SUSTAINABLE FOOD CENTER

TEXAS BUYER SURVEY PILOT

Final Report

September 2022

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EXECUTIVE SUMMARY

Sustainable Food Center developed and administered a pilot survey of Texas buyers to help build a greater understanding of the drivers and barriers to procuring local food for a variety of buyer types. Eight buyers representing mostly Central Texas schools, aggregators/distributors, and restaurants completed the mixed-method survey from July-August 2022.

The results indicate that interest in procuring local products has increased or at least held steady in the past year, with an increase in purchasing reported by half of the respondents. The product category of most interest to respondents was produce.

When asked how their organization/company defines “local” when purchasing food, the two most commonly selected answer options represented one of the broadest as well as the narrowest definition of local: “Produced in the State of Texas” and “Produced within 100 miles of consumption.” Respondents source local food primarily from contracted distributors, directly from producer cooperatives or food hubs, and directly from individual producers, indicating that there are a variety of entry points for producers interested in accessing these markets.

Respondents provided detailed information on the price points their organization/company would be willing to pay above wholesale cost for a variety of value-adds, on a scale from 0% to more than 15%. Two of the top five value-adds, which included certifications, labor and ownership characteristics, and multiple definitions of “local,” included the two narrowest definitions of local (within 100 and 200 miles of consumption). This demonstrates a willingness to pay the most above wholesale cost for the most local options available.

When considering which factors influence the decision to buy local, there was consensus around increased freshness and the ability to support local businesses. Additional top answers supported this desire to contribute to the local economy and support small businesses. However, when respondents ranked the factors they selected in terms of how important they were to their organization/company’s decision-making process, what rose to the top were more administrative reasons like company policy/mission, affordability, and contract requirements.

Answers to a question about barriers to buying local highlighted that the availability of local products is perceived as being too low and/or inconsistent and too expensive. Another theme was the difficulty of finding information on what is available locally. Relatedly, when asked what would make it easier to source locally, the most salient theme was communication: increasing ease of communication between buyers and producers by having a centralized source of information to refer to, easier ordering systems, and developing less time-intensive ways to identify local vendors in general.

The data collected in this pilot survey produced a detailed snapshot of the drivers and barriers to procuring local food for a small sample size of buyer respondents. Administering the survey to a larger number of buyers representing more diverse categories of buyers across more regions within Texas would provide more robust data that could inform program design and policy priorities that support local procurement.

INTRODUCTION

Sustainable Food Center developed the Texas buyer survey as part of its Supply Chain program to help build a greater understanding of supply and demand for food produced in Texas—specifically, the drivers and barriers to procuring locally for a variety of buyer types.

The pilot survey was developed over the course of several months, from late 2021 through mid-2022. Academic and industry experts provided feedback through various channels, including a focus group held in April 2022. The results of this feedback and focus group analysis were applied to the content and structure of the survey.

The survey was administered during a one-month period from mid-July to mid-August 2022. An eligibility requirement for participating in the survey was that the respondent's company or organization had to be located in Texas. Existing contacts and listservs were contacted to recruit for the survey.

The survey was comprised of 25 questions, including two open-ended questions. Depending on the respondent's buyer category, not all questions appeared for every respondent due to skip logic. However, all questions were required for the respondents for which they were relevant, with the exception of one open-ended question that asked about what is going well in local procurement. Answer options were randomized for each respondent for questions for which there were a long list of options, such as the questions around factors influencing local purchasing and barriers to local procurement. Numerical and categorical survey data were cleaned, analyzed, and visualized using Microsoft Excel and Tableau. Open-ended survey data were coded and analyzed using NVivo qualitative analysis software.

RESULTS AND DISCUSSION

I. BUYER CHARACTERISTICS

Overview

Eight respondents completed the survey. An additional three started the survey but only answered the first few questions. Incomplete responses were excluded from the analysis.

Half of the respondents were school representatives (3 Public School and 1 Private/Charter School). The remaining respondents were split between the Aggregator/Distributor (2) and Restaurant (2) categories.

