

FOOD HUB CASE STUDY

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The Local Community Food Centre

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RATIONALE

The Local Community Food Centre (or, simply, 'The Local'), and its food hub (called 'The Storehouse') is an innovative model that maximizes the benefit of large local food donations, facilitates bulk purchasing, and coordinates a response to not-for-profit community organizations' food



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needs. The Local provides an example of how Ontario can change what kinds of foods are used in food programming by service providers, as well as the way in which food is distributed to low-income citizens.

BACKGROUND

HISTORY/FOUNDING

In 2008, the Perth County Food Security Coalition, which consisted of various local food security stakeholders (including the Food Bank, Community Meals and Student Nutrition Programs) identified an important opportunity. Because Perth County is such an abundant agricultural area, there was significant potential to access large amounts of surplus food for donation to organizations dealing with emergency food provisioning and food programming. However, individual service organizations were not able to take full advantage of such opportunities because they lacked the infrastructure (such as cold storage) or daily client volume to manage large-scale perishable and non-perishable food donations.

A food hub was therefore identified as a need in the community for two main reasons. Firstly, it could serve as a central location for bulk food donations, coordinating them for distribution to various agencies, processing perishable foods that could not be used immediately by organizations, and storing foods in freezers and warehouse space so it could be accessed on an as-needed basis. Secondly, there was significant collective buying power in the local not-for-profit sector for certain products, particularly meats. This was not being leveraged due to a lack of any centralized coordination of orders, and a lack of cold storage at many agencies. As a result, many agencies were paying retail or near-retail prices for purchases.

A food hub was proposed as a means to provide a centralized location for food donations and the coordination of bulk purchases, as well for storing and inventorying this food. The idea of a food hub to serve service organizations attracted the attention of Community Food Centres Canada (CFCC) and, partly

because of this food hub proposal, CFCC invested in starting The Local Community Food Centre, with the Storehouse food hub as a flagship program.

GOALS

As a Community Food Centres Canada (CFCC) location, The Local has three core areas of programming: Food Access; Food Skills; and, Education and Engagement. The vision of The Local Community Food Centre is:

“to build access and skills so that **everyone** in our community can enjoy nutritious, quality food to lead a healthy life!”

(The Local website, 2014)

The Storehouse is an integral part of enacting this vision, as its main goal is to be the intermediary between local food that is available for donation, and the organizations that are working to provide good healthy food to those who lack access. Although the hub strives to source as much local food as possible, its main priority is that foods be healthy and fresh. As a result, it accepts fresh, healthy food donations from wholesalers and other food service providers regardless of product origin.

HOW IT OPERATES

The Local accepts bulk food donations from local farmers and distributors in The Storehouse, and also purchases bulk orders (mainly of meat). Donations either get dropped off, or The Local uses a truck from a local business to pick them up. Area service providers are able to check what items are available and place orders through an online system. They receive the food at cost, and pick up their orders at The Storehouse. Foods that are close to their end of usable life can be processed on-site (frozen or canned) in The Local’s commercial kitchen.

ACTORS AND TARGET MARKET

The Local has cultivated relationships with many different food businesses, receiving donations from food distribution companies, greenhouses, produce auctions, and individual farmers. Most of the donors are small businesses, with a few medium-sized businesses (notably, greenhouses). The Storehouse prioritizes purchasing – as opposed to accepting donations – from small-scale local farmers whenever possible. Although they do receive some donations from this group, they do not actively seek them out. Approximately 5 large-scale farmers and/or processors and 3-5 small-scale farmers provide the bulk of the food (depending on the time of year).

The Local provides food to the not-for-profit social services sector in Stratford and area. All agencies must apply to The Local and be registered to place an

order. At the time of research, the food being aggregated at the hub was being used by approximately 35 agencies on a consistent basis, with another 15-20 agencies making occasional orders. These agencies include emergency food providers, church pantries, community meal providers, school programs, and group homes. The Local would ideally like all food donated to remain in the community; however, this would require them to grow their network of participating service providers. At the time of writing, The Storehouse was providing some perishable foods from bulk donations to service providers in other communities groups to avoid waste.

In addition to supplying other service providers, The Storehouse provides food for The Local's own programs. Participants in these programs are often citizens with limited voice, and The Local provides a forum and tools for them to engage more actively as members of their local community. The Local also relies on approximately 60 volunteers, who are key actors in the operation of the hub. Among their many activities, volunteers participate in the 'Harvest Club', a group that gleans foods from local farms and orchards for use at The Local.

