

[SDFOODVISION2030.ORG](https://sdfoodvision2030.org)

Objectives 1-4 address major, interrelated challenges that San Diego County farms, fisheries, food businesses, and workers face in bringing food from farm and ocean to plate.

OBJECTIVE 01

Decreasing land in agriculture, declining fisheries, climate change impacts, limited succession planning among aging producers, and disparities in farmland ownership all threaten the future of long-term food production in the region.

OBJECTIVE 02

Market concentration within every sector of the food system decreases opportunities for small and midsize farms, fishing operations, and food system businesses to be viable.

OBJECTIVE 03

Major increases in food imports—in combination with market concentration—makes it challenging for local food products to make their way to grocery stores, corner stores, and restaurants.

OBJECTIVE 04

Wage stagnation over the past 40 years and low wages for food system workers limit the ability of our most essential workers to lead healthy, comfortable lives, and pursue viable careers.

OBJECTIVE 03

Scale Up Local, Sustainable, and Equitable Food Value Chains

STRATEGIES AT A GLANCE

- Invest in aggregation, processing, storage, distribution, and marketing infrastructure
 - Develop producer collaboratives and food hubs
 - Increase local, sustainable, and equitable procurement by restaurants and retailers
 - Leverage the purchasing power of institutions
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Introduction

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- After it is grown, caught, and raised, food travels through a vast and interconnected web before ending up in grocery stores, cafeterias, markets, restaurants, and home kitchens around the world. The relationships and transactions involved in getting food from farms and oceans to eaters across the globe form what we call *food supply chains*.
- Food supply chains include storage, aggregation, processing, distribution, and marketing. They can range from short and direct to long and circuitous, often straddling international borders. Decisions made across the supply chain significantly influence the sustainability and equity of our food system.
- The dominant food supply chains in America move trillions of pounds of food over thousands of miles, to feed millions of people. Shockingly long, based on mass production, and controlled largely by a small group of corporations, they create distance between producers and consumers, suppress biological and cultural diversity within food systems, accelerate market concentration, and dispossess communities of their food sovereignty. They also push prices down for producers and generate significant waste. Most regions of the country, however, including San Diego County, have become reliant on these global and national supply chains to feed their communities.



Infusing Values into Food Supply Chains to Create Food Value Chains

Over the past several decades, alternative movements that seek to transform industrial food systems have emerged across the country. These alternatives center the *relocalization* of food supply chains, as well as core values such as authenticity, trust, transparency, health, fairness, community, and sustainability.¹

Values-based food supply chains, or *food value chains*, are a response to an increasingly concentrated marketplace that is squeezing out small and midsize food businesses. Food value chains seek to build community wealth by cultivating relationships across regional supply chain businesses (producers, aggregators, processors, distributors, retailers, etc.) and spreading wealth equitably among them. Food value chains help differentiate local products, create an economy of scale for small and midsize producers, and match consumer demand with healthy, sustainable food from the local supply.²

Food value chains embody the following:

- **Shared values:** Values guide decisions made throughout the supply chain and include commitments to goals such as the humane treatment and welfare of animals; support for the local food economy; support for family farms; environmental stewardship; equitable ownership structure; fair wages; commitment to diversity; prioritization of nutrition; sustainable production methods; and food sovereignty.
- **Aggregation and logistics:** Some form of product aggregation takes place, whether at a central hub or storage facilities located on farms, and transportation takes place either by vehicles owned by the food value chain, vehicles owned by markets, or third parties.

¹ Martinez, Steve et al., May 2010, *Local Food Systems: Concepts, Impacts, and Issues*, USDA Economic Research Service, Economic Research Report Number 97, https://www.ers.usda.gov/webdocs/publications/err97/7054_err97_1_.pdf.

² Diamond, Adam, et al., May 2014, *Food Value Chains: Creating Shared Value to Enhance Marketing Success*, U.S. Department of Agriculture, Agriculture Marketing Service, <http://dx.doi.org/10.9752/MS141.05-2014>.

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- **Branding:** Food value chains tell a values-based story about why products are different (whether under an umbrella brand like [Organic Valley](#), co-branding, or the maintenance of an individual brand).

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Food value chains can be fostered by investing in the following:

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- **Food Hub:** Food hubs are facilities that aggregate, store, process, distribute, and/or market food from local and regional producers to reach markets of all types and scales, including individuals, restaurants, retailers, and institutions.

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- [Red Tomato](#), a food hub based in the Northeast that aggregates, distributes, and markets products from 32 midsize farms in 9 states. Partnering with farmers and distributors, Red Tomato focuses on sales, marketing, and product development.

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- [Farmers to You](#) aggregates products from over 90 farms and food processors in Vermont on an online marketplace. Similar to a community supported agriculture model, customers from the Boston area can join, go on the website, select the products they want, and then Farmers to You delivers them.

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- [Veritable Vegetable](#) is a women-owned, certified B-Corp, organic produce distributor based in San Francisco that focuses on midsize farms. Veritable Vegetable has a hybrid electric vehicle fleet and an aggregation warehouse.

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- [Mandela Produce Distribution](#) is a food hub in Oakland that supports local, limited-resource farmers using sustainable practices. Mandela Produce Distribution aggregates produce from small family farmers within a 150-mile radius and sells to retailers, institutions, restaurants, and other mission-aligned community based organizations.

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- **Producer Co-op:** Producer cooperatives are owned and operated by producers who work together and share pooled resources to process, market, and distribute their own products.
 - [Western Montana Growers Cooperative](#) is a farmer-owned cooperative in Montana that markets and distributes a variety of food products to grocery stores, restaurants, and institutions and to individual customers through a community-supported agriculture (CSA) program.

- [Hmong American Farmers Association](#) in Minnesota advances the prosperity of Hmong American farmers through cooperative endeavors, capacity building, and advocacy. Together, they aggregate and sell their produce through community-supported agriculture (CSA) shares, schools, retailers and institutions.
- [Deep Root Organic Co-op](#) is a farmer-owned cooperative based in northern Vermont and southern Quebec that aggregates organic produce.
- [Port Clyde Fresh Catch](#) is a Maine fishermen's cooperative that sells seafood to restaurants, fish markets, and through community supported fishery (CSF) subscriptions.
- **Value Chain Facilitator:** Value chain facilitators are matchmakers or relationship builders that are typically nonprofit organizations. The [Vermont Farm to Plate Network](#) illustrates two successful examples of value chain facilitation:
 - [Meat processing:](#) Support system organizations facilitated information sharing and collaboration between livestock producers and meat processing facility owners which resulted in more coordinated technical assistance and public investment in Vermont's meat industry. These value chain facilitation efforts successfully relieved processing bottlenecks, created new market opportunities for local producers, and further developed Vermont's meat industry.
 - [Independent grocery stores:](#) Support system organizations surveyed independent retail stores, conducted in-depth local food assessments, and identified key [challenges and opportunities](#) for integrating more local food into stores. The team assists store owners, provides trainings, and publishes a monthly e-newsletter with tips and insights for stores and food businesses.

