

# VERMONT FOOD SYSTEM PLAN MARKET BRIEF



**MARKET:**  
College and  
Hospital  
Procurement

## What's At Stake?

Colleges and universities, hospitals, and other health care facilities have a significant role to play in supporting Vermont's farm and food sector. They are important community anchors, serving as employers, educators, and thought leaders who interact with most Vermonters on a regular basis. They buy over \$40 million in food annually, on a consistent and reliable basis, and thus provide an important market opportunity for Vermont farmers and food manufacturers. The cafeterias at these institutions create meaningful and lasting impressions on patients, students, staff, and visitors about how and what to eat. Healthy, sustainable Vermont food should be on the menu.

## Current Conditions

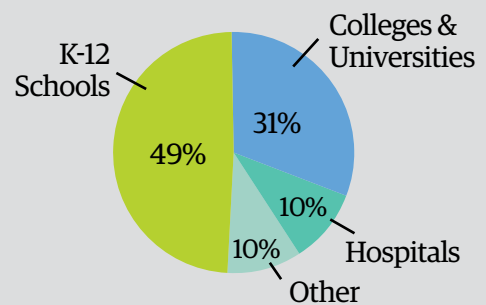
Vermont's 16 colleges and 16 hospitals serve tens of thousands of meals a day. Dining directors at these institutions overwhelmingly say they intend to buy more Vermont and New England food in the coming years. The increase in demand is coming from students, staff, and patients who increasingly expect to be served healthy Vermont food due to their experience with successful local food initiatives.

Investments in processing infrastructure for vegetables (e.g., Vermont Food Venture Center), beef, and pork (e.g., Black River Meats) are making processed products, which are easier to utilize in busy kitchens, more available to college and hospital buyers (see [Lightly Processed Vegetables brief](#)). Innovative purchasing strategies, including "forward contracting" at the beginning of the growing season, which guarantee sales for farmers and product availability for institutions, are helping increase local purchases as well. Changes in menus to favor seasonal foods and less meat enable institutions to use Vermont products without an increase in food cost. A strong network of organizations and agencies supports food service operators in the state and across the region with guidance, tools, and connections to accelerate promising practices that promote the use of local food.

However, colleges and hospitals still face significant barriers to increasing use of Vermont food. College and hospital budgets are getting tighter. Labor shortages make it challenging for dining operators to use whole (unprocessed) local produce and proteins which require more staff time and training, and to receive deliveries from multiple local producers. Consolidation in the food distribution industry has weakened relationships, and can make it harder for Vermont producers to become approved as vendors to these institutions and their distributors. Regional aggregation of dairy products makes it difficult to get 100% Vermont-produced and processed dairy. Further, institutions are accustomed

to low prices for dairy as well as specific serving sizes and formats that some Vermont dairy processors cannot provide (see [Dairy brief](#)). New federal, state, and institutional food safety regulations and standards add costs to Vermont producers selling to institutional markets, increasing the price to buyers.

Percent of All New England Direct-to-Institution Sales By Farms Made to Each Type of Institution



## Colleges and Universities

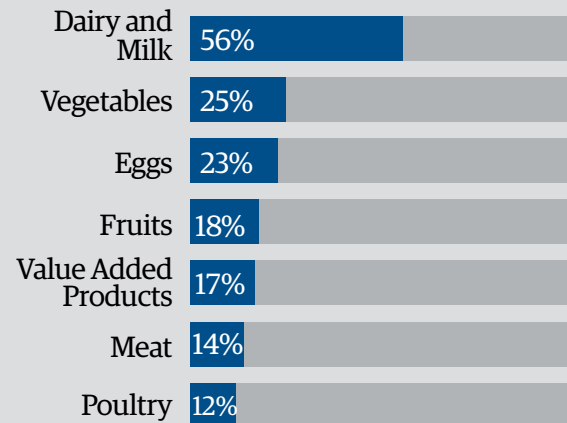
### Current Conditions

Vermont has 16 colleges serving over 30,000 undergraduate students. Thirteen of these schools serve an estimated combined eight million meals and spend nearly \$28 million on food annually. Of the six New England states, Vermont spends the highest percentage of its campus food budget on local food (31%), with \$4.5 million in local food purchases (2018). Small independent and large public colleges have more resources for local food while some of the small public ones have a more limited budget. Of the 16 Vermont colleges, 11 dining services are operated by food service management companies (FSMCs), such as Sodexo. The remainder are operated by the colleges themselves.

### Bottlenecks & Gaps

- Vermont colleges have declining student enrollment, hence fewer students buying meal plans, and more constraints on college dining budgets.
- Dining operations do not always effectively promote local products, reducing the impact of the purchases in terms of student awareness.
- Fluctuating and seasonal college food service labor is a challenge for training staff to source, prepare, promote, and use of a greater variety of local foods. The seasonality of college food service is also misaligned with availability of some fresh farm products (e.g., summer vegetables.)
- Students have diverse dietary needs and interests which compete with buying Vermont food as a key priority.
- The wholesale distribution system is not transparent, so ordering Vermont whole or fresh products can be difficult.

### Average Percentage of Select Products Sourced Locally by New England Colleges



### Opportunities

- Students still forming life-long eating habits are an important constituency to reach with Vermont food.
- Student interest in local food continues to grow, justifying dining operator interest.
- Vermont agriculture and food are appealing aspects of the Vermont way of life to which out-of-state students are exposed and can encourage them to stay or return.
- There are 200 colleges in New England with dining services spending over \$100 million in local and regional food per year, representing an even greater market for Vermont producers.
- A variety of regional organizations provide resources to support college dining operators looking to increase their local and regional food procurement, including webinars, events, mentoring, toolkits, and research findings.