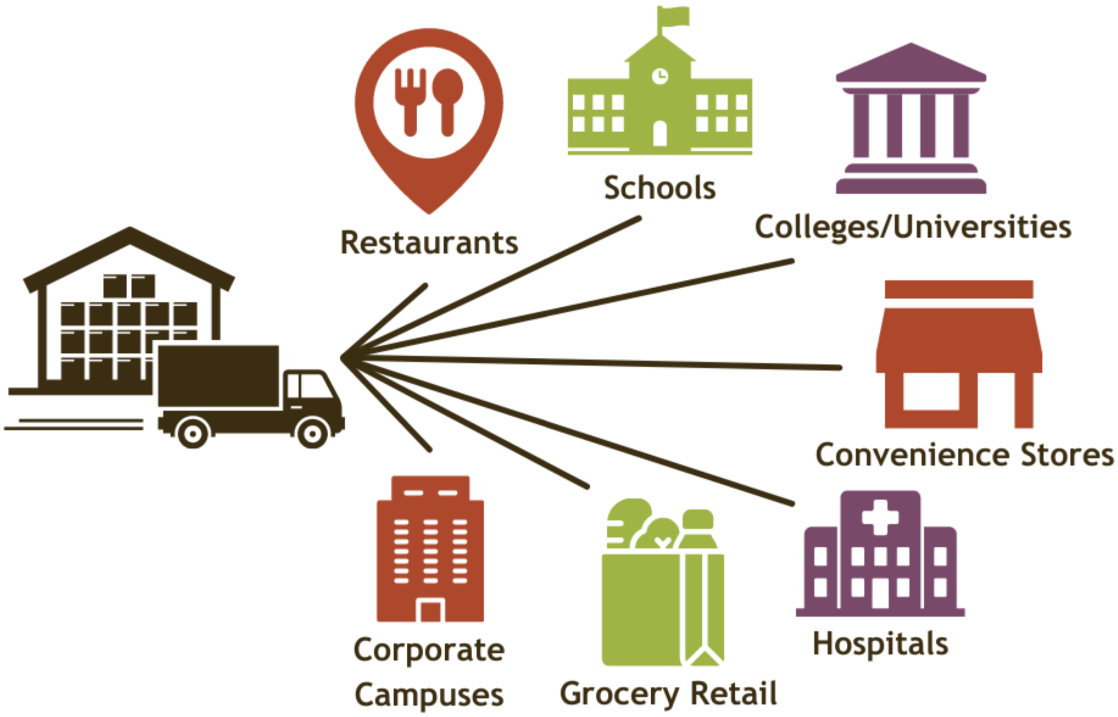
None of the respondents chose the remaining answer options: College/University, Convenience Store, Corporate Campus, Grocery Retail (brick-and-mortar or e-commerce), or Hospital.

Only school representatives were asked if they were currently operated by a food service management company and all four responded "no."

Markets served

Only the Aggregator/Distributor respondents were asked which markets they primarily served. All answer options were selected at least once: College/University, Convenience Store, Corporate Campus, Grocery Retail, Hospital, Private/Charter School, Public School, and Restaurant. Restaurants were the only market served by both Aggregator/Distributor respondents.