[Daily Harvest Express](#) and [Foodshed](#) are local examples of food value chains in San Diego County. Scaling up these businesses and developing additional local, sustainable, and equitable food value chains in San Diego County is critical for preserving the viability, sustainability, and diversity of our local farmers, fishermen, and food producers.

Commentary



Returning Control of Food Production, Distribution, and Sales to Our Community

CHUCK SAMUELSON, FOUNDER, [KITCHENS FOR GOOD](#)

An entrepreneurial approach is key to scaling up local, sustainable, and equitable food value chains. Enterprise is the correct model, but government and philanthropy must play a more prominent role in order to move away from the “dominant single player” model (think Amazon, Google, Facebook, Nestle, PepsiCo, Anheuser-Busch InBev, and Tyson Foods) and toward alternative models rooted in diversity, sustainability, and equity.

We need to shift away from the traditional linear supply chain to a more resilient, equitable, and interconnected hub and spoke system. One that facilitates the movement of goods and acts as a connector rather than an extractor.

The goal should be decentralization and hyperlocal whenever possible along with cooperative ownership of equipment and facilities. Technology also has a role, especially to facilitate connectivity among local suppliers and artisans.

Additionally, we must increase the diversity of business ownership and management across food supply chains as it relates to both gender and race. While almost 60% of white households have equity in businesses, that percentage drops to the low 20’s for BIPOC households. We must return control of production, distribution, and sales to our community, especially for women, BIPOC, and LGBTQ populations. We cannot achieve our goals for resilient food value chains without addressing historical racism in our food system at every level.

In much the way that the San Diego Food System Alliance brings together diverse groups for collaboration and advocacy, we must create the means to produce, process, sell, and distribute in our communities. This could look like co-ops for growers and fishermen, for co-packing and manufacturing, and for distribution. We also must have more support for nascent food entrepreneurs in the form of low or no-cost incubators and accelerators.

Far too many people for far too long have been shut out of the “American Dream.” I think that dreams are nice and can be great, but I am much more interested in promises. Promise me how you will help in this fight to return control of our food economy to our communities and I promise you that I will do everything in my power to help you.

Core Challenges

The core challenges affecting the scaling up of local, sustainable, and equitable food value chains in San Diego County are:

- Achieving economies of scale
- Building aggregation, processing, storage, and distribution infrastructure
- Balancing supply and demand

Achieving Economies of Scale

Economies of scale have traditionally only been achievable by large businesses and corporations. Since the 1980s, corporate mergers and acquisitions within the food industry, supported by government subsidies, have led to a few large companies holding the power to “make decisions about what food is produced, how, where and by whom, and who gets to eat it.”³

This centralization of power has resulted in a consolidated food supply, and reliance upon supply chains that often source exclusively from a few large farms, fisheries, and food businesses. The more these large businesses and corporations command markets, the more they are able to bring their costs down while driving production up—achieving the low consumer prices and generous company margins that keep them in power, and that small and midsize businesses struggle to compete with.

With the power of cooperation, however, small and midsize businesses today *can* also achieve their own economies of scale. A co-op of small businesses, for example, can make purchases together, market their products together, hire service providers together, and even secure property together—thus sharing risks, gaining collective marketing and buying power, and reducing per-unit costs for common purchases.

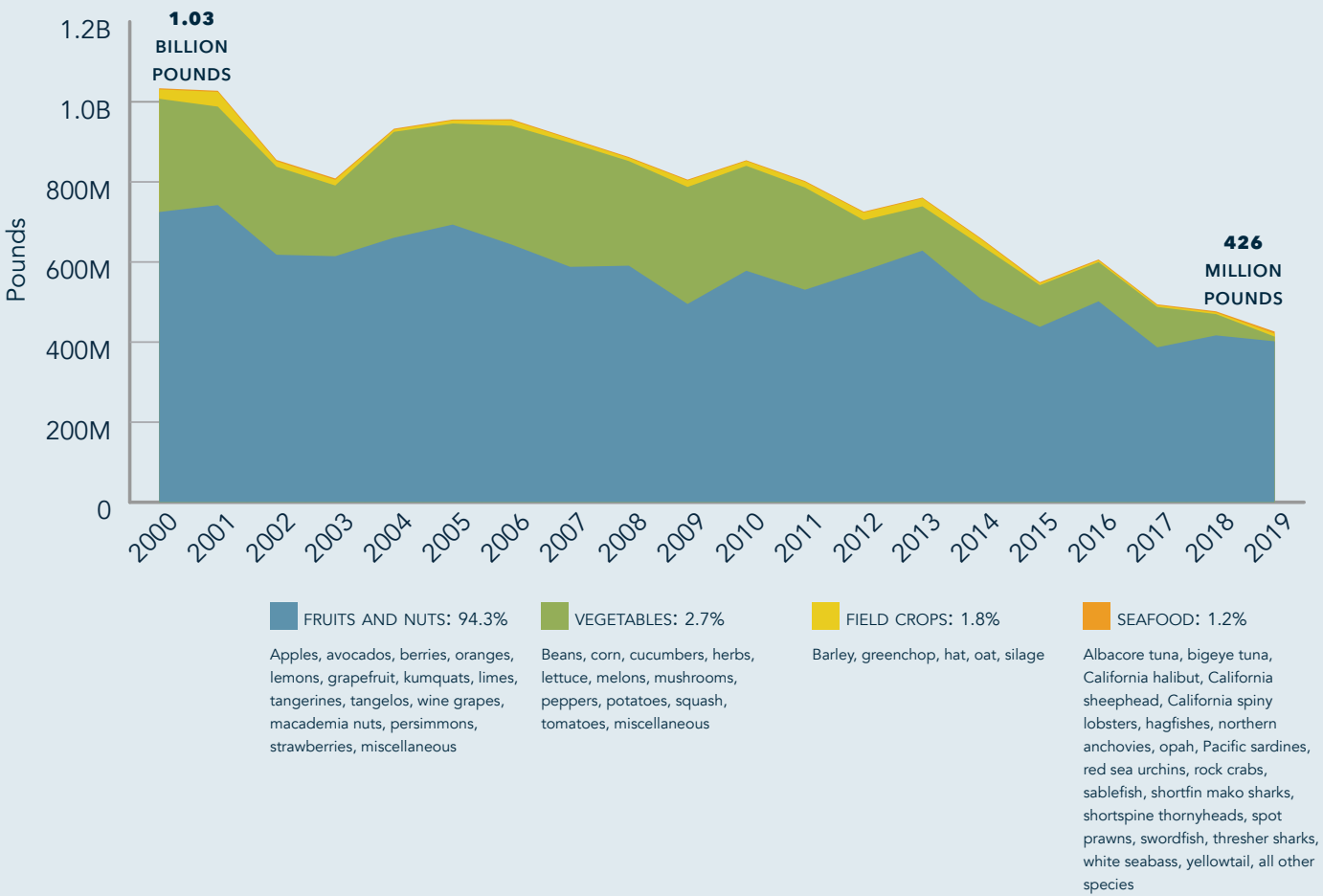
Of course, scaling up San Diego County’s ecosystem of small businesses enough to form a supply chain that can compete with corporate economies of scale is a long-term challenge. For example, estimates of food production in San Diego County indicate a substantial drop in production—several hundred million pounds—from 2000 to 2019 (Figure 1). Fruit production accounts for the vast majority of food production in San Diego County, and oranges, lemons, avocados, and grapefruit account for the majority of fruit production. As acres of oranges and avocados have decreased, so have crops yields.

