



## Preliminary Lessons from Case Studies of Supply Chains in EFSNE Site Locations

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ENHANCING FOOD SECURITY IN THE NORTHEAST WITH REGIONAL FOOD SYSTEMS

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# Case Studies

Describe and characterize site retailers

- size, type, # employees
- external environment, ability to find and sell healthy foods and regional foods
- future outlook

Identify supply chains of 2 market basket products

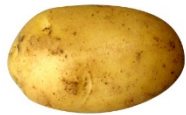
- apples
- potatoes
- cabbage
- ground beef
- milk
- frozen broccoli
- canned peaches
- bread

Gather primary data on supply chain members

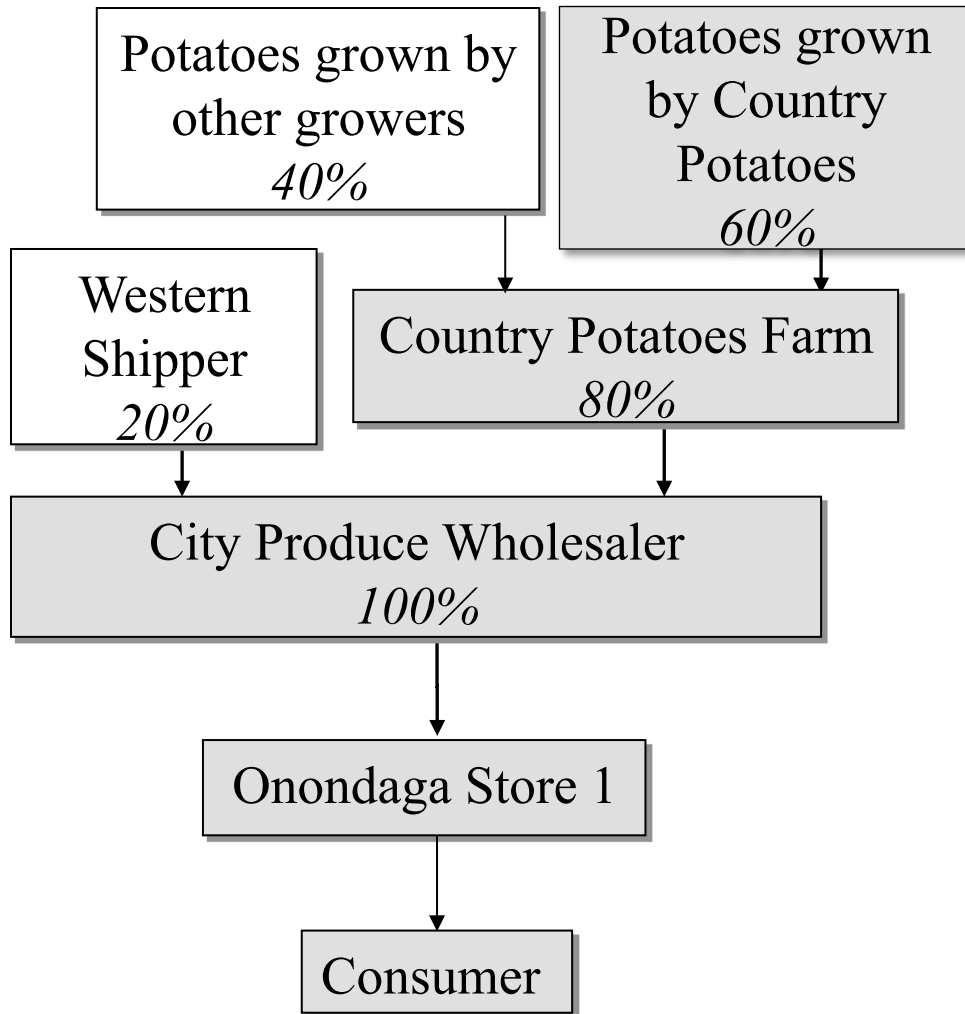
- product flows and volumes
- supply chain structure
- prices, marketing margins, share of retail price among supply chain members

# Market Basket Products

Where does my food come from and how did it get here?