SCALE OF OPERATION

At the time of research, The Storehouse at The Local had:

- One full-time employee managing the warehouse (supported by 4 full-time staff members at The Local, who have some overlap with The Storehouse).
- A network of approximately 60 volunteers.
- 4000 square feet of space in the warehouse, including two walk-in freezers.
- Access to The Local's commercial kitchen, used to process donated foods that are nearing the end of their shelf-life, as well as for programming and community meals.

The product moved through the hub in 2013 included:

- Approximately 100 000 pounds of foods (including produce, meat, milk, and limited dry goods such as crackers and tortillas).
- Between \$100 000 to \$200 000 worth of food donations (consisting of a lot of seconds and surplus foods).
- Approximately \$20 000 of purchased foods
- Product donated directly by approximately 8 farms, as well as by a variety of processors and intermediate businesses.

STORIES FROM UP & DOWN THE FOOD CHAIN

The Storehouse at The Local was designed to meet the needs of local not-for-profit service providers in the area, including food pantries, Student Nutrition Programs, and other service providers that focus on food needs in the community. Two service providers, both church-run food providers that use The Storehouse on a regular basis, participated in the research for this report.

One church pantry has been working with The Local since its founding. Over time, the food from The Storehouse has become essential to the pantry's operation, with between 10-20% of its food coming from the hub. This pantry orders donated food and also purchases frozen meat at the bulk discount price from The Storehouse. Its philosophy has changed over the past few years, to focus on providing more fresh food and produce and dissuade distribution and consumption of processed food. Accessing The Storehouse at The Local has been integral to helping the pantry meet this goal, as it has resulted in a broader selection of available healthy, local foods for their clients, including fresh produce such as tomatoes and cucumbers, as well as apples, and root vegetables such as potatoes. The pantry is able to have a more stable source of food, as it no longer relies on donations from church parishioners to meet all the food needs. In addition, whereas pantry volunteers used to constantly look for sales at local grocery stores and buy at retail prices, now the coordinator can follow The Storehouse's stock online and minimize the need for supplemental retail purchases.

A second organization has completely changed the way it delivers emergency food to its clientele since getting involved with The Local in January, 2014. Up until that time, the organization had exclusively dealt with dry good staples, and also provided food vouchers allowing clients to purchase food at five local retailers. This system created financial strain for the organization, and it could only afford for clients to access its service once every 8 weeks. In working with The Local's Storehouse, the service provider became able to meet approximately 15-20% of its food needs, accessing donated fresh produce and staples for free, and purchasing milk, eggs and meat at cost. This has made it possible to discontinue the expensive food voucher program, and has reduced dependence on donations from church parishioners. As a result, clients can now access the program every four weeks, and there is fresh produce available to them as well as a greater variety of staple foods.

IMPACTS AND BENEFITS

As the stories in the above section demonstrate, The Storehouse at The Local has been beneficial for service providers, who can take advantage of large food donations and have access to a food supply for their programs that is more stable, cost-effective, fresh, healthy, and local. Of particular note is the increased

access to fresh foods, which tend to be difficult for service providers to come by. There is also better access to local meat at an affordable price. Being able to avoid retail prices enables some service providers that had not previously been able to afford it to add meat to their list of available foods. This is all achieved without additional stress on the scarce resources of service providers, as the centralized distribution system eases logistics.

From a farmer or distributor perspective, the hub provides a one-stop donation location for food surpluses, making food donation easier and potentially more impactful as they reach the providers who can best use the foods. This one-stop donation can also lead to less waste of highly perishable foods. For the bulk purchases of meat (and, to a lesser extent, dairy), there is a new market opportunity for farmers, one that also provides a social benefit to the community.

The staff at The Local is keenly aware that they need to be able to demonstrate impacts that justify the costs of running The Storehouse. As Executive Director Steve Stacey asks:

If we are spending, say \$100 000 a year to run the Storehouse – I think that is what it is if you calculate [The Storehouse manager] salary, rent and everything else – you know, would it have been easier to just go out and buy \$100 000 worth of food and just have it delivered to the Food Banks and such? So that is a question we are continuing to grapple with.

He notes that through The Storehouse, The Local is “providing new service, it is a good service, it is something that the community is valuing more and more as we go forward. Ultimately, what is going to justify that expense is the uptake [by local service providers].”

If the food is perishable and cannot be used in the immediate community, then there are benefits to organizations in other parts of Southern Ontario. For example, The Local has connections to not-for-profit food organizations in Guelph and Huron County, and will pass food that is not being used on to these organizations.

The Local Community Food Hub provides a viable alternative to the piecemeal manner in which food provisioning currently operates across Ontario. It provides a model that can be replicated and tailored to other communities in Ontario, to provide access to fresh, healthy and local foods to the most vulnerable populations in each community. Appendix A provides a description of The Seed Community Food Hub – an organization that been exploring this model for food provisioning in Guelph, Ontario.

