



**Food and Agriculture  
Organization of the  
United Nations**



## Milan Urban Food Policy Pact Monitoring Framework

July 2018 version

**Indicator 38:** Proportion of food procurement expenditure by public institutions on food from sustainable, ethical sources and shorter (local/regional) supply chains

MUFPP framework of actions' category: Food supply and distribution

*The indicator measures the proportion of food procurement expenditure by public institutions on food from sustainable, ethical sources and shorter (local/regional) supply chains [or presence of a set of criteria to drive an increase in the proportion of food procurement expenditure by public institutions on food from sustainable, ethical sources and shorter (local/regional) supply chains]*

### Overview table

MUFPP Work stream	Food supply and distribution
<b>MUFPP action</b>	<b>Review public procurement and trade policy</b> aimed at facilitating food supply from short chains linking cities to secure a supply of healthy food, while also facilitating job access, fair production conditions and sustainable production for the most vulnerable producers and consumers, thereby using the potential of public procurement to help realize the right to food for all.
<b>What the indicator measures</b>	Proportion of food procurement expenditure by public institutions on food from sustainable, ethical sources and shorter (local/regional) supply chains [or presence of a set of criteria to drive an increase in the proportion of food procurement expenditure by public institutions on food from sustainable, ethical sources and shorter (local/regional) supply chains]
<b>Which variables need to be measured / what data are needed</b>	Analysis of as many public institution food procurement contracts as possible; analysis to look at contract specifications for 'sustainable', 'ethical', 'short supply chain', 'family farms', 'local', 'regional', 'small-scale', 'agroecological' (or equivalent) products; financial analysis
<b>Unit of measurement</b> (i.e. Percentages, averages, number, etc.)	Percentage
<b>Unit(s) of Analysis</b> (i.e. people under 5 years old, etc.)	Purchase value of specific categories of foods (as an expression of total contract purchase value)

<b>Possible sources of information of such data</b>	Procurement officers in local government and other public institutions (hospitals, schools, colleges, universities, municipal care homes, prisons)
<b>Possible methods/tools for data-collection</b>	Review of contract specifications, interviews with key stakeholders and contract managers or procurement officers
<b>Expertise required</b>	Data analysis, finance, research and interview skills
<b>Resources required/estimated costs</b>	
<b>Specific observations</b>	<p>A significant amount of research will be needed to carry out a comprehensive review of food procurement expenditure by public institutions. It may be pragmatic to begin with just one or two categories, e.g. schools or hospitals. There is no absolute definition of 'sustainable' or 'ethical' foods so each city will need to make use of any existing locally acceptable criteria as a starting point. Where school or hospital food is not provided, the focus should be on whichever public institution food procurement does exist, however large/small. Any overview information on numbers and types of contracts that exist will be very useful contextual information for the future.</p> <p>If this indicator is too ambitious, an alternative could be the presence of a set of criteria to drive an increase in the proportion of food procurement expenditure by public institutions on food from sustainable, ethical sources and shorter (local/regional) supply chains.</p>
<b>Examples of application</b>	

## Rationale/evidence

The overall purpose of work in this area is to shape public procurement and trade policies so as to facilitate an increase in local and sustainable food supply and distribution. Under some national or international procurement laws (e.g. in Europe) it is not permitted to specify 'local' in contracts and thus favour local supply over another non-local source purely based on location and distance.

### The role of public sector procurement and 'power of purchase'

The total annual expenditure of public sector institutions on food can be very significant, collectively providing the second largest food market nationally (the first being household food purchasing). Academics estimated for example that in 2008 the annual UK public food procurement bill was £160 billion.<sup>1</sup>

As procurers of food and managers of food supply contracts for various services, local government can play a critical role in influencing positive changes. If this expenditure can be directed at least in part towards purchase of more locally sourced or ethical or sustainable products, the impact on the local economy or on ethical business may be significant, with further positive knock on effects.

In more detail, a further example from Wales: Annual public sector expenditure on food is around £60 million in 2008. Of that £20 million is spent on fresh food. This food is used to cater for some of the most vulnerable people in the country (children, elderly, hospitalised). With positive policy towards buying from Welsh sources, Welsh origin products accounted for 47.4% of food purchase in 2009.<sup>2</sup>

### Local economic impacts

<sup>1</sup> Planning, Regeneration and the Public Plate; Kevin Morgan, 2008, School of City and Regional Planning, Cardiff University <http://www.rtpi.org.uk/media/9505/Kevin-Morgan-RTPI-Food-Conference.pdf>

<sup>2</sup> Eco-innovation and the power of purchase; Kevin Morgan, DIME Conference, Cardiff University, 2011 <http://www.dime-eu.org/files/active/0/Kevin-Morgan.pdf>

There are numerous case studies that aim to illustrate the impacts of ‘positive public purchasing powers’. For example a recent study with North Bristol Health Trust UK, that prepares 3000 meals a day on site, found that 24% of NBT’s annual food spending accounts for suppliers who are based in the city region and also source the majority of their raw material from the city region (within 100km). The same study also investigated local sourcing by the contracted school meal provider and found that for fruit and vegetables, the amount of city region sourced produce is up to 40% of the range, up to 30% of the volume and 20% of the value, varying according to seasonality. The knock-on impact on some of the businesses was significant, with one business saying the contract had increased their credibility with other hospitals and with the increased market they had been able to expand operations and retain previously seasonal labour all year round.<sup>3</sup>

### Impacts of sustainable or ethical procurement

As with local economic impacts, if a company selling sustainably produced or ethically sourced products has an opportunity to supply larger volumes to a public institution as part of a supplier contract, the impact on the business will be significant. (The danger comes if the contract is suddenly terminated leaving a business that has invested in expansion without a secure market.)