Competing in this space requires many external factors to be in place: extensive support services and financing programs for small businesses, government funding for infrastructure, and a shift in consumer awareness and demand. Investing in San Diego Counties small and midsize farms, fisheries, and food businesses—especially those owned by BIPOC or individuals from marginalized groups—and helping them achieve economies of scale is essential for building more sustainable, equitable, and resilient food supply chains in our region.

³ Howard, Philip H. and Mary Hendrickson, February 17, 2021, “Op-ed: Monopolies In the Food System Make Food More Expensive and Less Accessible” *Civil Eats*, <https://civileats.com/2021/02/17/op-ed-monopolies-in-the-food-system-make-food-more-expensive-and-less-accessible/>.

FIGURE 1

San Diego County Food Production in Pounds

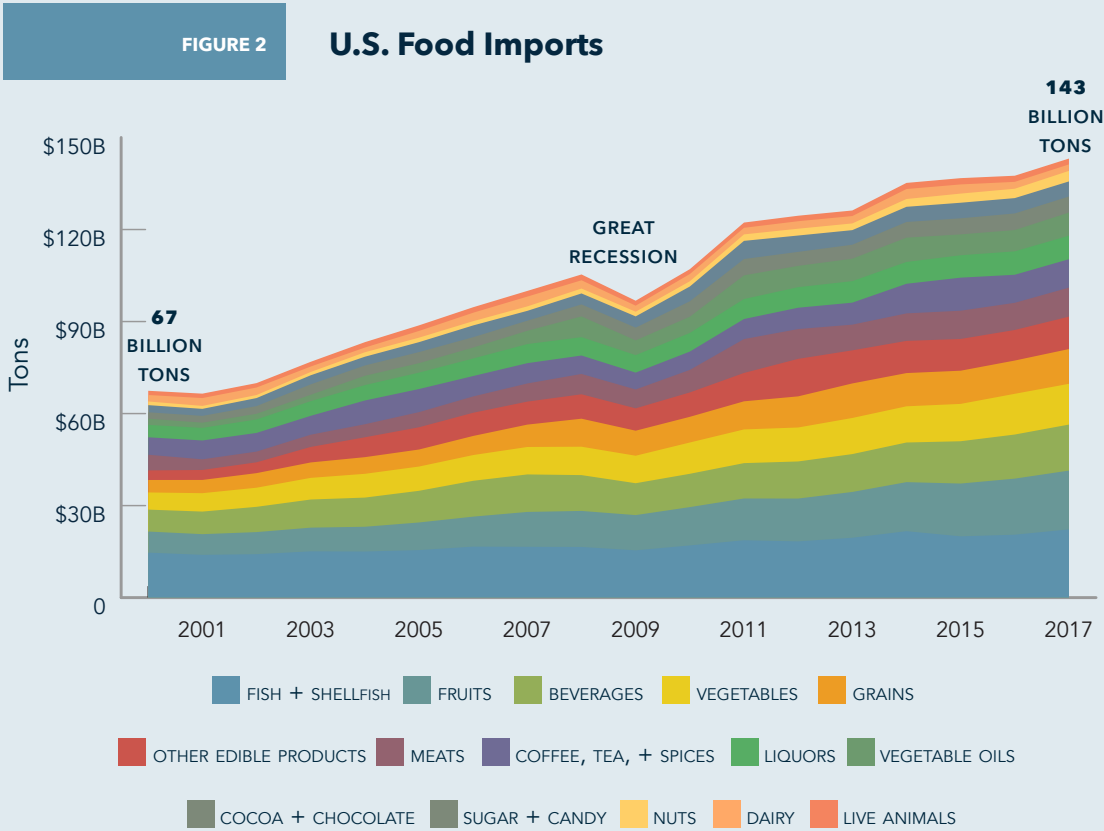


Source: County of San Diego Department of Agriculture, Weights, and Measures, Crop Statistics & Annual Report, multiple years. Note: The value for tomatoes and peppers was suppressed in 2019. Field crops includes animal feed. Pound estimates for livestock, livestock products, honey, and other vegetables were not available.

COMPETING WITH FOOD IMPORTS

Imported food makes up a growing percentage of our country's food supply. In fact, what may seem like domestic competition from large American food companies often involves imported food products and/or foreign labor.

From 2000 to 2017, food imports to the United States increased 112%, from \$67 billion to over \$143 billion. Of particular interest to San Diego County, a region with a prominent fishing industry and fruit production, were fish and shellfish (15.5%) and fruits (13.4%), the top two categories of food imports (Figure 2). Data from the County of San Diego Department of Agriculture, Weights, and Measures (AWM) and the USDA show that Mexico is San Diego County's biggest trading partner.



AVOCADO SUPPLY CHAINS

More than 90% of the avocados grown in the United States are grown in California. As the largest producer of avocados in California, San Diego County grows more than 30% (71 million pounds) of the state's total, even as acres in avocados have decreased 42% and sales have trended downward. Mexico however, is far and away the global leader in avocado production, with over 5 billion pounds—worth \$2.4 billion—grown in 2019-2020.⁴ The North American Free Trade Agreement (NAFTA) allowed avocado imports in 1997 and imports have dominated the U.S. market ever since. Mexico exports about half of its avocado crops and 75% of its exports go to the United States (Figure 3). The end result is that 78% of avocados available for consumption in the United States are from Mexico.

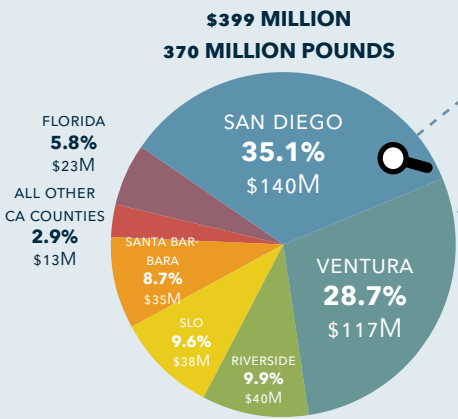
⁴ Food and Agriculture Organization of the United Nations, 2020, FAOSTAT, <http://www.fao.org/faostat/en/#data/QC/>. USDA Economic Research Service, *Fruit and Tree Nuts Data, U.S. Imports: Noncitrus*, <https://data.ers.usda.gov/reports.aspx>.

