

WORKING WITH ANCHORS TO BUILD THE LOCAL FOOD ECONOMY



FOOD AS AN OPPORTUNITY

- ▶ Philadelphia anchors spend \$100MM/yr on food service
- ▶ According to USBLS food services is in top 10 high growth industries over next decade – number of jobs and wage growth
- ▶ Food is a top informal entrepreneurship sector, and a relatively inexpensive product to produce and transport
- ▶ Recent increased demand for fresh/local product



Economic News Release

Table 3. The 20 industries with the largest projected wage and

	Employment		Change 2010-20	
	2010	2020		
Construction	5,525.6	7,365.1	1,839.5	
Retail trade	14,413.7	16,182.2	1,768.5	
Offices of health practitioners	3,818.2	5,209.6	1,391.4	tance
Hospitals	4,685.3	5,563.6	878.3	tance
Home health care services	1,080.6	1,952.4	871.8	tance
Food services and drinking places	9,351.8	10,212.2	860.4	
Individual and family services	1,215.0	2,066.4	851.4	tance
Nursing and residential care facilities	3,129.0	3,951.0	822.0	tance
Wholesale trade	5,456.1	6,200.2	744.1	
General Local government educational services compensation	8,010.4	8,751.4	741.0	
Computer systems design and related services	1,441.5	2,112.8	671.3	rvice
Employment services	2,716.7	3,348.0	631.3	rvice
Management, scientific, and technical consult services	991.4	1,567.0	575.6	rvice
Junior colleges, colleges, universities, and professional schools	1,64.09	2,171.1	477.1	
Outpatient, laboratory, and other ambulatory care				

SUPPLY-SIDE & DEMAND-SIDE ISSUE

- ▶ Barriers to harnessing this opportunity fall on both supply and demand-side requiring a multi-faceted solution



DEMAND SIDE ISSUES

- ▶ Priority of anchor institution on buying local
- ▶ Food service provider company policies/procedures
- ▶ Flexibility on payment, order size, price point
- ▶ Supply chain management system
- ▶ Bidding requirements (e.g., goals on local/MBE/WBE)
- ▶ Scope and content of food service contract
- ▶ Relationships with supply-side vendors

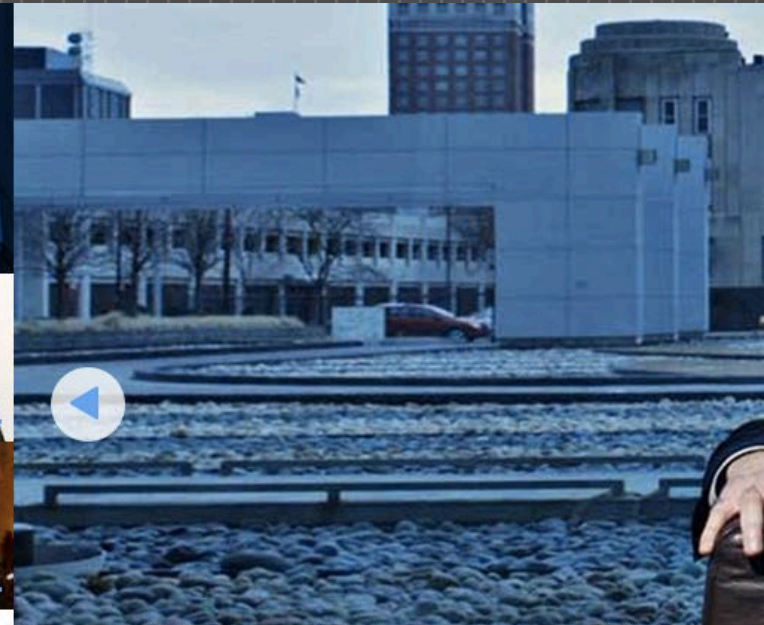
SUPPLY SIDE ISSUES

- ▶ Gaps in existing product, vendors, capacity and scale
 - ▶ Facilities for commercial food production/packaging/logistics
 - ▶ Access to capital (cash flow)
 - ▶ Licenses/inspections/insurance
 - ▶ Knowledge and capacity for business growth
 - ▶ Access to opportunity/markets
- 

SOURCE DETROIT / D2D



A vertical banner for D2D. At the top, "D2D" is written in large white letters on a dark blue background, with vertical dotted lines separating the characters. Below this is the tagline "Connecting Detroit, business by business." in white. The banner contains four portrait photos of professionals: a woman with blonde hair, a man with glasses, a man with a beard, and a woman with dark hair. Small blue plus signs are next to each photo. Below the photos is the text "CONNECT WITH US" in white. At the bottom, the words "BUYERS" and "SUPPLIERS" are written in white on a dark blue background with a grid pattern. A blue left-pointing arrow is on the right side of the banner.



The DTE Energy logo, featuring a stylized sunburst icon, is on the left. To its right, the text "DTE Energy" is in a bold, blue sans-serif font. Below this, "50%" is written in a very large font, followed by "INCREASE WITH DETROIT VENDORS OVER LAST TWO YEARS" in a smaller font. At the bottom of this section is a dark blue button with the text "Contact a Biz Dev Pro" in white.

“Working with
This allows DT
and an engine o
quality or value

EASTERN MARKET/KITCHEN CONNECT



CENTER FOR CULINARY ENTERPRISES



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COMMON MARKET



BALTIMORE FOOD HUB & BALTIMORE INTEGRATION PARTNERSHIP



Baltimore Integration



Partnership

www.baltimorepartnership.org



HARNESSING THE OPPORTUNITY

- ▶ Anchors should include local purchase requirements/goals into RFPs
- ▶ Strategies to take the burden off the demand side
- ▶ Bring online more facilities to build capacity on supply side
- ▶ Create ongoing, on the ground, value-chain enhancement
- ▶ Have permanent, funded staff to facilitate relationships
- ▶ Create a payment reserve fund for entrepreneurs
- ▶ Help anchors revamp their procurement management systems
- ▶ More investment in moving the dial on the demand-side while empowering supply-side capacity projects and initiatives

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