



Local Food Procurement Policy and Implementation Plan - Update

Date:	June 8, 2009
To:	Government Management Committee
From:	Lawson Oates, Director, Toronto Environment Office and Nancy Matthews, General Manager Children’s Services
Wards:	All
Reference Number:	P:\2009\Cluster B\TEO\GM09008

SUMMARY

In October 2008, Council adopted a Local Food Procurement Policy, aimed at reducing greenhouse gas and smog causing emissions generated by the import of food from outside Ontario as part of the implementation of the Climate Change, Clean Air and Sustainable Energy Action Plan. The policy demonstrates that the City of Toronto is committed to progressively increasing the percentage of food being served at City-owned facilities or purchased for City operations from local sources.

Children’s Services, jointly with the Toronto Environment Office, is implementing the first phase of the Local Food Procurement Policy and Implementation Plan, as adopted by Council in October 2008.

This report describes the opportunities and challenges experienced during the first phase of implementation and informs the Government Management Committee of our ongoing progress and upcoming strategies to initiate the increased purchase of local food by other City divisions.

Thus far, the following achievements have been made:

- increase in local food procurement of 13.4% over baseline for a total of 33.4%
- interdivisional working group established;
- information session provided to support broader implementation;
- supplier sourcing more local products;
- adjustments to purchasing practices such as increasing bulk buying and menu

planning more sensitive to seasonal availability of produce has been effective in managing estimated cost impacts of local purchasing.

A follow-up report on the action plan and associated financial implications will be presented in Spring 2010, which will allow for additional research and expenditures information, resulting in an accurate portrayal of current corporate local food purchases.

Financial Impact

The 2009 Council Approved Operating Budget for Children's Services includes \$15,000 or 0.7% in increased expenditures for the first phase of the Local Food Procurement Policy. This increase in funding along with adjustments to purchasing practices and policy changes within the Children's Services Pilot has resulted in an increase in local food procurement of 13.4% over baseline, for a total of 33.4%.

Additional costs associated with implementing the next phases of the Local Food Procurement Policy for each City Division that manages food contracts as part of their operations, will be reported in the spring of 2010, incorporating product substitutions where there is no cost differential, menu changes based on seasonal availability, and other improvements arising from the Children's Services pilot project.

The Deputy City Manager and Chief Financial Officer have reviewed this report and agree with the financial impact information.

DECISION HISTORY

In response to adopted recommendations from the Climate Change, Clean Air and Sustainable Energy Action Plan, City Council at its meeting of October 29 and 30, 2008 considered and adopted a Local Food Procurement Policy for City Operations. That report directed that the Director of the Toronto Environment Office and the General Manager of Children's Services report back to the Government Management Committee on the results of the first phase of implementation of the procurement policy, including an assessment of the approach, expected financial implications for other divisions and an action plan for implementation of the policy City-wide prior to the 2010 budget process. It was also requested that the Director of the Toronto Environment Office determine the approach required to achieve a local food purchasing target of 50% local food as soon as possible.

The decision document can be viewed here:

<http://www.toronto.ca/legdocs/mmis/2008/cc/decisions/2008-10-29-cc25-dd.pdf>.

ISSUE BACKGROUND

There are significant environmental effects associated with the requirement and provision of food. Some research suggests that roughly 30% of the world's pollution can be traced to food production, processing, packaging, transportation, preparation and disposal. From a climate change perspective, there is significant use of carbon-based fossil fuels in the production of fertilizers and pesticides, the machinery used in food production and processing and transporting food around the world.

The City's Local Food Procurement Policy endeavours to reduce the greenhouse gas emissions associated with the provision of food purchased for City operations and facilities and support local farmers.

COMMENTS

Children's Services Pilot Project

Children's Services, Municipal Child Care Services (MCCS) and the Toronto Environment Office began working on increasing of local food purchasing by City operated child care programs in 2008.

MCCS provides services to families and communities at risk. MCCS operates 57 child care centres providing care for up to 3,000 children and a Home Child Care Agency which provides care for up to 1,000 children, for a total of up to 4,000 children daily. MCCS offers integrated and inclusive programs providing a full range of before and after school, part-time and full-time care.

MCCS was selected to be the first division to work with the Toronto Environment Office on the implementation of the Local Food Procurement Policy as their food distribution contract was recently awarded and the successful vendor confirmed in their proposal that *“they have the flexibility to adjust as required to any potentially emerging City policies on purchasing local foods”*.

