



The Sustainability Equation

2009

<http://www.foodservicedirector.com/going-green/the-sustainability-equation.html>

During the 2009 NACUFS conference, the Food Alliance (FA)—a third-party certifier of sustainable farming and processing practices—pulled together a group of operators and suppliers for a roundtable discussion about what sustainability means to them and where they fit in the scheme of all things environmental. The participants were **Roberta Anderson**, business development manager for the Food Alliance; **Josh Dorf**, owner of Stone Buhr Flour, a San Francisco-based, FA-certified flour company; **Patty Erbach**, senior director of university foodservice administration at Emory University in Atlanta; **Tom Grebb**, a farmer who is the founder of Central Bean Co. of eastern Washington, an FA-certified grower; **Ray Thiering**, formerly with Campus Dining Services at the University of Minnesota and more recently the founder of The Sourcerer, a sustainability consulting firm; and **Peter Truitt**, co-founder and president of Truitt Bros., an FA-certified food processor.

For an hour, the group talked about how the current economy is affecting their ability to either operate as a sustainable resource or bring more local and sustainable products to their operations, and how operators and suppliers can work together to keep sustainability at the forefront of the foodservice industry. Following are excerpts from their conversation.



Dorf: Wheat is the ultimate commodity crop, and price is usually dictated by the Kansas Wheat Board or Minneapolis or whoever is buying wheat. And, as has come out in Congress recently, numbers have been manipulated. In 2007, wheat was at a 30-year high and now wheat is extremely depressed because AIG had to unload all its market positions to pay off debt. How this affects the farmer blows my mind. I can tell you Shepherd's Grain, where we buy our grain, does something different. This group of farmers calculates the true cost of production. They worked with a professor at the University of Washington to develop this model. At the end of the crop year they all come together, honestly put their crop information together and calculate what it cost them to produce the wheat. They add a small profit margin, and that's what I

pay. So the question of the economy and how it affects us is direct, because today, our flour is more expensive than commodity flour. In 2007, we were below commodity prices and everyone wanted to be our customer.



Erbach: Our board rates are set by financial aid, so you only get to raise your tuition by the amount of the financial aid package for that particular year. We know that we have 1,355 freshmen signed up for school, and we got a 3% increase in our board rate, which barely covers our living wage at the university. So we hope that 1,355 freshmen will show up, but we won't know until they hit the beds. Buying local and sustainable is easy in retail because we can just raise prices. But to try to move local and sustainable foods into our board plan, we have to be very consistent with menuing, looking at what the best produce is out there and changing that menu on a weekly basis. Right now fruits and vegetables are plentiful in Georgia. Unfortunately, we don't have any students. With [Truitt Bros.] pears, for example, we can bring those in because they're in cans and containers and we can control pricing much better. But our school is very diverse. We have a lot of international students. Twenty-three percent of our freshmen class this year was of color. All their diets are different, and it's very difficult to juggle what is available in the region with those diets. It takes a talented chef and a lot of patience. In addition, we have a goal of being 75% local and sustainable by 2015, which is a very large goal and we know that we have to move the board rate up about 8% to cover all the costs. Will the market bear it? I don't know.

Thiering: I believe the market will bear it. I've seen in our location, in Minnesota, it's a lot more difficult to get local produce. It is definitely more seasonal. I can relate to the fact that in June, July and August you don't have the students back so now you've got to put the flexibility into your menu and then advertising or marketing that program at that particular time. At the University of Minnesota what they do is a once-a-month special meal that is targeted toward sustainability. And the protein is probably the easiest part of the meal to obtain. [Canned] beans and pears and other shelf-stable items are a good core item to be able to do in the Midwest. That helps with menu development.

Anderson: One of the shifts I've noticed over the last couple of years, at least in college and university foodservice, is talking more about things outside of local and seasonal fresh produce. There is a whole world filled with foods that we can include in a local, sustainable, organic and natural program and there has been a lot of wonderful work that has been done on projects with local produce growers, but we're seeing that expand out. We've seen flour and canned products and other dry goods coming in, and that's good. That gives operators more options and gives students something to be excited about throughout the year, not just when fresh produce is available.

Thiering: And that is important, a big selling point. The romance of the whole thing is based on bringing the farmer to the forefront and introducing that person that people tend to take for granted. That is something that really sells the whole initiative, to identify the source and tell a little of the story about the farmer.

Erbach: Students want to touch you guys. They want to know who you are and what you've grown and they really want to be able to put that face on the farmer, the producer.

Grebb: That has really been noticeable, even here at this conference, the last couple of years. I, as the farmer, see that people are really appreciative of having the ability to have a one-on-one conversation.