POTENTIAL FOR EXPANSION

IDEAL SCALE

The three main factors that determine the ideal scale of The Storehouse at The Local are:

1. The physical space available for the hub. The warehouse is currently under capacity and there is room to store more food, although the refrigerated space is almost at capacity. Ideally, the entire space would be filled on a continuous basis to provide a reliable source of local food.
2. The demand from service providers. The demand from local service providers has been increasing in the short time that the hub has been in operation; however, food is still sometimes left over, in which case it is sent to service providers in nearby cities and municipalities. The ideal would be for enough local services to be participating in the hub so that the supply and demand would be more closely matched and there would be less need for transportation further afield.
3. Capitalizing on the full potential of donations from farmers, processors and distributors. The Local is making ongoing efforts to raise its profile and increase awareness amongst potential donors, as the staff believes there are still many untapped sources of food donations. As the demand from service providers is expected to increase, and as there is a specific demand for fresh foods, the hub requires donations to keep pace with this demand.

The Local has explored the option of renting additional storage space that is located adjacent to their current hub, and using it to operate a for-profit food hub that would function as a social enterprise serving other groups in Stratford and area, notably the restaurant industry. A feasibility study was undertaken [when] and both farmers and restaurant chefs and owners expressed a desire for this type service. In order to make the initiative work, The Local would need access to capital for the initial start-up (including for staffing and renovating the warehouses), and also potentially access to proper transportation (a refrigerated truck) for a delivery service.

OTHER CHALLENGES

LIMITATIONS TO SUPPORTING LOCAL FOOD

The limited budget of the Local Community Food Centre, and of the service providers who access The Storehouse, is the greatest barrier to supporting local food. The Local has a long-term goal to source sustainable and/or organic local foods, but currently cannot entirely meet this goal due to the associated price premiums. They believe that local food is a step towards sustainable because of

the reduced footprint of local foods. For purchased goods, the organization does seek out local foods (notably, meats) but for donated goods the priorities are healthy and fresh over local. The organizations that use the hub have price point as a priority in their decision-making about what foods to source. The Local would like to eventually be able to track foods in The Storehouse system so that location of origin could be provided to those making orders and organizations that value local food could make sourcing choices accordingly. Beyond the price issue however, another key limitation is that the foods that some organizations use regularly are not always available locally because of seasonality. To serve these clients, The Local does have to turn to imported foods.

OTHER CHALLENGES

- **Funding:** As a not-for-profit, The Local must fundraise enough money to sustain its existing operations, and to grow if/when the needs of their community grows. A challenge to this is the current granting environment, which tends to favour new ideas and start-ups over the operational costs of already existing programs. The Storehouse has fixed costs that may not be eligible for funding in the 'need to innovate' funding environment. Yet, there is a need for a stable source of funding to ensure long-term viability.
- 4. **Sourcing Food:** Staff at The Local believe there are many untapped food sources for donation in the area. Alongside this, there is the challenge to have a more predictable source of food. "We would love to have a schedule but ...it is often feast or famine... We will have a week where there is no food and then the next week it is like 'What are we going to do with all this food?'" (Steve Stacey) This unpredictability makes it difficult to plan staff and volunteer hours, and can be a challenge for service organizations trying to plan and budget for menus and food boxes.
- 5. **Transportation:** The Local currently uses a borrowed refrigerated truck when they need to pick-up a large donation or order that requires refrigeration, or otherwise transport food. However, having their own transportation would make their day-to-day operations easier and more cost-effective. At the time of research, The Local had secured a grant (through Farm Credit Canada) to partially fund the purchase a refrigerated truck.

STRATEGIES FOR SUCCESS

LESSONS LEARNED

In the first few years of The Local's operation of The Storehouse, a number of key lessons were learned related to the common theme of creating relationships through food. These lessons include the importance of:

- Developing strong relationships with distributors and farmers, and continually networking with partners in the fresh food industry.
- Developing equally strong relationships with the not-for-profit sector, and understanding their needs, while also pushing the boundary with organizations that want to incorporate more local and fresh foods into their programs.
- Involving the broader community in The Local, leading to a network of support from local government, community groups and individuals, and using food as a means to transform community.

NEXT STEPS

The Local is a relatively new organization and is still in transition. The Local continues to build connections with food distributors, farmers and other businesses, as well as with local not-for-profit organizations that run food programming to increase the impact of their Storehouse and other programs. The goal is to use more of the food that is donated in local programs (rather than distributing to other regions of Southwestern Ontario), and to build up a steady supply of donated foods, and expand into some healthy canned foods. The Local would like to better track local foods, to pass on this information for the organizations purchasing from them.