FIGURE 3

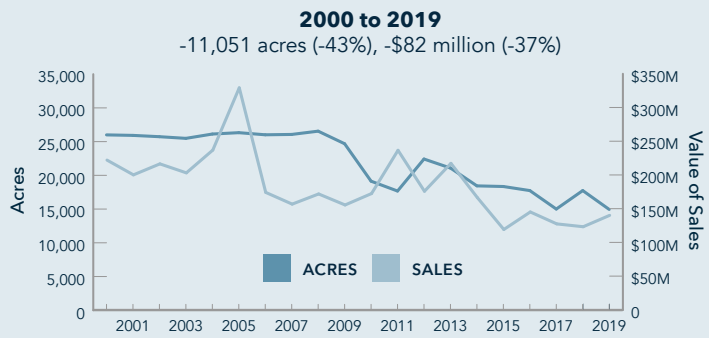
Avocado Supply Chains

In 2019, California accounted for 96% (\$383 million) of the value of U.S. avocado sales and 92% of avocado yields (342 million pounds) ¹. **San Diego County is the top avocado grower by sales in the nation** (\$140 million in sales, 71 million pounds), even as avocado acreage and sales in the county have decreased over the last 20 years ².

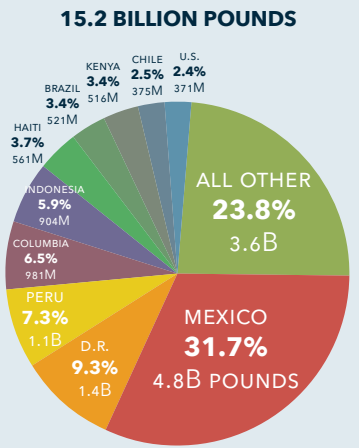
1 U.S. Avocado Production, 2019



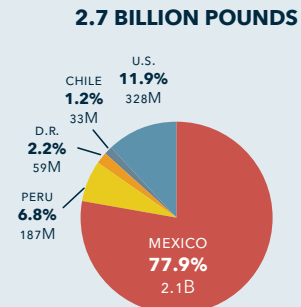
2 Avocado Acreage and Value of Sales in San Diego County



3 Global Production

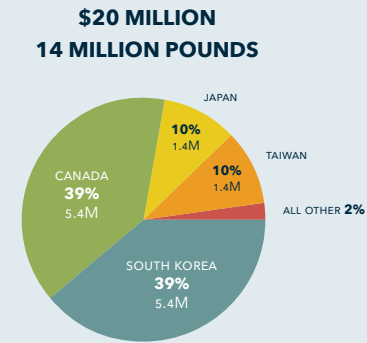


4 U.S. Market



About 89% of U.S. avocado production stays in the American market, but domestic production only makes up 12% of available avocados. Mexico provides about 78% of avocados for consumption in the U.S. market.

5 California Avocado Exports



California produces the vast majority of America's avocados but exports a relatively small amount: about 14 million pounds worth \$20 million to South Korea, Canada, Japan, Taiwan, and a few other countries.

Sources: 1: California Department of Food & Agriculture, 2020, *California Agricultural Statistics Review 2019-2020*. 2: County of San Diego Department of Agriculture, Weights & Measures, multiple years, *County Crop Reports*. 3: Food and Agriculture Organization of the United Nations, 2020, FAOSTAT. 4: CDFA and USDA Economic Research Service, *Fruit and Tree Nuts Data, U.S. Imports: Noncitrus*. 5: CDFA.

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■ Building Aggregation, Processing, Storage, and Distribution Infrastructure

Moving food from farms and oceans to kitchen tables requires infrastructure. The majority of infrastructure that exists today for aggregating, processing, storing, and distributing food is on a large scale and is primarily owned by national and global corporations. Investing in local infrastructure is essential for scaling up food value chains that can support small and midsize farmers, fishermen, and food businesses in San Diego County.

The types of infrastructure needed are trucks, refrigerators, freezers, warehouses, processing kitchens, and storage facilities, all of which require significant capital investment and are often out of reach for small and midsize producers.

Throughout the Food Vision 2030 process, we consistently heard the need for building critical infrastructure across all supply chain actors, from farmers and fishermen to restaurant and retail owners. This need was highlighted in the [County of San Diego’s State of the Food System Report](#) as well. There is limited produce, livestock, and seafood processing infrastructure in San Diego County. Finding affordable and adequate warehouse space is challenging for local food processors and manufacturers. In fact, many processors and manufacturers incubate in San Diego County and then leave the region to scale up with contract manufacturers in Los Angeles County. Another key challenge that was expressed by farmers, fishermen, and food business owners alike is navigating the maze of permitting and licensing requirements for facilities and infrastructure. And finally, all food businesses voiced challenges with accessing capital and/or government support, especially socially-disadvantaged and BIPOC owners and/or those serving low-income communities.

The need for aggregation and distribution infrastructure was expressed by buyers as well. Jim Kase, General Manager at the [Ocean Beach People’s Organic Food Market](#), tries to buy from as many local farmers as he can but, he highlights two key inefficiencies: “Why should I buy from all these farmers when I can buy from one truck? It’s also inefficient for local farmers to have to ship to a distributor that then comes down here.” From his perspective, “If the producers had one distribution network that we could tap into, that would make our lives so much easier. A clearinghouse, a food hub, would make a big difference.”

■ Balancing Supply and Demand

Balancing supply and demand is central for connecting the dots across all supply chains. Food value chains are no different. Local producers include farmers, fishermen, and food processors and manufacturers, while local buyers include restaurants, caterers, retail stores, cafeterias, institutions, individuals, and more. Matching the products and scale of production from local producers with the needs and scale of demand in markets is not as simple as it may seem. This matchmaking work is challenging and requires logistics management and ongoing communication between producers and buyers.

On the supply side, one key challenge to forming a connected, local food supply chain in San Diego County is the limited availability of locally produced food. Excluding nursery and greenhouse products, San Diego County has three major agricultural crops: avocados, citrus, and fresh tomatoes. In 2019, these three crops together equaled 90% of food produced or caught by San Diego County farmers or fishermen, and 63% of sales. The remaining 10% included diversified fruits, vegetables, herbs, meat, seafood, and honey.⁷ Since most of the avocados, citrus, tomatoes, and seafood are exported, very little food produced in San Diego County remains in the region.

In fact, processors, manufacturers, chefs, and retail store owners consistently expressed challenges with finding sufficient quantities of local produce. In conversations with retailers like [Jimbo’s](#) and [Ocean Beach People’s Organic Food Market](#)—independent stores with a strong commitment to local and organic products—both expressed similar local sourcing challenges.

On the demand side, a key challenge expressed by many restaurants and retailers is that consumers are not asking for local food. Consumer demand for local food indicates an investment in local farmers, fishermen, and food producers and is critical for scaling up food value chains. It is clear that more public education is needed to convey the value of supporting local communities and economies.

Small neighborhood retailers highlighted challenges balancing the cost of local food with thin margins, the lack of critical store infrastructure, and the staffing required to maintain the quality of fresh produce. [Brightside Produce](#) is an example of a small-scale distributor that is working to overcome some of these challenges with neighborhood retailers.



⁷ County of San Diego Department of Agriculture, Weights & Measures, 2020, 2019 Crop Statistics & Annual Report, https://www.sandiegocounty.gov/content/dam/sdc/awm/docs/AWM%202019%20Crop%20Annual%20Report%20spreads%20web_20200805.pdf.