The following text was included in the call document:

The City is to engage a distributor that will work collaboratively with the Division to support the dietary requirements of the children in care. It is the expectation of the City that the vendor will have the flexibility to adjust as required to the potentially emerging City policies on purchasing local food.

This wording provided leverage with the successful proponent to ensure that they work together with staff on increasing the amount of available Ontario grown products.

MCCS uses a number of food service models in its 57 child care centres. This pilot involves only those 37 child care centres where food is prepared on-site. A baseline was determined by calculating local food purchased as a percentage of the total food

expenditure. Research confirmed that, at that time items already locally sourced and grown in Ontario (milk, eggs, most meats) were 20% of the total annual expenditure for the 37 child care centres.

An additional \$15,000 was allocated to the Children’s Services 2009 operating budget to accommodate any increases related to the direction provided to the supplier to purchase Ontario grown apples, potatoes, carrots, onion, cucumber, tomatoes, parsnips, sweet peppers, lettuce and green cabbage, regardless of price differentials. An additional opportunity was identified with cheese that was being sourced from outside of Ontario. A cheese producer in Southern Ontario was sourced, and a purchasing switch was made in March 2009.

These changes resulted in the following increase in local food purchasing and expenditures for the first quarter of 2009:

	Total Food Expenditures (Jan. 1 – Mar. 31, 2009)	Total spent on locally sourced milk, eggs, meat ¹	Total spent on 8 Ontario grown produce items	Total spent on cheese products ²
	\$379,563.89	\$83,917.67	\$20,315.97	\$22,543.81
% of total food budget		22.1%	5.4%	5.9%

1. This figure includes two prepared entrees where the primary ingredient is Ontario sourced chicken which was not included in the original baseline calculation of 20% local food expenditures in 2008.

2. The decision to switch to an Ontario supplier of cheese products was made in early March 2009. This total reflects the cheese expenditures if they were effective January 1, 2009.

While at this time we only have data for the first quarter of 2009, which does not yet include the peak availability of seasonal produce, the results are already promising. There has been an increase of 13.4% in local food expenditures from the baseline of 20% established at the beginning of the pilot. Children’s Services is now purchasing approximately 33.4% of its budget on local food in the 37 pilot centres.

As well, Children’s Services has also been tracking whether there is a cost impact of local purchasing. To date, by adjusting buying patterns to avoid more expensive local items, maximizing the purchasing of Ontario storage vegetables that were less expensive than imports and adjusting quantities to buy commercial pack size cheese instead of retail pack size, there has been no cost impact identified. As well, additional training to housekeeping staff on developing seasonal menus has positively influenced buying patterns. Monitoring of cost impacts will continue, as well as the strategies we are employing to mitigate those impacts.

Challenges

There have been a number of challenges associated with information gathering and the availability of locally grown and sourced products that have delayed the increase of local food purchasing in the first quarter.

Sweet Peppers and Lettuce: There are two produce items identified in the report titled “Local Food Procurement Policy and Implementation Plan” that were not sourced locally for the first quarter. Sweet peppers (Ontario greenhouse grown) were not available until March 2009 and therefore required sourcing from outside Ontario. A decision was made not to source lettuce locally when it was discovered that the only Ontario greenhouse lettuce available during the first quarter of 2009 was Boston lettuce, individually packaged in polystyrene clamshell containers. These are not currently compatible with the City of Toronto’s recycling program.

Prepared Entrees: The supplier of lunch entrees to the child care centres participating in the pilot project was forthcoming with ingredient listings and provided information on the source of many of the items found in their recipes. They are, however, unwilling to divulge the proportion of the ingredients in their recipes for proprietary reasons, thus making it difficult to determine the percentage of locally sourced items found within their entrees. Ongoing research will be conducted through 2009 to attempt to determine a suitable course of action. The supplier did indicate 37 of the 80 ingredients (46.25%) were from Ontario.

Availability of Ontario value added products: An important component of food preparation in MCCS child care centres are canned and frozen foods. Canned and frozen foods save preparation time and reduce the incidences of staff injury and repetitive stress from chopping. At this time, there are very limited canning and freezing facilities in Ontario that respond to the menu needs of Children’s Services. Research will continue through 2009.

Labelling: Currently, there is no legislation that requires labelling the manufacturing location of food products. The location of a company head office is likely different than the manufacturing location and thus far, difficulties determining the source of prepared foods have been experienced as many companies consider their manufacturing location to be proprietary information.