### Glossary/concepts/definitions used

**Use of the term ‘local’ :** While buying ‘local’ does not necessarily mean buying sustainable, it can offer significant benefits to the local economy (as outlined above) and also save the buyer money, or cost the buyer no more than their original amounts.

Each city has to define what is local to them and there may be numerous interpretations. A certified UK farmers market may for example only allow producers from a 30-50km radius of the town or city. A city like London however will have a much larger local ‘foodshed’ area. Defining what ‘local’ means is contentious and for some nations ‘local’ may as well be the same as ‘national’. The term ‘local’ may be used when in fact the underlying interest is in food ‘with clear provenance’ or ‘fully traceable’. With regard to this indicator, it may be more useful to cite specific distances or define a foodshed area like ‘city region’ or focus instead on ‘fully traceable food with clear provenance’.

**Use of the term ‘ethical’:** In general, ‘ethical’ means equitable, fair and just, and implies that the workers benefit from fair and just working conditions and wages. For example, The UK-based Fairtrade Foundation makes buying ethical products easier for consumers by providing a system of certification and product labelling. Fairtrade sets social, economic and environmental standards for both companies and the farmers and workers who grow the food. For farmers and workers the standards include protection of workers’ rights and the environment, for companies they include the payment of the Fairtrade Minimum Price and an additional Fairtrade premium amount that is invested in business or community projects of the community’s choice.<sup>4</sup>

**Use of the term ‘sustainable’:** The terms ethical and sustainable are sometimes used interchangeably. However ‘sustainable’ tends to be used with reference to environmental aspects. Many cities around the world may want to place in a more prominent way their effort to favour small holders/family farming as in the example of Brazil mentioned below, combining health, social, economic, and environmental interests.

<sup>3</sup> The role of private sector in the Bristol (UK) city region food system: Bristol’s public procurement sector and city region food supply (Section 4, p26); Carey and Hochberg, 2016, RUAF Foundation [http://www.ruaf.org/sites/default/files/The\\_role\\_of\\_private\\_sector\\_in\\_the\\_Bristol\\_city\\_region\\_food\\_system-final\\_1.pdf](http://www.ruaf.org/sites/default/files/The_role_of_private_sector_in_the_Bristol_city_region_food_system-final_1.pdf)

<sup>4</sup> Fairtrade Foundation <https://www.fairtrade.org.uk/What-is-Fairtrade/What-Fairtrade-does>

There is no legal definition, though for certain aspects of sustainable food production, terms like organic or fair-trade are clearly defined. Many organisations use the term and have varying definitions that more or less amount to the same underlying principles. Sustain, a national UK food and farming NGO notes that new evidence is emerging all the time on how best to improve the sustainability of the complex food and farming system, so offers principles that are a work in progress:

Sustainable food is food which is produced, processed, distributed and disposed of in ways that:

- Contribute to thriving local economies and sustainable livelihoods - both in the UK and, in the case of imported products, in producer countries;
- Protect the diversity of both plants and animals and the welfare of farmed and wild species,
- Avoid damaging or wasting natural resources or contributing to climate change;
- Provide social benefits, such as good quality food, safe and healthy products, and educational opportunities.<sup>5</sup>

**Other 'sustainable' food labels or certification schemes:** Products such as certified organic foods or sustainable caught fish may have their own standards. For example the Marine Stewardship Council (MSC), an international non-profit organization, provides standards and certification indicated by a logo on products to show it is certified to come from well-managed fisheries and not from endangered stocks. MSC provides a 'good fish guide' and also information on which fish and seafood should be avoided.<sup>6</sup>

**Short food supply chains (local/regional) or family farms:** 'Short' refers to both physical and social distance. There are very few or no intermediaries, allowing for more interaction between producer and final customer. Many such supply chains focus on retail sales e.g. farmers markets, community supported agriculture and do not have the economies of scale to engage with procurement contracts, unless there is clear policy to support it.

In Brazil, the National School Feeding Program requires that at least 30% of fruits and vegetables come from family farming (regional production - short chain) as a way of stimulating and providing social and economic sustainability for family farming initiatives.<sup>7</sup>

There are some businesses like Fresh Range in the UK that have successfully won a school meals supply contract with Bath & North East Somerset Council.<sup>8</sup> (See reference section for further information.)