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Brightside Produce

Many San Diego residents who live in low-income and ethnically diverse communities have limited access to healthy foods, including fresh produce. This is a problem that affects communities nationwide. According to [Dr. Iana Castro](#), a researcher and professor of marketing at the Fowler College of Business at San Diego State University (SDSU), and the social entrepreneur who co-founded [BrightSide Produce](#), it is a complicated problem, but it is a solvable one.

“Working on making the connection between where the food is and where it needs to go, doesn’t always get the attention it needs. You have to meet people where they live and work,” Castro explained. BrightSide delivers produce to independently-owned liquor, corner, and small food stores that accept CalFresh to increase access to healthy food options in National City, South and Southeastern San Diego, areas where residents experience higher rates of chronic disease, unemployment, concentrated poverty, and food insecurity. “When access to supermarkets is limited, residents rely on smaller stores in the community, including liquor stores and corner stores. We work with these stores because they are already serving the community.”

BrightSide’s innovative distribution model resulted from developing a deep understanding of the root cause of the problem. It all began in 2014 when Castro taught a retailing class at SDSU. “We were working with a store owner in National City. The store owner wanted to offer fresh produce but he couldn’t. This was interesting to Castro and set her on this path. She wanted to find a solution. Smaller stores face challenges stocking produce because of the lack of distribution to stores and the difficulty of managing the produce category, so we designed a produce distribution service with the needs of store owners in mind.”

National City is different from other similar communities because of [Olivewood Gardens and](#)

[Learning Center](#), a historic farming property that is now a nonprofit focused on teaching the community about food and health through hands-on educational programs, like the Kitchenistas cooking school. “It was one of the factors for us launching BrightSide’s distribution services in National City,” Castro said. “We were hearing from community members that they were learning about the importance of good food from Olivewood’s programs but didn’t have access to fresh, affordable produce.”



BrightSide works with stores that are already primary food shopping destinations for residents to enable them to offer fresh, high-quality, culturally-appropriate, affordable produce to customers. “We offer 30-40 products. Top fruit sellers are bananas, avocados, and limes. For vegetables, we sell tomatoes, lettuce, and five-pound bags of potatoes, among others. Each store carries a unique mix of produce items based on customer demand,” she said. “We present ourselves as produce distributors like the other distributors, but the service is operated by students. We’re not trying to make money, we’re trying to serve a need. Many store owners are interested in helping the students.”

BrightSide began distributing to five stores in National City and now supplies thirteen. “That’s essentially all of the stores that need our services,” Castro said. “Between our stores and the supermarkets, all National City residents have fresh produce within a half-mile of their homes.”

The ultimate vision for BrightSide Produce is to ensure everyone in San Diego County has access to fresh, affordable produce near their homes. “We have expanded to six stores in South and Southeast San Diego and it’s been a slightly different experience,” Castro explained. “There’s even more limited access to fresh food in these neighborhoods than there was in National City. We’re working with some stores

that are the only store within certain areas, so there’s demand, but it’s also essential to have the store owners understand the mission of providing produce at affordable prices. We manage the whole category. We ask them to trust us on that. We give them pricing and ask them to consider our pricing. If they let us manage the category, we buy back anything that has gone bad.”

Castro and her students at SDSU are exploring a variety of options for the future of BrightSide, such as franchising the program so that it can be replicated by other schools, food banks, non-profits, or even government agencies. They are

also exploring the idea of setting up the program as a small business that would provide an individual with a livable wage (the program is currently operated by SDSU students). “We’ve been operating since June 2017. When we started, we said we wanted five years of data before we considered replicating,” Castro said. For now, the team continues to work to bring fresh food to underserved communities, one distribution point at a time. “These stores have been ignored historically. We came up with this solution because we think these stores are the solution to increasing access to healthy foods.”

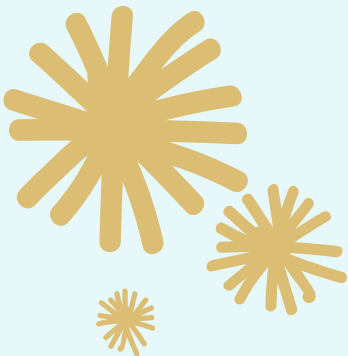
⁸ Stewart, Nora and Prem Durairaj, September 2018, *The State of Farm to School in San Diego County, 2016-2017*, Community Health Improvement Partners, <https://f2icenter.org/wp-content/uploads/2018/09/FINAL-F2S-Report-1.pdf>.

Many restaurant owners also expressed that their distributors did not carry locally produced foods, that local food was too expensive, and that purchasing local food is too complicated. Jessica Waite, restaurateur of [The Plot](#), [Wrench and Rodent](#), and [The Whet Noodle](#), highlights that the key to sourcing local food is building relationships with producers. She points out that “there are a lot of different types of restaurants at different scales. There are a lot of different types of farms at different scales. So it’s about the proper matching of those types and scales. And how mainline distributors could treat farmers better and maintain the origin of the food.”

While San Diego County’s farm to school network is the most established in California (more than \$19 million was spent on California-sourced food procurement, 11% of which was sourced directly from local growers.⁸) and many school districts are purchasing locally grown foods, similar challenges were shared by school food leaders. Many school districts use prime distributors (i.e., one distributor in a district) which limits their options for sourcing local food. Other common challenges include the lack of consistent funding, limited awareness of local food availability, higher prices, seasonal constraints, limited varieties, limited infrastructure, and a lack of local processed and/or precut foods.

Balancing supply and demand and connecting local producers to local markets requires the development of creative, values-based supply chains. With a vibrant farming, seafood, and food processing sector, a diverse population of 3.3 million San Diegans, a thriving restaurant and retail industry, and countless institutions, there is significant potential for building local, sustainable, and equitable food supply chains. Supporting local farms, fisheries, and food businesses, fostering greater connections between producers and buyers, and ensuring socially-disadvantaged, BIPOC, and low-income communities are centered will be key.

The Opportunity



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Scale Up Local, Sustainable, and Equitable Food Value Chains

Strategies

- 01 INVEST IN AGGREGATION, PROCESSING, STORAGE, DISTRIBUTION, AND MARKETING INFRASTRUCTURE
- 02 DEVELOP PRODUCER COLLABORATIVES AND FOOD HUBS
- 03 INCREASE LOCAL, SUSTAINABLE, AND EQUITABLE PROCUREMENT BY RESTAURANTS AND RETAILERS
- 04 LEVERAGE THE PURCHASING POWER OF INSTITUTIONS

San Diego County has a vibrant and diverse farming, fishing, and food processing industry, yet many businesses struggle as they compete with corporations, regions, and countries that grow, catch, and produce more food. Many also experience challenges with achieving profitability and often lack the resources to invest in critical infrastructure that allows them to expand their businesses.

Scaling up local, sustainable, and equitable food value chains provides a unique opportunity to increase profitability for food producers and workers, expand access to local and fresh foods for all San Diego County residents, and create a more resilient food system.

Strategies

01

INVEST IN AGGREGATION, PROCESSING, STORAGE, DISTRIBUTION, AND MARKETING INFRASTRUCTURE

⁹ Ecotrust and Matthew Buck, April 2015, *Oregon Food Infrastructure Gap Analysis: Where Could Investment Catalyze Regional Food System Growth and Development?*, <https://ecotrust.org/media/Food-Infrastructure-Gap-Report1.pdf>.