Tracking: Staff have some concerns regarding ongoing information tracking of food origins and expenditures. There may be challenges associated with switching the origin of certain produce items and ensuring that the food suppliers are making product substitutions at the appropriate point in time. In order to gather this information we rely on accuracy of the information provided by the supplier.

Going Forward

It is estimated that local food purchasing and expenditures in M CCS will continue to increase for the rest of 2009. Work currently in progress includes:

- continuing to monitor the cost differentials between Ontario grown produce and produce sourced from farther afield
- monitoring the seasonal availability of produce, thus resulting in the additional sourcing of available Ontario products in season
- review of the other products purchased in the menu cycle (i.e. value-added items)
- review of upcoming menu cycles to determine if additional Ontario products can be used in place of items that cannot be sourced locally
- review of amount of local food purchases within the other food systems used in M CCS, for example the child care centres that require the use of external caterers for their food service
- continue to explore available funding opportunities to develop and promote child friendly local food recipes and resources.

The outcome of this pilot, including the full analysis of annual data on local food purchasing increase will be reported to Council in Spring 2010.

Engaging Children's Services Staff

As the effort to increase the use of locally produced food by M CCS continues, the staff responsible for meal and snack preparation in the child care centres are being increasingly engaged in identifying options. In April 2009, M CCS with assistance from the Toronto Environment Office held a workshop session at FoodShare where information was provided on the rationale for the adoption of the local food procurement policy. M CCS kitchen staff were also introduced to many local food items currently in season and a successful menu planning session was held to encourage creative uses for seasonally available Ontario produce. The staff appreciated the forum and over 90% identified that they felt the activity was worthwhile and that there are opportunities for further expansion of the use of locally produced foods.

Next Steps

An Interdivisional Implementation Team has been established with staff representatives from the following divisions affected by the Local Food Procurement Policy:

- Children's Services
- Facilities and Real Estate
- Long Term Care Homes and Services
- Parks, Forestry and Recreation
- Public Health
- Purchasing and Materials Management
- Shelter, Support and Housing Administration (Hostel Services)

- Toronto Environment Office

Discussions regarding the applicability and implications for each division have begun and work establishing current local food purchasing baselines, similar to the research conducted for Children's Services, will continue through 2009.

Additionally, where allowed with existing contracts, other City divisions will begin working on product substitutions where there is no cost differential in 2009. Therefore, there will be no budgetary impacts for 2009. Divisional representatives have also been asked to adapt the language located in the recent contract for food distribution services with MCCS during their next tender process.

As shown through Toronto Environment Office's ongoing work with MCCS, further work is required to establish an accurate local food purchasing percentage for an entire year of acquisition. As different products become seasonally available, menu changes will dictate a higher percentage of local food purchasing. One example is the proliferation of fresh Ontario fruit during the Summer and Fall months, which often replaces canned fruit as snack items in the child care centres.

Further information gathering will provide us with the knowledge needed to determine an appropriate method of filling the gap between the actual percentage of local food purchases over an entire year and the Council directed goal of 50% local food procurement. A follow-up report will be submitted in Spring 2010, which will articulate an updated action plan and any associated financial implications for City divisions that manage food contracts as part of their operations.

CONCLUSION

The outcome of the first phase of implementation of the Local Food Procurement Policy is extremely positive and continued progress is occurring. Children's Services has been able to increase their locally sourced purchases by 13.4% in the first quarter of 2009, when Ontario grown fruits and vegetables are not at their peak availability, with minimal financial and operational impacts. This means Children's Services is now at approximately 33% in terms of utilizing Ontario produced foods in its 37 pilot child care centres.

Similar work has started with other City Operations, to begin establishing some local food expenditure baselines. The learnings from the Children's Services pilots will inform the planning of similar initiatives in other Divisions. Staff will be reporting on the results of work with all City Operations in early 2010 and at that time will have a more fulsome basis on which to assess the ability of, and propose a strategy for, City Divisions to achieve the objective of 50% local food procurement sought by City Council, including associated financial implications.

CONTACTS

Jodi Callan, Policy and Research Analyst, Toronto Environment Office
Tel. 416-392-1826, E-mail: jcallan@toronto.ca

Elizabeth Moffat, Director Municipal Child Care Services, Children's Services
Tel. 416-392-5868, E-mail: emoffat@toronto.ca

Lawson Oates
Director, Toronto Environment Office

Nancy Matthews
General Manager, Children's Services