## Preparations

The team responsible for monitoring this indicator should agree on:

1. Scope and parameters for work on this indicator including where to begin and how much detail to gather – to be discussed with the municipality (see research questions below)
2. Any specific focus, either in line with policy priorities, or for pragmatic reasons (e.g. only focus on school meals, or only focus on elderly care homes) – as above, discuss with the municipality
3. Type of data disaggregation and categories that will be used (see further below)

<sup>5</sup> Sustain: the alliance for better food and farming, UK

[https://www.sustainweb.org/sustainablefood/what\\_is\\_sustainable\\_food/](https://www.sustainweb.org/sustainablefood/what_is_sustainable_food/)

<sup>6</sup> Marine Stewardship Council <https://www.msc.org/>

<sup>7</sup> The Brazilian school feeding programme: an example of an integrated programme in support of food and nutrition security, 2012; Sidaner, Balaban and Burlandy; NS Public Health Nutrition Journal; [http://hgsf-global.org/en/bank/downloads/doc\\_details/294-the-brazilian-school-feeding-programme-an-example-of-an-integrated-programme-in-support-of-food-and](http://hgsf-global.org/en/bank/downloads/doc_details/294-the-brazilian-school-feeding-programme-an-example-of-an-integrated-programme-in-support-of-food-and)

<sup>8</sup> Bath & North East Somerset Council - School Food Contract Opportunity

<http://www.bathnes.gov.uk/services/schools-colleges-and-learning/school-meals-and-catering/bath-north-east-somerset-council>

4. Data collection method (analysis of records, interviews or procurement survey)
5. If surveys are to be used, survey questions and instrument have to be designed. Training of survey enumerators may be needed.

### Sampling

In case data are collected by means of a food procurement survey, the ideal would be to have a 10% sample from each type of public institution food procurer is minimally needed: e.g. 10% hospitals, 10% schools, 10% care homes etc. This will provide an overview from which approximate totals may be calculated.

These should be done as structured interviews in order to ensure respondents are clear about the information requested. Written surveys are less accurate.

### Data collection and data disaggregation

Researchers should aim to produce an audit report that collects together as much of the following data as possible so as to provide an overview of what is currently happening. In most cases this information will not exist so this exercise will provide a baseline for future monitoring. The procurement contract specifications are the key documents, but they will very likely need explanations from the contract managers through research interviews.

#### *Identify relevant institutions:*

- Number and type of public institutions that procure food (e.g. schools, colleges, hospitals, social services and care homes, prisons, municipal-owned canteens, etc.)

#### *Understand and identify relevant procurement contracts*

- Number and type of shared procurement contracts (e.g. one catering company may supply several schools; or one supply contract may provide food for several care home kitchens in different locations)
- Number, type and value of food procurement contracts for each/some of the above (see notes on sampling)

#### *Identify relevant contract specifications*

- Number of procurement contracts that include specifications for local or equivalent (or fresh, daily deliveries, seasonal, particular local varieties/breeds – other qualities that would still support local)
- Number of procurement contracts that include specifications for 'sustainably produced or caught'
- Number of procurement contracts that include specifications for 'ethical' or fairly or justly traded (or equivalent)

#### *Identify proportion of total value of each/sampled food contract spent on:*

- Local/shorter supply chains or equivalent
- Sustainably produced/caught or equivalent
- Ethically traded or equivalent

### Data analysis/calculation of the indicator

If all the background information is available, the indicator is computed by i) calculating the total annual value of all public institution food procurement contracts; ii) calculating the total annual value of purchases of local, ethical and sustainable products; iii) calculating one as a proportion of the other.

Very likely this indicator will not be available in the short-term. In that case, an overall assessment of the extent to which procurement expenditure goes on food from sustainable, ethical sources and shorter (local/regional) supply chains will be good progress. Any overview figures that provide context will be useful in the longer-term. If a complete overview is not possible, then the focus could be on one type of public institution food procurement, or even just on one single institution.

### References and links to reports/tools

**Short Food Supply Chains as drivers of sustainable development:** evidence document; Foodlinks Collaborative EU project, 2013 ([www.foodlinkscommunity.net](http://www.foodlinkscommunity.net))  
<http://orgprints.org/28858/1/evidence-document-sfsc-cop.pdf>

#### **Local Food Plus, Toronto**

An award-winning charitable organization that nurtures regional food economies by certifying farmers and processors for local sustainable food production and helping them to connect with buyers of all types and sizes

<http://ckc.torontofoundation.ca/org/local-food-plusland-food-people-foundation>

#### **An example of a set of criteria around which sustainable food procurement policy and practice could be developed**

The Yale Sustainable Food Project has created a guide to help provide a framework around which institutions can develop new purchasing practices. The authors ask what makes food “sustainable”. Their answer is that sustainable food is:

- Produced by farmers and ranchers who care for the health of their animals and the land
- Sourced locally and seasonally directly from family farms or farm cooperatives
- Cooked from scratch to minimize processed ingredients
- Good for the environment, the people who grow it, and the people who eat it

Published by the Yale Sustainable Food Project and available on request from

[food.purchasing@yale.edu](mailto:food.purchasing@yale.edu)