



April 2013

Farm-to-Hospital Programs: Factors Influencing Hospital Participation

Bobby J. Smith, II, 2013 M.S. candidate

Charles H. Dyson School of Applied Economics and Management, Cornell University

Farm-To-Hospital (FTH) programs seek to establish a formal supply chain relationship between hospitals and farms in which both parties benefit. Hospitals benefit by upholding the common mission of many hospitals to one, promote healthy living, two, provide a model from which patients may learn, and three, foster a healthy food environment. Farmers benefit because FTH programs create an alternative marketing channel for their products. A FTH program is defined as the supply chain relationship between hospitals or healthcare facilities and farms producing local, fresh foods. The term “local” has no universal definition, but a reasonable definition, defined by the USDA, is food that is produced in the same state or less than 400 miles from the location in which the food is being consumed.

Currently, little is known about the relationship between hospitals and farms in local food systems or how hospitals contribute to the support of local food systems via FTH programs. A recently completed study on FTH programs conducted by Bobby J. Smith, II, Harry M. Kaiser, and Miguel I. Gomez of the Charles H. Dyson School of Applied Economics and Management at Cornell University identified several factors that influence a hospital’s decision to adopt a FTH program. This article presents findings from an online survey of hospital food service directors in the Northeast region (New York, Connecticut, Massachusetts, New Hampshire, Maine, Pennsylvania, Rhode Island, and New Jersey) of the U.S. from April 2012 to November 2012 that was conducted by Smith, Kaiser, and Gomez.

Survey Findings

The survey was completed by 101 hospital food service directors in the Northeast, 87% of which are classified as a medical center. More than half of the hospitals reported that they had adopted a FTH program (58%), and 11% of the food service directors expressed interest in implementing a FTH program at their respective hospital. The average number of meals served per day among the respondents is 498 meals and 63% have self-operated foodservice. Thirty-six

percent of the hospitals signed a Healthy Food in Health Care Pledge, an initiative developed by a nonprofit organization that provides hospitals with guidelines that support healthy and sustainable foods services in order to improve patients' health (<http://www.healthyfoodinhealthcare.org/pledge.php>).

Among the respondents, 21% are located in non-metro counties adjacent to metropolitan areas. Non-metro areas adjacent to metropolitan areas are identified by the USDA based on a county's degree of urbanization and proximity to metropolitan areas. The average proportion of acreage classified as farmland in a hospital respondent's county is 17%.

In an effort to understand what portion of a hospital's budget is spent on locally produced foods, the hospitals were asked to indicate the share of yearly purchases classified as local in the following categories: meat, fruit, vegetables, dairy and eggs. The table below reports the averages among the respondents.

**Average Percentage of Yearly Purchases Classified as Local
among Hospitals in the Northeast**

Categories	Percentage of Purchases Local
Meat	9%
Fruits	16%
Vegetables	18%
Dairy	30%
Eggs	17%

As seen in the table, the perishable food category that exhibits the highest percentage of local purchases is dairy (30%). This finding can be attributed to the number of dairy farms and processors in the Northeast which means that local dairy products are easily accessible. It can also be stated that the percentage of local dairy purchases could be much higher if a hospital is procuring from a main supplier such as Sysco, but doesn't realize the dairy is locally procured. The lowest average percentage of local purchases is meat (9%). This finding could be due to the limited number of local meat producers and the higher cost of production in certain areas of the Northeast.

Hospitals were asked to rate, on a scale from 1 (unimportant) to 5 (critical), the importance of issues that could challenge their facility from directly procuring local foods from local producers. The top four challenges are:

1. Supply reliability
2. Cost
3. Lack of access to local food systems
4. Seasonality of foods

The hospitals that reported having a FTH program were asked to rate, on a scale from 1 (unimportant) to 5 (critical), the benefits of the program. According to respondents, the top four benefits are:

1. Food safety
2. Support of local economic environment
3. Quality of food (freshness)
4. Environmental sustainability

After rating the challenges and benefits of the FTH program, the hospitals were asked to provide their own definition of “local” foods. Fifty-three percent of the hospitals classified “local” as being within 100-200 miles from the hospital or within the same state.

Factors Influencing a Hospital’s Decision to Adopt a FTH Program

Additional results from the study indicate that the Healthy Food in Healthcare Pledge, the average number of patient meals prepared daily, the percentage of farms participating in Community Supported Agriculture (CSA) in a hospital’s county, and a hospital’s county classification are factors that significantly influence a hospital’s decision to adopt a FTH program.

Most FTH programs are in hospitals located in counties in or near metropolitan areas. Hospitals that have signed the Healthy Food in Healthcare Pledge also have a higher chance of adopting than hospitals that have not signed the pledge.

Farms looking for alternative markets in which to participate should consider establishing a relationship with hospitals and vice-versa. This can be achieved by using regional food distributors or developing a direct relationship with hospitals. The results indicate that both hospital-specific characteristics and agricultural characteristics significantly influence a hospital’s decision to adopt a FTH program. Due to some hospital guidelines, the best way to facilitate this market may be through established regional distributors and suppliers. Farm-to-Hospital programs have the potential to improve the economy of these communities and preserve the environment.

Bobby J. Smith, II, is a graduate student at Cornell University in the Charles H. Dyson School of Applied Economics and Management and can be reached at bjs282@cornell.edu for more information on the Farm-To-Hospital Program research.

“Smart Marketing” is a marketing newsletter for extension publication in local newsletters and for placement in local media. It reviews elements critical to successful marketing in the food and agricultural industry. *Please cite or acknowledge when using this material.* Past articles are available at <http://marketingpwt.aem.cornell.edu/publications.html>.