Figure: Graphic of Markets Served by Aggregator/Distributor Respondents

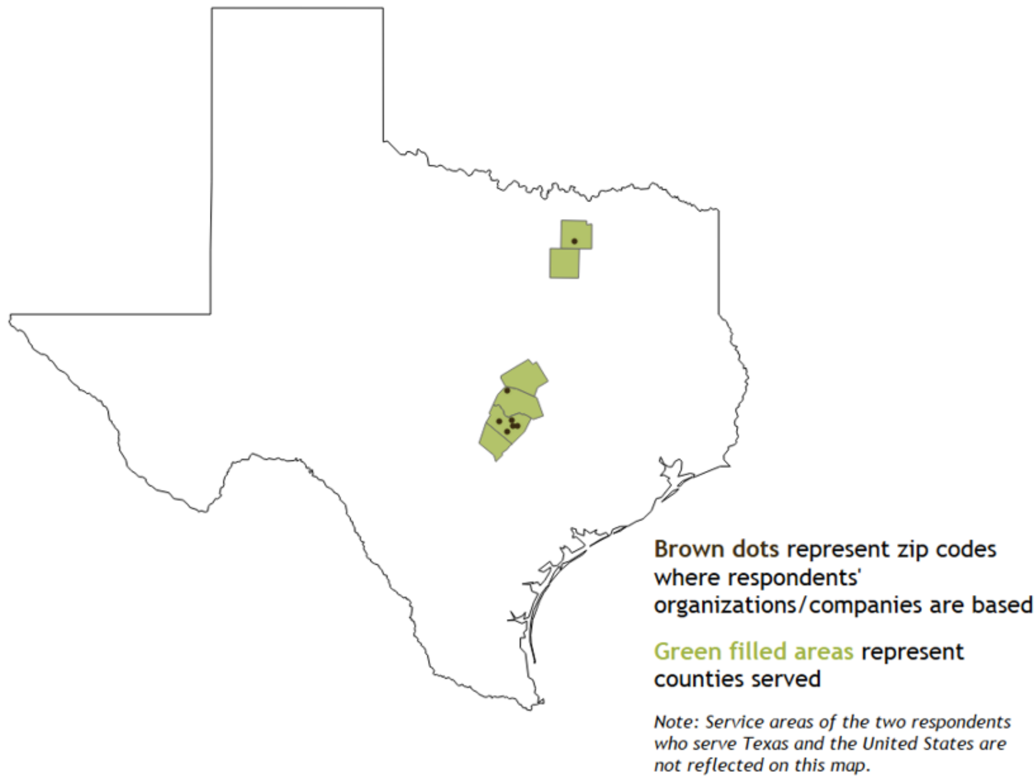


Individuals served
The number of individuals served monthly ranges from 250-200,000. Removing the highest and lowest responses, the range is 600-approximatey 20,000 (1000 students per school day).

Location
Only one respondent's organization or company was not based in Central Texas: Collin County in North Texas. The Central Texas respondents were based in Austin/Travis County (6) and Williamson County (1).

Counties served
One respondent's organization/company serves the United States, while the remaining respondents serve all of Texas (1) or some combination of counties in Texas (one serves North Texas counties and the remaining five serve various Central Texas counties).

Figure: Map of Markets Served by Aggregator/Distributor Respondents



II. CURRENT LOCAL PROCUREMENT EFFORTS

Efforts to purchase local

All eight respondents stated that their organizations or companies currently or in the past had made a deliberate effort to purchase locally produced food (produce, dairy, meat, grains, etc.).

Interest in locally produced items in past year

Interest in procuring locally produced items has either increased (5) or remained unchanged (3) for all respondents in the past year. No respondents stated that interest had decreased. This indicates that interest in local food is at least holding steady if not increasing overall.

Purchases in past year

When asked how their organization/company's purchases of locally produced items had changed in the past year, half of the respondents said that it had increased, and one-quarter said that it had not changed. The final quarter stated that it had decreased, indicating that the interest level expressed previously does not necessarily translate to an increase in local purchasing.

