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## **New York City food manufacturers see value in locally grown ingredients: Successful pilot links NYC businesses to NYS farmers**

Demand amongst the City's food manufacturers for locally grown ingredients is strong and growing, and key interventions can connect the State's farmers to the City's manufacturers better, according to a joint report from the Pratt Center for Community Development and the New York State Department of Agriculture & Markets (NYSDAM). Farm to Factory: Linking New York State Producers with New York City Food Processors details a successful pilot project aimed at demonstrating the potential to meet New York City food processors' demand for local ingredients grown in New York State - at both small and large scales.

**"Within New York City, there are just under 1,000 food manufacturing establishments, employing more than 14,000 people. These companies are vital to New York City's current food system and stand to play a major role in meeting the demand for regionally grown foods as well as becoming a market opportunity for New York farmers" said Adam Friedman, Director of the Pratt Center for Community Development.**

Food manufacturers throughout the five boroughs were surveyed by New York Industrial Retention Network (NYIRN), a project of the Pratt Center, revealing a correlation between ingredients used in locally manufactured products and the produce grown in New York State, identifying 14 key ingredients amongst the city's manufacturers including: flour, honey, apples, carrots, grains, and onions.

In the Farm to Factory Project, food manufacturers were matched with New York State farmers from whom they purchased locally grown produce to be used in their final consumer products. Researchers found that there is a great opportunity for the Farm to Factory to be a successful local sourcing model when both the price and convenience is competitive with the existing supply of goods. Almost all of the food manufacturing participants said that they plan to continue to purchase locally grown ingredients from New York State farmers. Even more, food manufacturers may be willing to pay a premium for New York produce if "local" is part of their value proposition.

**"This report points to opportunities for growth in the state's regional economies— upstate's agricultural communities as well as New York City's food manufacturing sector," said Darrel J. Aubertine, Commissioner of the NYS Department of Agriculture and Markets.**

While the pilot provides solid evidence of the potential for greater upstate-downstate economic linkages and job creation opportunities, it also captures a number of challenges that may require public and private interventions in order to seed a more localized food system and realize related economic development opportunities.

- Expand network of organic farming operations: large scale food manufacturers seeking to regularly order organic produce were unable to obtain product from a single farmer, requiring them to amass ingredients from multiple suppliers.
- Innovative logistics interventions: Small processors' limited orders combined with delivery requirements made it financially infeasible for the farmers to fulfill the orders on a continual basis. Collaborations among small processors could address this issue as well as continued development of the wholesale Greenmarket model in NYC.
- Developing value-added processing capacity: the existing lack of this capacity amongst the farmer participants represents an opportunity for local job creation. In some instances farmers were unable to meet the product specifications of the city manufacturer, necessitating produce grown in New York to be

shipped out of state for initial processing and back to the manufacturer for final processing and distribution. This cuts profits for farmers, delays shipping times for the manufacturer, hurts the environment and can result in the loss of sales transactions.

All of the small pilot participants indicated that local sourcing was a priority for their company and its business model. Those that were unable to make a match indicated that they would still be interested in learning about new opportunities for local sourcing options. Pratt Center provides ongoing sourcing assistance to food manufacturers who are interested in expanding their ingredient profile to include New York State produce.

For more information on the *Farm to Factory* project or to learn more about Pratt Center's sourcing assistance, please contact Adam Friedman at [afriedman@prattcenter.net](mailto:afriedman@prattcenter.net).

*The Pratt Center for Community Development works for a more just, equitable and sustainable city for all New Yorkers by empowering communities to plan for and realize their futures. As part of Pratt Institute, the Center leverages professional skills - planning, architecture and public policy to support community-based organizations and small businesses in their efforts to improve their neighborhoods and advance sustainable development.*

*The NYS Department of Agriculture and Markets' mission is to foster a competitive food and agriculture industry that benefits producers and consumers alike. Agriculture makes up one-quarter of the State's land area and contributes immensely to the quality of life in New York State by generating economic activity and producing wholesome products to nourish our families. NYSDAM works diligently to promote a viable agricultural industry, foster agricultural environmental stewardship, and safeguard our food supply.*