

VERMONT FOOD SYSTEM PLAN PRODUCT BRIEF



PRODUCT:
*Lightly Processed
Vegetables*

What's At Stake?

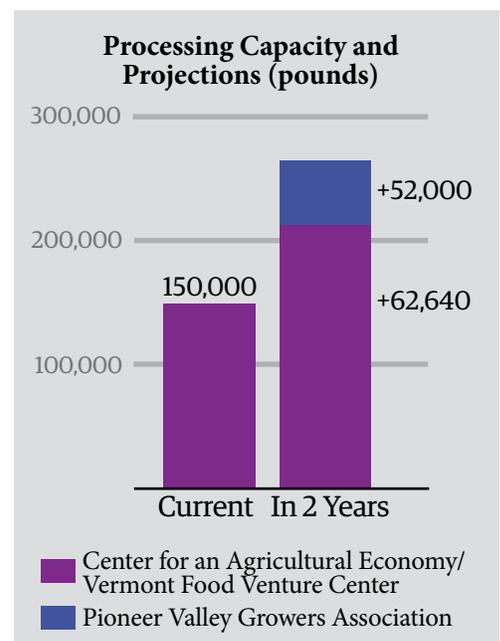
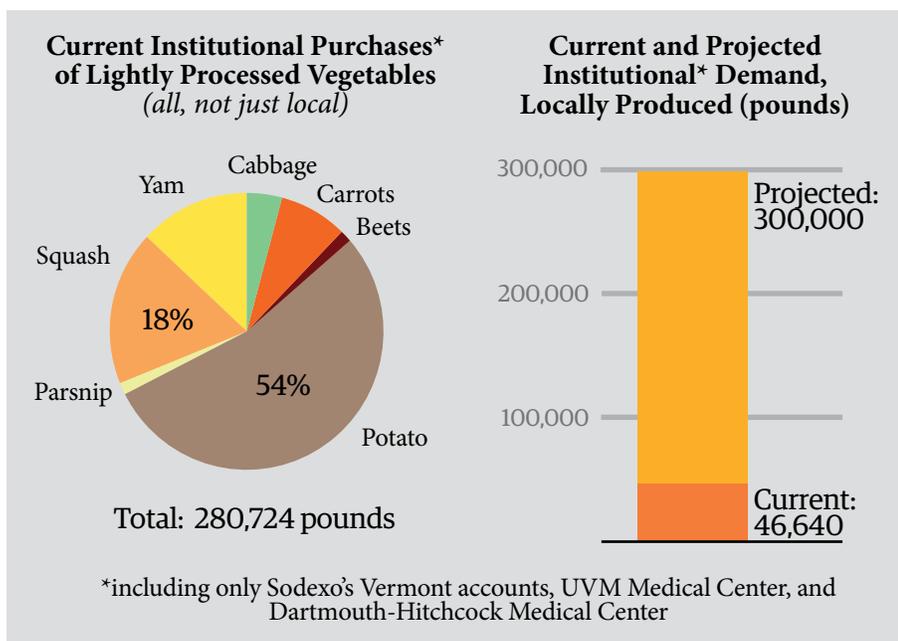
Vermont institutions, hunger relief organizations, restaurants, and food retailers are limited in the amount of fresh, whole Vermont produce they can purchase, due to increasing food service labor shortages and the difficulty and cost of working with seasonal, perishable, and irregularly shaped produce. To limit the loss of this market share to out-of-state producers, Vermont processing facilities have begun to sell cut and frozen locally grown vegetables, but issues of capital, infrastructure, logistics, and communication have limited their expansion potential. Collaboration between producers, processors, and buyers, substantial infrastructure investments, and policies to support producer and processor expansion are needed to encourage in-state minimal processing and continue the growing momentum of local purchasing.

Current Conditions

Vermont institutions are interested in Vermont produce, but this demand is often misaligned with the quantity, variety, and seasonality of fresh produce (see [College and Hospital Procurement brief](#), [School Food Procurement brief](#)). There are a number of logistical barriers to address such as food service labor shortages (resulting in insufficient time and capacity to process vegetables on-site), difficulty in using irregular, perishable produce in a timely manner, inadequate communication between buyers and producers both pre- and post-harvest, and discrepancies between the price producers need to receive for their products and buyers' budget limitations for purchasing unprocessed produce. Several of these barriers can be overcome with "light processing," defined here as drying, cutting, and/or freezing vegetables.

In the past several years, at least four Vermont businesses and nonprofits increased their investment in processing facilities, but have struggled to expand to appropriate product volume and staff capacity levels and to create a year-round, profitable business model. Food processing facilities face considerable workforce shortages, high start-up and scale-up costs, and challenges navigating food safety regulations, efficiency of scale, and distribution logistics, all limiting the growth of existing and potential for new processing ventures.

Developing a thriving local processing system requires investment in processing facilities, improved communication and commitment between producers, processors, and buyers, and thoughtful workforce recruitment and retention.



Bottlenecks & Gaps

- Processing ventures lack capital to invest in expensive, medium to large-scale processing equipment.
- Facility availability and distribution methods are lacking for producers and processors lightly processing vegetables.
- There is a gap between the cost of growing and processing local produce and the price institutional buyers are able to pay, especially as both face the costs associated with scaling up production volumes.
- Buyer needs and consumer demand do not always align with what is currently produced in the state and much of the state's institutional purchasing fluctuates with the academic calendar.
- Jobs in light processing are difficult to fill, as they are physically demanding, repetitive, and seasonal.

Opportunities

- Vermont-based buyers' strong interest in local, lightly processed vegetables can help support and expand local production.
- Increased availability of local, lightly processed vegetables could help alleviate food service industry labor shortage pressure.
- Light processing can help to decrease food loss and increase producer revenue by utilizing hard-to-sell but otherwise quality produce.
- Many businesses and workforce stakeholders are finding solutions for labor, equipment, and transportation shortages, with several promising models and the potential for further collaboration between local food businesses and organizations.
- Forward contracting between producers, processors, and buyers could provide greater stability and predictability in the market.

Recommendations

- Anchor buyers (e.g., Sodexo) and processors (e.g., Salvation Farms, Vermont Food Venture Center, Mad River Food Hub, and Western Massachusetts Food Processing Center) should compile the challenges of the local processing business model and develop a product list that works for producers, processors, and buyers. Sodexo's Vermont First initiative has begun determining products with high institutional demand and low local production volumes that local producers could feasibly address. This initiative should be continued and shared among buyers, processors, and producers.
- Investors, institutional buyers, and grant-makers (e.g., Working Lands Enterprise Initiative) should fund processors' capital investment needs for expensive equipment to start or scale up processing ventures.
- Processors and buyers should work with producers to set up clear and consistent communication around volume, scheduling, and logistics, and offer forward contracting — a commitment between two parties guaranteeing a buyer will purchase a certain amount of product — when possible.
- Researchers, related organizations, and businesses should investigate and advise Regional Development Corporations, the Vermont Department of Economic Development, and the Vermont Department of Labor about the extent of and type of labor needs, and opportunities for expanded processing in the state.

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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