That's why I'm here today, because of the response we got a year ago at NACUFS.

Now, to go back to your point about the economy, last year we had very high input costs—for fertilizer and such—and so we ended up with very high prices, which made it difficult to move into new markets. At the same time, we've found that people are willing to consider some higher prices because they understand the sustainability issue.

Now, this year, I expect prices to be less than they were last year because our input costs have gone down. I've been tracking prices in the Seattle area and I've been

gratified to see that our prices, at least in retail, are pretty close to conventional items.

Truitt: I've welcomed the economic adversity because it's a strong test of whether this whole business of sustainability is real or not. I really believed going in that this was going to distill what was valuable and what was not. And I think that's happened. Our sales have not gone down. They've continued to grow. It really has flushed away a lot of the myth of sustainability and what really does matter to the consumer and the operator and ultimately what gets translated to the consumer and what doesn't.

Anderson: I have seen that growers and suppliers are trying harder to differentiate their product and emphasize what's special and what's valuable about that product.

Erbach: We have two different kinds of farmers who come to Emory. We have those at the farmers' market who come on Tuesday, who bring their beautiful tomatoes that they would sell to Whole Foods or to the public, and they are going to get \$5 a pound for that tomato. But when we go to our produce house in Atlanta, we say, OK, we'll take the dings, we'll take the bruises, because the students don't really see that store quality. We want to get those farmers and producers to understand we don't want that perfect tomato, we want that one with the bruises because we're going to chop it up into salsa anyway. To get rid of that second crop, please reduce the price a little bit. We can take that off the farmers' hands. Getting

the farmer to understand that can be difficult, so there needs to be a mediation to figure out the best mechanism to make this happen.

Thiering: In the case of beans, looks are important because of the presentation. It's important to have a good-looking bean for most occasions. But if you are in a situation where you have pricing tiers, then it is something to consider. But there is one market we haven't talked about and that's catering. Catering on campus is one place where you can put local and sustainable things on the menu, be creative and get the price for it.



Anderson: It's interesting how difficult it is to get [communication between operator and supplier] to happen. It's a very uncomfortable thing, at first, to get some folks to talk directly to a farmer or even a processor for that matter, because they're quite accustomed to working through the regular channels, like distribution companies—which play a very important role in getting product from Point A to Point B. But that doesn't mean that there shouldn't be a direct relationship, which also contributes to traceability and transparency.

Grebb: That is always a difficult situation, but that's where organizations like the Food Alliance play a large role in being able to make that connection. There is more work we can do in that as well, and I think that's the challenge that [operators] are going to be seeing—creating those links. Because it's hard for us as farmers to find somebody to talk to, but when you get the end users and the consumers and producers together, I think we can create that dialogue.

Erbach: We take students out to the farms. We take our employees out to the farms in the summer. When farmers are in their own environment it's easier to show what no-till farming is or what your farm operation looks like. Then in the fall we invite the farmers to come and talk with us, and we're doing more and more of that.

Dorf: For the past couple of years we have worked with Bon Appetit Management Co., where we've had chefs come out and participate in harvest. They've actually rode the combine and seen how we do this. They walk the fields and they meet the farmers, then produce a big dinner and they all eat together. This year we're doing this in the middle of the growing season in Spokane and it's going to be great. I will admit, five years ago, prior to reading Pollan's *The Omnivore's Dilemma* and starting to think about where our food comes from, I didn't know about [these farmers]. And I think I'm like 99.9% of the population. You know, you want to believe in the American agrarian image in our minds, but I actually

didn't really believe that it existed. It does, still. And to have family farms, where there have been four generations tilling the soil, it blows my mind to think about it, as a non-farmer.

Grebb: The continuation of those kinds of events will help. Shepherd's grain has been doing those kinds of events for years and now, for instance, we're going to piggyback off that. It expands itself as those things occur. So my personal feeling is that we'll see a continuation of interest and venues for people to see. And Truitt Brothers has been doing a tour also.



Truitt: I have an anecdote about this issue of urban farms. I live in Salem, which although it is the capital is really just a hick town. Right in the middle of the Willamette Valley, agriculture was and still is what makes it run. During harvest season, the producers harvest their crop and move their harvesters down the road and always slows down traffic. It used to be a way of life and everybody was used to it. I was going home one night and there was a convoy of harvesters inching down the road and people were just honking. And it dawned on me that we've really lost something. The urbanites really don't understand they are disparaging such a noble thing.

Dorf: There has been a groundswell of interest in local farms during the last five years and whether it's for health reasons or the environment, this is just the beginning. People are consciously saying that I can effect change by what I eat in a different way than changing a lightbulb. This is a growing consciousness, if a small one, today.