Beyond this, there are a few potential avenues that are being explored. The first is creating a food box program. Along with this, there is a desire to make the warehouse look more welcoming for people so that it could function more similarly to a typical grocery store, with food displayed in aisles for people to choose. As discussed above, another idea that has undergone an initial feasibility study is to expand into additional on-site warehouse space to sell local food to local restaurants (many of which rely on the seasonal tourism industry) to support local farmers and also provide some subsidy for the Storehouse's operating expenses.

RELEVANCE BEYOND THE CASE STUDY

The Storehouse at The Local provides an interesting example of the potential uses of local surplus and seconds for the not-for-profit service industry in Ontario. Since the passing of the food donation tax credit for farmers in Ontario, there is the potential for more bulk fresh food donations from farmers in the province. Yet, the infrastructure and logistics required to process and distribute these donations may be lacking in many communities, especially the smaller urban centres in largely agricultural areas. Without proper infrastructure and efficient logistics, these much-needed donations may not be used to their full potential, or reach those who could most benefit from healthy, fresh, local foods. The Local's Storehouse provides a model for how these donations can be efficiently and effectively used by organizations, by providing a centralized location for storage,

processing and distribution of donated foods. This benefits the farmers donating, the service organizations and, ultimately, the citizens who are accessing emergency and service food provisions. The longer-term goal of all Community Food Centres is to challenge the current system through policy and social change, to reduce and eventually eliminate inequality, and therefore make emergency food provisioning obsolete. The relevance beyond the case study can be demonstrated through how The Seed Community Food Hub in Guelph has drawn from The Local, and specifically their Storehouse, in its own design and development (see Appendix A).

APPENDIX A: THE SEED COMMUNITY FOOD HUB

LEARNING FROM THE LOCAL

The Seed Community Food Hub (The Seed) in Guelph, Ontario, provides an example of how an existing food hub, The Storehouse at The Local Community Food Centre, can inspire and support the development of similar initiatives. The Seed is a coalition of community partners that is looking to start a community food hub based largely on the principles of the Community Food Centres Canada model (discussed above in The Local case study). The Seed is drawing specifically from The Local, and The Storehouse food hub model, along with locally-based research and community consultation, to design a hub to serve the Guelph region.

The Seed Committee identified many similarities between the local contexts and community priorities in Guelph and Stratford. Specifically, there is a common need for a centralized location to coordinate local fresh food donations, and a shared focus on reducing the stigma associated with accessing food. The Seed Committee has had ongoing consultation with the director of The Local, and has drawn from the concrete example that The Storehouse provides, along with other examples of good practices in emergency food provision. Its goal is to start a food hub to meet the needs of low-income citizens and the not-for-profit agencies that serve these citizens in the Guelph area.

HISTORY

The Seed grew out of an identified need for long-term solutions to some of the issues of food access for low-income citizens in Guelph, Ontario. Starting in 2010, the Guelph & Wellington Task Force for Poverty Elimination (or PTF) sought options to best serve the needs of its community with respect to emergency food. In collaboration with the University of Guelph's Research Shop, a number of studies were conducted that identified barriers to food access, including insufficient supply of nutritious and fresh foods, and the stigma of accessing emergency foods.

With a committee that included stakeholders from local government (County of Wellington and City of Guelph), community services (Wellington-Dufferin-Guelph Public Health and Guelph Community Health Centre), citizen groups (Guelph Neighbourhood Support Coalition and PTF) and the University of Guelph, a decision was made to support the creation of a food hub to address these needs. This decision was based on the results of 3 years of background research and significant community consultation.

GOALS

Similar to The Local (and to all Community Food Centres), a goal of The Seed is to provide an alternative to the food bank model of emergency food provisioning. The specific goal of The Seed is to create:

“[A] space to bring people together with food to improve health, community, access and advocacy efforts. The Seed will provide emergency food access in a dignified setting that allows people to regain their self-worth.”

(Poverty Task Force website, 2015)

Drawing on the lessons learned from The Local, The Seed has put a priority on creating strong relationships with the not-for-profit sector and with the community. Engaging various stakeholders has been a key strategy for success, and this engagement has informed the goals of The Seed, as well as helped to map a path forward.

PATH FORWARD

In 2014, The Seed secured a three year grant from the Ontario Trillium Foundation to begin the process of setting up the hub. This process will include: hiring a coordinator; determining the resources that are available in the community; determining the best site for the hub; consultations with various stakeholders to build the hub to meet the specific needs of the community; and, continuing to build the network for the hub. As the process moves forward at The Seed, the committee will continue to consult with The Local, along other key stakeholders within and outside of Guelph, to learn from their experiences.