## Health Care Institutions

### Current Conditions

A majority of Vermont hospitals (15 of 16) are involved in the Vermont Healthy Food in Health Care Network, actively collaborating to source healthy, local food and address food insecurity. Vermont hospitals are national leaders in innovation in local sourcing. A 2017 Health Care Without Harm survey showed that nine reporting hospitals purchased over \$8 million dollars of food. Since hospitals provide steady, reliable, year-round demand for products, they represent important potential customers for Vermont producers.

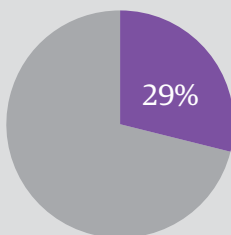
### Bottlenecks & Gaps

- Hospital budgets are incredibly tight, and administrators may not choose or be able to prioritize local food expenditures.
- Health care institutions follow stringent nutritional guidelines, which are easier to meet using pre-packaged foods. Adding fresh local foods adds processes and costs.
- The Food Safety Modernization Act (FSMA) has some requirements that are challenging for Vermont producers to meet or verify, making it harder for them to be approved vendors for distributors and institutions.
- Smaller hospitals have a harder time getting distributors to source local as they have less buying power and influence.
- Some hospitals are bound by agreements to purchase most of their supplies through a Group Purchasing Organization (GPO) and/or nationally based distributors which do not often identify food sources, which makes it harder to know if products are from Vermont.

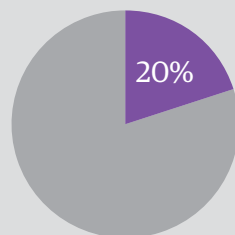
### Opportunities

- Vermont hospital dining operators have a strong foundation of collaboration, and they represent a constituency ready to support statewide efforts to increase institutional sales of local food.
- Customers at Vermont health care facilities, including patients, staff, and visitors, have come to expect access to healthy, tasty, good food.
- Hospitals have a legal requirement (i.e., the community benefits program) as well as a moral imperative to spend funds supporting local communities, which can include sourcing and promoting local healthy food to address food insecurity.
- Hospitals are a dependable, consistent, year-round market and can create long-term buying agreements with food producers that enable greater investment, productivity, and profit.
- Senior and assisted living operations are joining the Vermont Healthy Food in Health Care Network because they are interested in local foods and professional development.

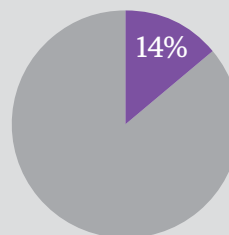
**Percent of New England Hospitals Reporting Local Food Purchases through Different Sources**



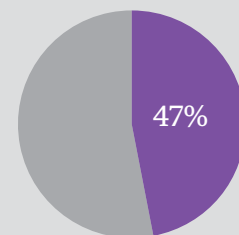
On Contract with Group Purchasing Organization



On Contract with Food Service Management Company



Through a Food Hub



Direct from a Farm

## Summary

Vermont hospitals and colleges include recognized national leaders within the farm to institution movement, employing innovative strategies to source and prepare local healthy food, generating dependable markets for producers and positive impact on the local economy. While they have the potential to do even more, they face real barriers. Fortunately, there are effective Vermont and New England networks of partner organizations, businesses, and agencies that have a shared commitment to sourcing more local food at these institutions. There is a need for investment of time, energy, and resources to create sustainable purchasing relationships that will maximize benefits which far exceed the investment.

## Recommendations

- Additional state and federal workforce development training funds are needed in order to train more food service workers in culinary skills that utilize more Vermont products, including skills to process, prepare, and serve irregularly shaped and sized vegetables as well as whole animals. Additionally, institutions need to create incentives to keep food service staff on the payroll: increasing compensation, providing paid training, and increasing longevity benefits.
- Vermont colleges and hospitals need assistance in marketing their contributions to the state's healthy and local food system as a way to increase food literacy. Building off the successful Vermont Farm to Plate "Rooted in Vermont" campaign, develop a strategy to help college and hospital dining operators market their use of local food.
- Help new and experienced Vermont producers understand college and hospital market opportunities. UVM Extension and the Vermont Agency of Agriculture, Food and Markets (VAAFAM) should collaborate with NOFA-VT, Farm to Institution New England (FINE), and Health Care Without Harm (HCWH) to help Vermont producers assess the costs and benefits of growing, processing, and marketing specific foods for institutions in Vermont and neighboring states. These entities can draw on numerous national models for evaluating costs and accessing institutional markets. Convene a forum to discuss current efforts and opportunities, including funding opportunities, and develop a coordinated five-year plan.
- Provide technical assistance to support contracting and supply planning at institutions. Colleges and hospitals can optimize their value as reliable, consistent markets for Vermont producers by making buying commitments in advance of the growing season. VAAFAM, UVM Extension, NOFA-VT, Vermont Farm to Plate Network, HCWH, and FINE should collaborate to provide assistance to producers and buyers on these contracting models.



Farm to Plate is Vermont's food system plan being implemented statewide to increase economic development and jobs in the farm and food sector and improve access to healthy local food for all Vermonters.

The Vermont Agency of Agriculture, Food & Markets (VAAFAM) facilitates, supports, and encourages the growth and viability of agriculture in Vermont while protecting the working landscape, human health, animal health, plant health, consumers, and the environment.

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**For end notes and data sources, and to read other food system briefs, visit [vtfarmtoplate.com/plan](http://vtfarmtoplate.com/plan)**