



## Institutional Investment in Regional Food: An Overview

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### Examining the Anchor Promise

This is the first in a series of three articles examining the context and practice of institutional investment in equitable regional food systems. This article focuses on the ecosystem and background that makes this type of program valuable and necessary. The second article focuses on examples of these systems in praxis, and the third outlines some of the key ingredients for success.

For years, food systems practitioners across the US have worked to harness the power of institutional food purchasing to support regional food economies. This “farm-to-institution” work seeks to realize the “anchor promise”, wherein a large place-based institution leverages its purchasing power to contribute to the prosperity and well-being of its surrounding communities. However, after so much work and so much growth in the field, this goal has proven to be an elusive target for institutions and communities alike: as more institutions continue to make bold commitments to shifting their purchasing, very few have achieved them. Most institutions haven’t yet made proactive investment in businesses who make up the food economy these purchasing commitments implicate, and much of the values-based procurement movement has avoided reckoning with the thorny legacy of the racial and economic inequities baked into the contracts and structure of institutional foodservice.

Furthermore, when these values-based purchasing efforts have been successful, they have often depended on one committed individual within the institution championing programs that benefit nearby farmers or have been a product of a specific one-time contracting arrangement.

This has in large part been due to the lack of systems infrastructure required in the regions where institutions have made such commitments. For example, sometimes regions don’t yet have the “hard” infrastructure like efficient regional food hubs or sufficient cold storage capacity required to meet the specifications that large institutional purchases so often require. Other times, regions lack “soft” infrastructure like developed value chains for fruit and vegetables or a coordinated network of producers who could come together to meet the scale of demand from the institution. These systems gaps are particularly pernicious when we consider the experience of BIPOC producers: legacies of exclusionary financing, land loss and theft, and decades of insufficient support from structures like the USDA and others that have directly suppressed these food & ag businesses’ development, making it even harder for institutions to partner with them. Without investing in and developing this hard and soft infrastructure, these bold purchasing commitments that institutions are making are doomed to fall short. And in order to understand and develop approaches that make- or could make- these efforts succeed in the long term, I’ve been helping the Wallace Center launch their [Institutional Investment Accelerator](#).

Building on my own experiences through my company [Kitchen Sync Strategies](#), we set out to understand what leaders across the US are doing to advance long-term, transformative change with local anchor institutions. We spoke with practitioners with specialized expertise in the food economy, systems

thinkers throughout the food space, and institutional representatives and asked “how are institutions in your area investing in the infrastructure that is critical to realize the goals of equitable, local, and/or sustainable institutional food purchasing?” Our hypothesis is that by making investments in this infrastructure and developing the pipeline of food businesses who reflect their values, institutions can both meet their purchasing commitments and improve the overall resilience of their regional food economy- *especially* when they partner with and invest in businesses owned by people of color.

Quickly, through conversations with practitioners and experts who have tested and considered the role of institutions in equitable food systems development, we learned we had to define “institutional investment” more precisely. Rather than focus on institutional purchasing (which can easily overlook the prerequisite infrastructure to make a purchase possible), we dug into the fact that institutions need to do more than just commit to buying regional, sustainable, and equitable food if they want to make those purchasing commitments a reality: they need to invest in the development of that infrastructure.

## Defining Our Terms

Importantly, we narrowed our consideration of “institutions” to three main types of entities: universities & colleges, hospitals, and local/ municipal governments. We did *not* consider K-12 school systems as their uniquely complicated regulations demand their own focus (i.e. NSLP meal requirements, wildly variable and complex funding restrictions, etc.). These three institution types often have a mandate to do community development work of some sort: for example, nonprofit hospitals all need to show how they support their community (through annual Community Health Improvement Plans and Community Benefits Program commitments) and public universities are required to produce statewide economic and social benefit (because they are funded in part by State legislatures). In addition to already being large purchasers of food, these additional institutional obligations make them ideal candidates for being leading investors in their regional food economy.

Meanwhile, we broadened our understanding to the term “investment” to encompass both the value of financial transaction *and* of relationship building. Acknowledging the wisdom that other leaders have gathered through this work and building on our own experiences, we understand that the core challenges facing this work are, in essence, challenges of building genuine relationships. For projects to succeed in breaking with the *status quo*, they must foster and sustain relationships within the institution (e.g. between budget and sustainability departments) and with external community leaders and advocates. And yet, without being accompanied by changes in an institution’s food purchasing behaviors, these relationships alone won’t drive change in the market channel. Key to any successful relationship between a local food ecosystem

and an institution is demand- the promise that there is an honest, fair economic incentive for the farmers and food businesses engaging in these relationships.

Furthermore, to advance resilience, build racial equity, and address inequities in access in regional food economies, these institutions must specifically target their investment to support farms and food businesses owned by people of color.

Throughout our background research for this Accelerator, we encountered many innovative examples of institutions making investments in their regional food economies. Some were more developed partnerships, others nascent projects- but they all develop the infrastructure necessary to support small scale BIPOC producers and community members. And in order to help us understand the paths each project took to get to

***We define “institutional investment” in regional food economies as the process of a higher education institution, hospital, or a local/municipal government developing reciprocal relationships with and funding the development of systems infrastructure in support of producers and intermediaries in its region.***

where it is now as well as attempt to typify these sorts of approaches for our national partners and thought leaders, we created a visual spectrum of the institutional investment models we encountered ([here](#)). In the next two articles in this series we’ll cover examples and determinants of success in these types of partnerships.

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### **About the Wallace Center**

[The Wallace Center at Winrock International](#) is a national nonprofit that brings together diverse people and ideas to co-create solutions that build healthy farms, equitable economies, and resilient food systems. Wallace has been a leader in the development of healthy regional food and farming systems for over 35 years, working to scale up the supply and positive environmental, social, and economic benefits of regional, sustainably produced food. We seek to affect systems change to bring benefits to the environment, to communities, and to the farmers and food businesses that are the building blocks of a healthy and equitable food system.

### **About Kitchen Sync Strategies**

[Kitchen Sync Strategies](#) believes a smarter, healthier food economy is built around people being in relationship with their food and their farmers. We provide brokerage services to regional suppliers and institutional food buyers, and we provide consulting for stakeholders building stronger, fairer regional food economies.