Building supply chain infrastructure in San Diego County is essential to expanding the viability of our local farmers, fishermen, and food processors.

Many regions across the country are conducting research and making critical investments in food infrastructure with the goal of supporting local food producers and growing local food economies. In Oregon, Ecotrust developed a comprehensive [Oregon Food Infrastructure Gap Analysis](#) specifically to identify opportunities for investment. Like San Diego County, Ecotrust also found that food aggregation, processing, and distribution infrastructure is not readily or affordably accessible by small and midsize producers in Oregon.⁹

Vehicles, refrigerators, freezers, warehouses, processing kitchens, and storage facilities are examples of the type of infrastructure needed in San Diego County, all of which require significant capital investment. Financing this infrastructure requires dedicated funding at the public and private levels. In the State of Vermont, the legislature allocated funds specifically for food system infrastructure through the [Vermont Working Lands Initiative](#). This initiative provides grants to stimulate economic activity in the agriculture and forestry sectors. To date, over \$7 million has been distributed (with over \$11 million leveraged) to 241 businesses for a variety of aggregation, processing, manufacturing, and logistical improvements, including the purchase of equipment and vehicles.

In San Diego County, a first step would be to identify sources of aggregation, processing, storage, distribution and marketing financing that may exist across the [capital continuum](#) from local, state, and national sources. In addition, developing a dedicated fund for infrastructure should also be explored in San Diego County.

Strategies

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DEVELOP PRODUCER COLLABORATIVES AND FOOD HUBS

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Producer collaboratives and food hubs help create economies of scale for small and midsize farms and fisheries. Food hubs are businesses or organizations that aggregate, distribute, and market food from local and regional producers. A national food hub survey found that they are:

- Growing in sales, employment, and demand for their products and services
- Selling fresh produce and herbs, eggs, meat and poultry, and other value-added products
- Serving small and midsize producers and low income communities
- Selling primarily to restaurants, caterers, bakeries, small retailers, institutions, food processors, and direct to consumers.¹⁰

Given the broad interest in a food hub from buyers and growers in San Diego County, a [Food Hub Needs Assessment](#) was developed by [Community Health Improvement Partners](#). The assessment recommended proceeding with the development of an in-depth design and business plan for a food hub with the most appropriate model to be determined (e.g., value chain facilitation provided by an organization, a virtual hub, or a physical hub).¹¹

Examples of food hubs in San Diego County include [Daily Harvest Express](#) and [Foodshed](#), with the former shifting their focus to serving wholesale markets and the latter selling direct to individuals. In addition, a local entrepreneur in San Diego County is now developing a business plan for a processing kitchen and food business incubator similar to [Commonwealth Kitchen](#) in Dorchester, Massachusetts. And finally, local fishermen have initiated conversations around developing a fishermens’ hub. All of these existing and emerging efforts hold significant potential for increasing the viability of local farms, fisheries, and food businesses.

¹⁰ Bielaczyc, Noel, Rich Pirog, John Fisk, Justin Fast, and Pam Sanders, December 2020, [Findings of the 2019 National Food Hub Survey](#), Michigan State University Center for Regional Food Systems and Wallace Center at Winrock International.

¹¹ Community Health Improvement Partners, October 2018, [San Diego County Food Hub Needs Assessment](#).



Foodshed

Becoming a subscriber to [Foodshed's Fresh 5](#) program—a weekly distribution of fresh, seasonal produce, grown by the small farmers who make up the Foodshed cooperative—means you’re in for two surprises with every delivery.

One is the produce itself: an ever-changing combination of veggies, fruits, and sprouts, with the option to add on pasture-raised eggs, local jams, and even whole chickens.

The other is the handwritten message printed on the brown paper bag that deliveries arrive in. It, too, changes week to week. Sometimes the message bears a well-known quote, sometimes an original quip or call to action. Some weeks, there’s no message at all. But the words, when they do appear, are always neatly inked in black Sharpie, unembellished and as plain as the truths they convey.

- “Soil, not oil, holds the future of humanity. —Vandana Shiva”
- “Fight climate change, buy local veggies!”
- “Pass the mic to the voiceless.”
- “Food security is a myth if you don’t know a farmer.”
- “Nobody’s free until everybody’s free. —Fannie Lou Hamer”
- Often, there’s humor: “*Para bailar la bamba se necesita un poquito de garlic.*”

On International Women’s Day, the names of Foodshed’s many female farmers: “Farmer Norma. Farmer Debra. Farmer Amanda. Farmer Christina. Farmer Mai. Farmer Ellee.”

And on November 3, 2020—Election Day—a promise: “No matter what happens today, we will keep planting seeds.”

Foodshed is not your typical CSA program. The 100% farmer-owned cooperative doesn’t shy away from the fact that food, like many other everyday things, is in fact political. On their website and in marketing materials, Foodshed is quick to point out in plain terms that problems with the current food system are matters of power, and solving them requires not just a sustainable or regenerative approach, but an equitable one.

“We started this work because we see the food system as a place where we need to take action,” says Ellee Igoe, one of the founding farmers of Foodshed.

In the modern food system, fewer than 15 cents per food dollar goes to farmers who grow the food, with the vast majority going to corporations that package it, market it, and transport it thousands of miles away to be sold off supermarket shelves.

Foodshed’s model of cooperative ownership and direct sales aims to create a food value chain that instead, gets good food to the people, while also distributing wealth more equitably: 80

cents of every food dollar goes to farmers, 5 cents goes toward regenerative agricultural research, and any remaining profit, up to 15 cents on the dollar, goes into the business and is paid to partner farmers through profit-sharing at the end of each year. “We call it the triple impact,” says Ellee. “Every food dollar that goes to a farmer is nourishing a family, and then re-circulates in the local economy.”

Besides its *Fresh 5* deliveries, Foodshed also offers subsidized and pay-what-you-can options through pop-up markets. Initially launched in response to the pandemic, the first pop-up distributed over 1,500 bags (7,000 fresh produce items) in one summer of operations, moving \$15,000 into farmers’ hands. One pop-up became four, which kicked off community partnerships, and now, has evolved into a mobile market that serves diverse residents in City Heights and Southeastern San Diego multiple times a week.

“We want equity for farmers—a fair price for their work and produce—but we also want equity for consumers,” says Kristin Kverland, known as “KK,” another Foodshed founding farmer. “In this hub model, without compromising the price that the farmer gets, people can have access to fresh produce regardless of how much money they have.”

Foodshed announced in May 2021 that its next undertaking would be to launch a physical space in City Heights: the Foodshed Farm



Hub. When operational, it will provide cold storage and aggregation for urban farmers, increase residents’ ability to utilize CalFresh on farm-fresh food, and provide an organizing venue for community-led outreach and education efforts. The space has already been secured, and by the end of June, the team hopes to have crowdfunded enough to offset upgrades and permits needed to get the doors open.

