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Consider a Food Bank As a Market Opportunity

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The local food pantry was once considered a source of food to meet emergency nutrition needs of children, families, and adults. The Hunger in America 2010 study conducted by Feeding America (an organization of 200 food banks throughout the U.S.) indicates that families are not visiting pantries to meet temporary acute needs but now use food pantries as a long term strategy to supplement monthly shortfalls of food. Senior citizens living on fixed incomes are shown to be among the most consistent pantry clients. Historically food banks relied on donated products to meet the needs of their clients. The donation stream from individuals, businesses and organizations has tightened. Food banks go to the marketplace to access a consistent stream of goods to meet the increasing demand for food.

The Hunger in America 2010 study showed that within the United States, 45% of all food programs need for more fresh fruits and vegetables, 58% need more meat products, and 48% need more dairy products. Food banks serving New York State have funds available through the NYS Department of Health's Hunger Prevention Awareness Nutrition Program to purchase perishable produce and other food products at prevailing wholesale market prices.

A food bank is a warehouse in business to acquire, sort, store, and distribute food to community hunger prevention agencies, which include emergency food programs, soup kitchens, residence programs, day care, multi-service organizations, senior centers, rehabilitation centers, youth programs and other programs. Food banks manage networks and logistics to move food from areas of surplus to areas in need inside and outside their regular service area. New York State is served by 10 food banks. According to the Food Bank Association of New York, food banks fed over 3,000,000 people through nearly 5,000 agencies in 2011. According to Feeding

America, 191 million pounds of food was procured resulting in almost 150 million meals consumed in one year's time in New York State.

Table 1. Food Banks Serving New York State

Food banks serving New York state	Area served	Phone number	Pounds distributed annually (millions)	Number of service agencies
Island Harvest	Nassau, Suffolk	516/ 294-8528	6.935	536
City Harvest	New York City	646/ 412-0600	39.573	406
Food Bank of New York City	Bronx, Kings, Queens, Richmond, New York	718/ 991-4300	67.787	694
Foodlink, Inc.	Orleans, Monroe, Wayne, Genesee, Livingston, Ontario, Wayne, Seneca, Yates, Wyoming, Allegany	585/ 358-3380	8.366	370
Food Bank of Central New York	St. Lawrence, Jefferson, Lewis, Herkimer, Oneida, Oswego, Cayuga, Onondaga, Madison, Cortland, Chenango	315/ 437-1899	11.724	395
Food Bank of Western NY	Chautauqua, Cattaraugus, Erie, Niagara	716/ 852-1305	10.861	312
Food Bank of the Southern Tier	Steuben, Schuyler, Tompkins, Chemung, Tioga, Broome	607/ 796-6028	7.497	158
Food Bank of Westchester	Westchester	914/ 923-1100	6.208	216
Long Island Cares, Inc.	Nassau, Suffolk	631/ 582-3663	5.288	592
Regional Food Bank of Northeastern NY	Clinton, Franklin, Essex, Hamilton, Warren, Washington, Fulton, Saratoga, Montgomery, Schenectady, Rensselaer, Otsego, Schoharie, Albany, Greene, Delaware, Columbia, Ulster, Sullivan, Orange, Dutchess, Putnam, Rockland	518/786- 3691	26.942	1,084

To access this market channel, producers should:

- Determine what is available for sale.
- Be able to describe the quality (grade) and the quantity of the product for sale.
- Decide if you will transport the product or if the food bank will transport the product (expect the price to be discounted if the food bank provides transportation).
- Contact your local food bank and speak with the person who purchases food.
- Negotiate a purchase price. Know in advance current market prices for specific grades. Food banks purchase at wholesale prices.

Quality is important. Food banks are limited in the amount of highly perishable product that they can purchase and distribute at any given time. Most of the agencies receiving perishable products have limited refrigerated storage space. As a result the food bank purchases smaller quantities of perishable produce more frequently.

Packaging is important. There are two options. The producer can sell produce in bulk quantities. Staff at the food bank will pack the produce into smaller quantities desired by end users. Or, the producer can pack the produce in small quantities before it is delivered to the food bank. The sale price should include this value-added service.

The Food Bank Association of New York and Feeding America develop forecasts for the supply and demand for products within New York State and the United States, respectively. A surplus of product in one area may be purchased and moved to a deficit area. Producers located near a state boundary should investigate the food banks in the neighboring state.

Presently, food banks in New York State do not require Good Agricultural Practices certification; however, food pantry procurers do visit the farms from which they are interested in purchasing product. It is important that all facilities are neat and clean. Producers can expect payment within 14 days, but it is appropriate to ask when payment can be expected when the deal is struck.

Like any other account, a trusting relationship between the buyer and seller is critical when conducting business. Good communication, knowledge of current market conditions, and reasonable expectations are all important when negotiating price. Food banks are interested in purchasing high quality product at wholesale prices and will pay for customer friendly packaging. Contact them today.

Reference

Mabli, James, Rhoda Cohen, Frank Potter, Zhanyun Zhao. 2010. Hunger in America 2010 National Report. Chicago. Feeding America (formerly America's Second Harvest) Mathematica

Policy Research, Inc.

http://feedingamerica.issuelab.org/resource/hunger_in_america_2010_national_report

Accessed August 28, 2013.

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