• Very small growers
• Geography
• Weather
Challenges

- Quality
- Infrastructure
- Annual contracts
Chipotle

Needs and resources
Need and resources

- Food safety education and resources
- Direct grower connections
- Improved infrastructure and aggregation
Chipotle

What’s Next
What’s Next

• More mid-sized family farms
• Work to reduce food miles
• Continuously improve
• Increase local purchases
What’s Next

“Serving food made with locally grown produce and other sustainably raised ingredients is challenging. But we have committed to pushing ourselves to find the best sources we can for every ingredient and hope others will follow our lead. The more consumers understand the benefits of eating food from sustainable sources, the more they’re going to want it from everyone.”

–Steve Ells, Chipotle founder
Presentation Outline

• Chipotle

• Sysco Corporation

Craig Watson
VP of Sustainability

Denis Jennisch, Produce Manager, Grand Rapids

• Questions and Answers
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• Questions and Answers
“Success for Family Farms” Project
A Sysco / H. A. Wallace Center Project

National Good Food Network
WALLACE CENTER AT WINROCK INTERNATIONAL
WHY GO LOCAL?

The Problem
• Pent up demand for local foods
• Farm-direct – distribution scaling challenges
• Lack of scalable models
• Collaborative learning opportunity

The Solution
• Pilot project 2008 & 2009
• Partnering approach – Sysco/Wallace/NGFN
• A model for national replication
• Build on momentum

National Restaurant Association’s Top 20 Trends for 2010
1. Locally grown produce
2. Locally sourced meats and seafood
3. Sustainability
4. Bite-size/ mini desserts
5. Locally-produced wine and beer
6. Nutritionally balanced children’s dishes
7. Half-portions / smaller portion for a smaller price
8. Farm / estate-branded ingredients
9. Gluten-free / food allergy conscious
10. Sustainable seafood
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<thead>
<tr>
<th>2009</th>
<th>Grand Rapids</th>
<th>Kansas City</th>
<th>Chicago</th>
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<tbody>
<tr>
<td>Total Family Farms Impacted</td>
<td>20</td>
<td>60-75</td>
<td>16</td>
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<td>New Farms Engaged in 2009</td>
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<td>25</td>
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<tr>
<td>Incremental Volume Moved (cases)</td>
<td>21,149</td>
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## OVERALL OUTCOMES

<table>
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<tr>
<th>Grand Rapids</th>
<th>2008</th>
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<th>2010</th>
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<tbody>
<tr>
<td>Total Family Farms Impacted</td>
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<tr>
<td>New Farms Engaged</td>
<td>4</td>
<td>2</td>
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<tr>
<td>Total Volume Moved (cases)</td>
<td>58,564</td>
<td>79,713</td>
<td>100,000 Goal Cases +11,390 For July and August 2010</td>
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<tr>
<td>Incremental Volume Moved (cases)</td>
<td>21,149</td>
<td>?</td>
<td>?</td>
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<tr>
<td>Number of SKU’s</td>
<td>81</td>
<td>124</td>
<td>148</td>
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THE GROWERS

The program succeeds in meeting the objective: “ensure the success of the family farm in a food system value chain that delivers good food”

Farmers Impacted:
• 100 total (40 new in 2009)
• 20,000+ acres in production/rotation

Training:
• Good Agricultural Practices (GAP) certification: Significant enrollment, includes Amish Growers
• Values-based value chain: In relationship, a work in progress

“It has given us the ability to nearly double our sales for the year. It’s helped us to increase overall profits and volumes significantly. We are looking at expanding acreage within the next six to nine months, expanding into a totally new additional facility in southern Michigan just to provide additional product to Sysco and some other customers.”

- Grower, Grand Rapids
KEY LEARNINGS

1. It takes time
2. A new business model – beyond transactional to relational
3. New items and pack sizes
4. Broad ownership of the program
5. Aggregation partners are key
6. The weather and economy
7. Beyond seasonal
8. Food safety
Michigan Food & Farming Systems-MIFFS
Bringing Farmers & Communities Together

2009 Business of the Year

Sysco

for its leadership in sustainability and innovation in buying local food for the local supply chain

10/29/2009
Date

Joe Colyn, MIFFS Council President

Elaine Brown, MIFFS Executive Director

10/29/2009
Date