Percentage of monthly food purchasing dollars spent on local food

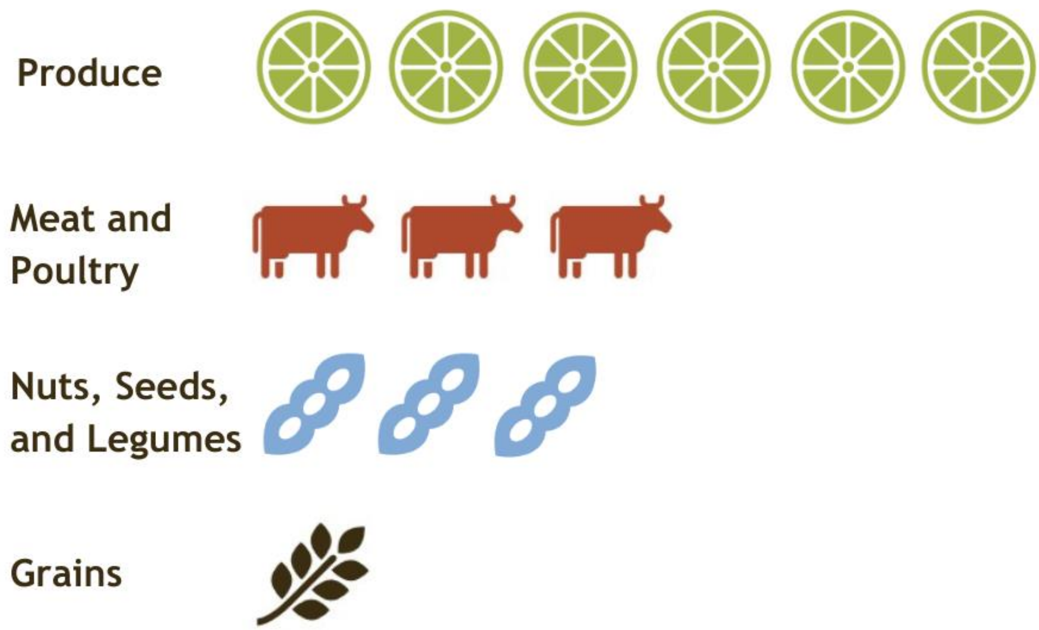
Respondents estimated that their organizations/companies spend from 5-95% of their monthly food purchasing dollars on local food. Removing the highest and lowest responses of 5% and 95%, the range was 20-85%. Three-quarters of respondents fell into the 5-50% range.

Products to source locally

Three-quarters of respondents are looking to start sourcing produce locally or more locally (6). Other product categories with responses were Meat and Poultry (3); Nuts, Seeds, and Legumes (3); and Bread and Grains (1, though this respondent specified "grains only"). One respondent who selected Nuts, Seeds, and Legumes further specified that they are interested in local and sustainable tree nuts besides pecans.

Product categories that were not selected by any respondents were Dairy and Milk, Eggs, and Fish and Seafood.

Figure: Products to Source Locally



Definition of "local"

When asked how their organization or company defines "local" when purchasing food, respondents were asked to check all that applied from a list of options. The two most common answers represented one of the broadest as well as the narrowest definition of local: five respondents selected "Produced in the State of Texas" and three selected "Produced within 100 miles of consumption."

Flexibility in defining "local" was highlighted by the two respondents who noted "We don't have a set definition for local" and one that stated the definition "Depends on the supplier's definition."

The answer options that were not selected by any respondents were "Produced within 200 miles of consumption," "Produced in Texas, New Mexico, Colorado, Oklahoma, Arkansas, or Louisiana," "Varies based on product type (e.g., meat vs. produce)," "Varies based on what is available," "Definition is tied to where the raw ingredients come from," "Definition is tied to where processing happens," and "Definition is tied to where the vendor is located."

Number of unique vendors

Respondents' organizations/companies are sourcing local food from a range of 0-65 unique vendors. Removing the highest and lowest responses of 0 and 65, the remaining answers fell within a narrower range of 2-20.

Market channels used for sourcing

Respondents' organizations/companies source from a variety of market channels: "Contracted distributors," "Directly from a producer cooperative or food hub," and "Directly from individual producer" each received five responses. "Food service management company" and "Other: Micro purchase through a local distributor" had one response each. All answer options were selected by at least one respondent.

Food safety certifications

Half of respondents require their vendors to have HACCP verification. An additional two each require GAP certification, GHP certification, or no certification. One requires a third-party audit and one did not know.

Insurance requirements

Five respondents require general liability insurance and product liability insurance of their vendors. One did not know, and another did not require any insurance.

III. BUYER DECISION-MAKING

Price points

A matrix-style question asked respondents what price point their organization or company would be willing to pay above wholesale cost for a variety of value-adds. The list of value-adds included certifications, labor and ownership characteristics, and multiple definitions of "local" that were also included in the question about defining "local."

Answer options were "None," "Less than 5%," "5-10%," "10-15%," "More than 15%," and "N/A." ("N/A" responses were not included in the calculation of weighted averages below.) Two respondents noted that they were not allowed to share this information or did not have access to it.

The number of respondents selecting each price point for each value-add are shown below. Weighted averages were used to create an overall score for each value-add (e.g., if a respondent selected "More than 15%," this was given five points per respondent; if a respondent selected "None," this was weighted as one point per respondent).