Founded around the time of the pandemic, Foodshed has done incredibly quick work. They’ve built an end-to-end, farmer-

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owned food value chain; nurtured a majority-BIPOC producer cooperative; fulfilled weekly subscriptions; run a farmstand; brought consistent, accessible, fresh produce where it’s needed most; led the way with regenerative farming methods; and cultivated a relationship of mutual support with the Pauma Tribe, who leases the land that [Solidarity Farm](#)—Foodshed’s founding farm—grows on.

It’s a testament to the grit of the Foodshed team—Ellee, KK, Hernan Cavazos, Rica Catano, Bea Alvarez, and Adriana Barraza—and the cooperative’s growing list of producers and community partners. Their children, too, who are never far away and often lend a hand with farm and pop-up operations.

It’s also the result of many years of learning—trying, failing, and trying again, to grow food at the small farm level.

Reflecting on his pathway to farming, farmer Hernan, also a fisherman and an ex-professional basketball player in México, recalls growing up in the city of Mazatlán. “Since I was young, I felt a pull toward the land and a connection with feeding people. [The surrounding region of] Sinaloa is the agricultural heartland of Mexico, so farming was always all around me.” When industrial methods started taking hold in the farmlands of his home, it

was obvious to Hernan that things were thrown out of balance.

“I watched big, agricultural industries move in and displace people and erode the culture,” he says. “With all their modern technologies, they were actually degrading the land. I wanted to find another path—to demonstrate that the way my *abuela* grew up in El Verde holds more promise for a viable and sustainable future.”

Many days, weeks, and even months still feel overwhelming for the small team that’s taken on transforming the food supply chain. The work is exhausting, unrelenting. But as more people—producers, supporters, and eaters alike—join the Foodshed community, perhaps the work is a little more rewarding, the burden a bit more evenly spread.

Farmer Bea says, “We believe that evolving the food system creates opportunities for people to collaborate and share our practices. This is our opportunity to focus on what we have in common, to build the resilience of our farms and our practices, which allows us as a society to face any challenges that may arise.”

Hernan agrees that the opportunities show themselves daily. “Farming has taught me to be patient and humble. There isn’t a day that goes by where I don’t need a large dose of each.” It’s a sentiment that is true for us all.

SPOTLIGHT

Farm to Fork San Diego

In San Diego County, you’ll find that those who farm, fish, brew beer, make wine, and operate our local markets and restaurants, are deeply connected to their communities. They feed people and planet, both in nutrients and in spirit. They dedicate themselves to this hard work despite the thin margins and low wages. When we invest in our local food producers, we invest in us all: our collective health, shared environment, and local economy.

That’s why Farm to Fork San Diego was started. Farm to Fork San Diego is a membership organization that verifies and promotes local businesses—mostly restaurants—that source from San Diego County farms and fishing operations. Farm to Fork also supports farmers and fishermen with marketing their products locally, and educates chefs and local business owners on how their purchasing decisions play a key role in scaling up the local food supply. By committing to purchasing freshly harvested food from our region, these businesses hold a critical piece to establishing a sustainable, equitable food system in our region.

Like many others during the COVID-19 pandemic, we were reminded of how fragile a long, industrialized supply chain can be—and how, in contrast, local growers and fishermen are able to provide for our communities when we support them with our business. The pandemic yielded a spike in demand for locally grown food, and our region’s farmers and fishermen stepped up without hesitation. This was one heartening moment of the pandemic: the sudden increase in public awareness of the health, social, environmental,

economic, and flavor benefits of buying local, and new relationships developed between food producers and consumers.

Sustaining this awareness, making sure these relationships are not short-lived, and drawing in a steady stream of new supporters, is what we—the many of us who work in support of our region’s food system—need to do. Eaters who make changes in their own habits and chefs who commit to purchasing local in their businesses can become powerful advocates for wider and more lasting change. Let’s do all that we can to expand our movement and base of support.

Importantly, as we go about our work, we must ensure that the benefits of consuming local food and engaging in our food system are not held out of reach for anyone, as they historically have been, and in many cases, still are. A shift toward purchasing local food should not simply mean more quality food for some—it means recognizing the interdependence of us all.

This means we must put in the work. If we want to include voices that have not been at the table, alleviate diverse needs, and respect and represent the many cuisines and cultures of our region, we must reach out extensively to many small businesses, organizations, and community groups. This work is worth doing. It is the next step of our local food movement.



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INCREASE LOCAL, SUSTAINABLE, AND EQUITABLE PROCUREMENT BY RESTAURANTS AND RETAILERS

Connecting local producers with local restaurants and retailers helps cultivate strong local food economies. More than 83% of the \$17.5 billion that San Diegans spent on food in 2017 (the last year of available data) was spent at grocery stores and restaurants. Restaurants and retailers purchase most of their products from mainline distributors and often report a variety of challenges in sourcing locally produced foods.

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LEVERAGE THE PURCHASING
POWER OF INSTITUTIONS

As anchors in the community, institutions can transform food systems through their procurement practices. The [San Diego Regional Economic Development Corporation](#) (San Diego Regional EDC) promotes an [Inclusive Growth](#) initiative that positions [anchor institutions](#) as key economic drivers for supporting small and midsize businesses and recovering from the COVID-19 pandemic.

Anchor institutions such as U.C. San Diego, San Diego State University, hospitals, San Diego Unified School District, and the Navy, represent eight of the 10 largest employers in the region, employing more than 72,000 people. San Diego Regional EDC estimates that 14 anchor institutions spend more than \$9.9 billion on goods and services but that only a small portion of this spending reaches small (14%) and minority-owned or diverse businesses (11%), and most of the expenditures are for businesses outside of the region.

While the San Diego Regional EDC analysis does not cover food procurement, they do highlight a concept that farm to institution advocates like [Farm to Institution New England](#) and the [Farm to Institution Center](#) at [Community Health Improvement Partners](#) have been making for years: if schools, colleges, health care settings (including senior living centers, skilled living facilities, or nursing homes), and departments of corrections shifted just a portion of their food service budgets to locally, sustainably, and equitably produced food, then the consequences can be enormous.

In San Diego County, the Farm to Institution Center has been working to shift local food procurement across the region’s 42 school districts for years. They provide value chain facilitation services and host an annual [Good Food Showcase](#) to increase connections between producers, distributors, and food service directors.

To leverage the purchasing power of institutions, the San Diego Food System Alliance brings together a coalition of organizations that are working to implement the national [Good Food Purchasing Program](#) in San Diego County. Led by the [Center for Good Food Purchasing](#), the program provides a metric-based, flexible framework that encourages large institutions to direct their buying power toward five core values: local economies, environmental sustainability, valued workforce, animal welfare and nutrition.

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SPOTLIGHT

CHIP Farm to Institution Center

San Diego County has more small farms than any other County in the United States, but connecting those farms to institutions with different sizes and volumes of needs creates a supply and demand match-making challenge. The [Farm to Institution Center](#) (F2I), a program of [Community Health Improvement Partners](#), works to find innovative ways to connect farmers and institutional buyers. “We believe that the food cooked, prepared, and served by institutions can serve as one of the many pathways local and nutritious food can reach our communities,” said Dane Petersen, Program Coordinator for the F2I. “The F2I Center expands healthy food access by supporting and encouraging business partnerships, but more importantly relationships between local farmers and institutions.”