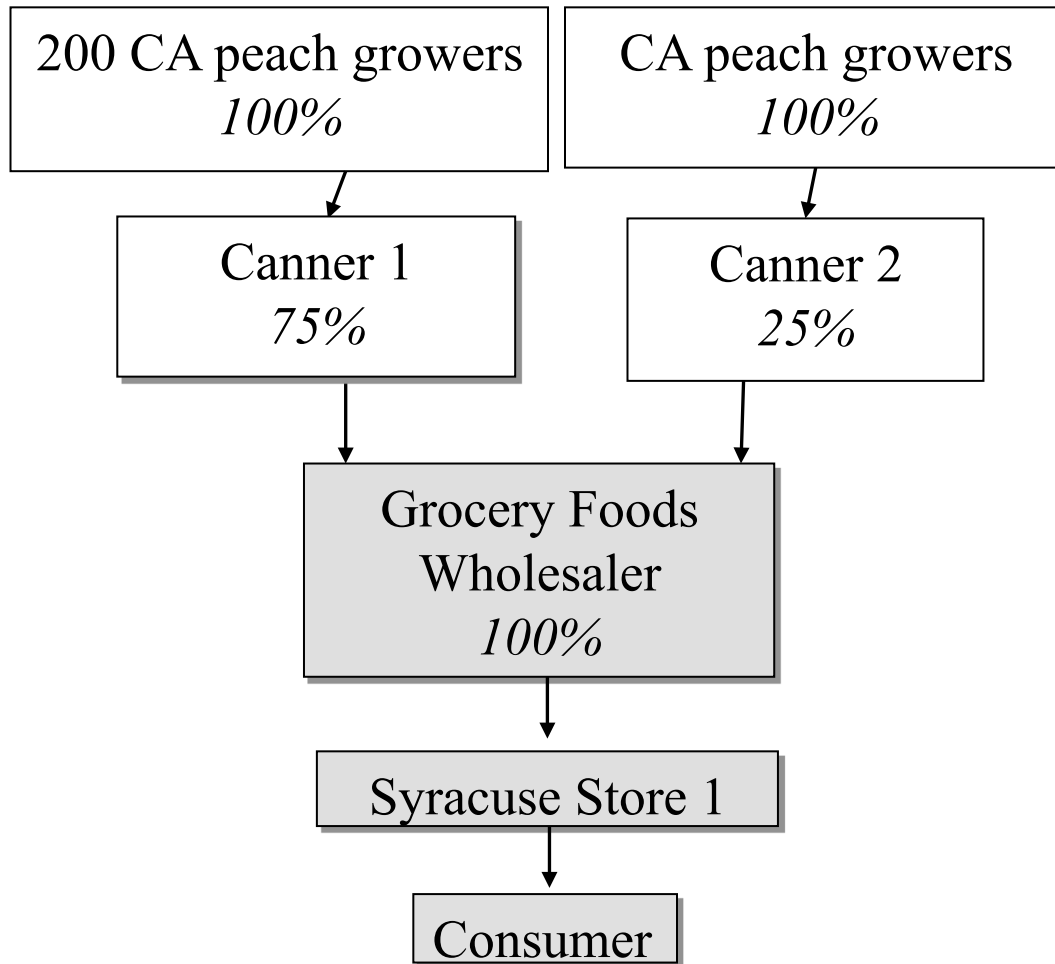
# Potato Supply Chain for Onondaga Store 1



- The store sources 100% of its potatoes from one produce wholesaler
- The produce wholesaler sources 80% of its potatoes from Country Potatoes Farm in the Northeast and 20% from a Western potato shipper
- Country Potatoes grows 60% of the potatoes they sell. They also buy 40% of their potatoes to resell
- About 48% of potatoes in the focal store are grown in the Northeast and 52% come from elsewhere.

\* Shaded box indicates that the supply chain member is located in the Northeast

# Canned Peaches Supply Chain for Syracuse Store 1



- The store sources 100% of its canned peaches from its general-line grocery wholesaler.
- The wholesaler sources 75% of its canned peaches from Canner 1 in California and 25% from Canner 2 in California.
- None of the canned peaches are produced regionally.

\* Shaded box indicates that the supply chain member is located in the Northeast



# Allocation of Retail Price - Potatoes

	Regional <sup>1</sup>		National <sup>2</sup>	
	Country Potatoes Farm		Western Shipper Potatoes	
Supply chain member	Price margin (\$/5lb bag)	% of retail price	Price margin (\$/5lb bag)	% of retail price
<b>Grower-packer-shipper</b>	1.04	35	1.35	45
<b>Transport</b>	0.08	3	0.14	5
<b>Wholesaler</b>	0.95	32	0.58	19
<b>Retailer</b>	0.91	30	0.91	31
<b>Total Retail Price</b>	2.98	100	2.98	100

<sup>1</sup>Country Potato Farm is a NE grower-packer-shipper

<sup>2</sup>National Potatoes is a national potato grower-packer-shipper

Source: Author's calculations based on case interviews.

# Estimates of Regional Supply Chains

Product-Store	% Regionally produced	% Regional value-added
Potatoes-Onondaga Store 1	48	74
Cabbage-Onondaga Store 1	70	88
Canned peaches-Syracuse Store 1	0	50
Frozen broccoli-Syracuse Store 1	0	65
Apples-Syracuse Store 2	78	84
Cabbage-Syracuse Store 2	49	na
Apples-Sussex County Store 1	77	na
Ground beef-Sussex County Store 1	0	na
Milk-Sussex County Store 2	100	100
Frozen broccoli-Sussex County Store 2	0	41

na = not available

# Observations

- Stores do not know where specifically all its products come from.
- Many/most products are not labeled as to where they were produced.
- Each member makes logical sourcing and marketing decisions to maximize their business needs and opportunities.
- Price is usually the factor that aligns these supply chain decisions. Are other factors used?
- What are other factors, and do these affect regionalization of a community's food supply?
  - risk reduction





# What Next?

- Complete all 14 case studies
  - narrative
  - product flow charts
  - price margin tables, fuel use tables, % regional value-added tables
  - key lessons for the case
- Cross case comparisons