Lynley Connor, Chief Operating Officer of [Top Notch Lunches](#), experienced unprecedented growth over the last year, but she remained committed to sourcing locally. “It’s worth the little extra work to source locally because you’re building that economy within the County,” she said. But finding the right supplier was still a challenge. F2I organized The Good Food Showcase as an opportunity for buyers and farmers to connect and there Lynley met Jose Alcaraz of [Pixca Farm](#), who now supplies her cucumbers, and Nick Stridsberg of [San Gabriel Ranch](#), who supplies oranges and mandarins. “I’ve had preschools tell me that they taste fresher ingredients when they’ve had meals where we’ve incorporated Jose’s cucumbers,” Linley said.

For the farmers, the steady business has been a major growth opportunity and deeply rewarding. “Having our produce in the school system is both helping us evolve and is very motivational,” Jose said.

“It’s a huge blessing,” said Nick. “Our old business was selling to the packing houses. Now, when I drop off an order at Epiphany Charter, I’m able to see the faces of people who are excited to pick up the food. It’s amazing.”

Making connections between local buyers and local farms isn’t always easy, even when both parties want to do business. “Fallbrook Union High School District was a strong lead for a long time,” said Dane Petersen, the Program Coordinator for the Farm to Institution Center. “We took the Food Service Director out to farms, but we would often run into dead ends and that connection was never made. They were looking for local avocados, but there was a drastic difference in the district budgets versus what farmers



needed to make a profit. Then, the district reached out one day looking for persimmons. We contacted a grower in Rainbow who had worked with a district of similar size. They ended up placing two orders of 1,700 persimmons for inclusion in school meal bags.”

“The product is still the most important to the buyer,” said Dane. “When they look at a tomato, and they know who grew that produce, there’s a more meaningful relationship. They all know that a local product is going to be superior to what they get from their current supplier. There’s a quality difference between buying from a large distributor and local supplier,” said Dane. “Plus, there’s always a story.”

The pandemic made the F2I mission more challenging, as buying power shifted at institutions like schools and hospitals, where fewer students or visitors were dining. It’s also made the work more vital than ever. “In my life I’ve never felt like what I’m doing is so meaningful,” said Nora Stewart, the former Program Manager of the F2I. “When you have these networks in place during a crisis you notice that groups are reaching out to each other and we’ve created a system of support. It’s through this network that we can get information and help people feel supported. The lack of a network for farmers is so challenging. We have farmers doing well and farmers really struggling. We need the farms to work before the farm to institution stuff works. Now we have a lot more farmers in need, but we also have more people willing to offer support. COVID has really shed a light on that.”

“Our goal is to move the needle on institutionalizing buying local. I’d love to see more of the beautiful produce grown in San Diego County sold and consumed within San Diego County,” said Dane. “In 10 years, I’d hope that farmers could see institutions as a viable option to sell their products to, without taking a major hit in their profits. Every student, every patient deserves the right to eat something local, to have the nutrients, the fresher product. It’s a no brainer. Even a five-year-old knows the difference between an orange in a grocery store and an orange from a farm in Fallbrook. But the price, the economy, is the crux. We have to make sure buying local makes sense.”

In 2020, [Escondido Union School District](#) became the first school district in San Diego County to adopt the Good Food Purchasing Program framework. A key strategy moving forward will be to expand the adoption of this framework by other large anchor institutions in the region.

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Good Food Purchasing Program at Escondido School District

Public institutions spend billions of dollars on food purchases each year, which presents an incredible opportunity to transform the food system. The Good Food Purchasing Program was designed to redirect purchasing dollars to small and mid-sized local food producers who employ sustainable production systems, offer safe working conditions and fair pay to workers, and provide healthy and humane care for farm animals. On the consumer side, the program aims to improve equity, affordability, accessibility to vegetables, fruit, whole grains and minimally processed foods in order to promote health and well-being. The nationally recognized framework is built around five interrelated values—local economies, environmental sustainability, valued workforce, animal welfare, and nutrition—and is widely considered one of the most comprehensive food procurement policies in the country. Within less than five years, GFPP has influenced nearly a billion dollars in annual food purchases across the nation.

In June 2020, the Escondido Union School District became the first institution in San Diego County to adopt the Good Food Purchasing Program framework. “We are part of the solution,” said Gail Gousha, EUSD Nutrition Services Director. “The COVID environment, although very difficult, has created an environment where hard decisions and solutions to real world problems have to be found. Keeping a strong focus on our community partnerships, environment and conservation should never wane and we remain committed to value-based procurement.”

As the first institution in San Diego County to adopt the GFPP framework, Escondido Union School District reaffirmed its leadership role as a school food innovator, leveraging the power of a \$5.6 million annual procurement budget to support the improved health and well-being of students and promote greater equity throughout the food system. “Escondido Union School District is a leader for Farm-to-School in San Diego County,” said Dane Petersen, Program Coordinator, Community Health Improvement Partners. “Each year, the district’s Child Nutrition Services team has demonstrated their dedication to sourcing local ingredients and offering a variety of meatless options to improve the health of their students. By adopting the Good Food Purchasing Program framework, EUSD will continue to advance healthy food access within their cafeterias, as well as in the community of Escondido.”

With more than three-million meals served annually, EUSD is poised to have a significant impact on students, food vendors, and growers across the region. This move will improve the nutrition and quality of meals for more than 18,000 low income students and offer greater access to healthy food for the entire school community. “The Good Food Purchasing Program is a valuable step towards providing students with the food they need to be healthy and successful learners,” said Chelsea Walczak Vircks, the Senior Director of Community Impact for the American Heart Association, San Diego Division.

Gail Gousha and the EUSD Nutrition Services team’s holistic approach to student health reaches beyond the cafeteria with educational resources and events for families and staff. This includes being an active partner in community street fairs, food distribution, and the Food 4 Kids Backpack Program, all of which reinforces the district’s larger vision for a more just, healthy, and sustainable food system.

[Anchors in Resilient Communities](#) (ARC), based in Oakland, California and co-convened by [Emerald Cities Collaborative](#) and [Health Care Without Harm](#), is working to address the social, economic, and environmental determinants of health by leveraging the assets and capacities of Bay Area anchor institutions and community-based partners. Their work focuses on expanding community wealth and ownership, improving health outcomes, and strengthening the capacity of communities of color and low- and moderate-income residents to be resilient in the face of climate and economic disruption. ARC provides an inspirational model for San Diego County moving forward.

Moving from Viability to Local, Sustainable, and Equitable Food Value Chains

Objectives 1-3 address major, interrelated challenges that San Diego County farms, fisheries, food businesses, and workers face in bringing food from farm and ocean to plate. If we were able to enact strategies for ensuring long term food production, boosting farm viability, and strengthening food value chains, that still leaves a structural challenge for food and farm workers: Wage stagnation over the past 40 years and low wages limits the ability of essential food workers to lead healthy, comfortable lives, and pursue viable careers. Objective 4 uplifts strategies for elevating wages and working conditions and improving career opportunities for food system workers.