The five value-adds with the highest weighted averages included the two narrowest definitions of local that were included in the question about how organizations/companies define "local." This demonstrates a willingness to pay the most above wholesale cost for the most local options available.

The remaining three options in the top five indicate a willingness to pay a premium for food produced in an environmentally sustainable way, using fair labor practices, and through enhanced animal welfare practices.

The value-adds with the lowest weighted averages indicate that organizations/companies are not as willing to pay more than wholesale cost for union-made goods or to support food businesses that are veteran-, BIPOC-, or woman-owned.

Notably, all but the four value-adds with the lowest weighted averages saw at least one respondent willing to pay more than 15% above wholesale cost. This indicates that there is potentially a high level of opportunity for producers and food businesses interested in selling a variety of values-differentiated products.

Table: Price Point by Value-Add

Value-Add	Price Point: None	Less than 5%	5-10%	10-15%	More than 15%	Weighted Average
Local, within 100 miles		1	2	3	1	**3.57**
Sustainable		2	2		2	**3.33**
Certified Fair Trade		1	4	1	1	**3.29**
Free Range/Pastured	1		4		2	**3.29**
Local, within 200 miles		2	2	1	1	**3.17**
Certified Humane	1	1	3	1	1	**3.00**
Certified Naturally Grown	2		2		2	**3.00**
Local, within Texas	1	1	2	1	1	**3.00**
Animal Welfare Approved	1	1	3		1	**2.83**
Farm-Identified (can be traced back to the farm)	2	1	2	1	1	**2.71**
Certified Organic	3	1	1	1	1	**2.43**
Woman-Owned	3	1	3			**2.00**
BIPOC-Owned	3	1	2			**1.83**
Veteran-Owned	4	1	1			**1.50**
Union-Made	6					**1.00**

Factors Influencing the decision to buy local

Respondents were asked to check all that applied from a list of factors that may influence their organization or company's decision to purchase locally produced food. They were then asked to rank the top 1-3 factors that were most important to their organization/company.

Every answer choice was selected at least once. Two answers were selected by all respondents: "Food is fresher" and "Support local businesses." An additional two answer options were selected by all but one respondent: "Contribute to local economy" and "Support small businesses." These indicate a high level of interest in supporting small businesses and the local economy.

After the ranking step, each rank for each factor was assigned a numeric value and averaged by the number of responses to create an overall score. Scores calculated by ranking are shown below.

There were 22 answer options in total, so the factors ranked first received 22 points and, in theory, the factors ranked last received one point (this would have been true if all answer options had been ranked by all respondents; however, the respondent who selected the highest number of factors selected 15). "Customer service," "Contract requirement," and "Better selection" were ranked by only one respondent each. All other answer options were ranked by at least two respondents.

Although supporting local economies and small businesses were selected by the highest number of respondents, when asked to rank, what rose to the top as leading factors in the decision-making process were more administrative reasons like "Company policy/mission," "Affordability," and "Contract requirement." "Animal welfare" made another appearance, which corresponds to the price point question where free range/pastured was one of the highest valued. "Customer demand" rounded out the top five factors.

Figure: Factors by Aggregated Ranking Score

What is working well

Half of the respondents answered the optional, open-ended question: "What is working well for your organization or company in its local procurement efforts?" These answers touched on several themes: some respondents have established processes around conscious sourcing over time, and they are able to connect to small-scale producers. Other respondents noted that producers meet or exceed food safety standards and can offer better-quality products. One respondent noted the importance of customer demand, which has increased, along with customer awareness of supply chain issues:

> **"Our community has certainly grown and is mutually beneficial for working around supply chain issues, transparency issues and direct communication about pricing and availability. Our guests generally know how we source before they walk in and that is very helpful [for] operations."**

One respondent noted what is not going well: the lack of support for producers, especially during months where the weather is most extreme; and that there can be a reliance on private funding or donations to achieve viability as a CSA vendor, for example.

Barriers to buying local

Respondents were asked to check all that applied from a list of barriers their organization/company might face in purchasing locally produced food. They were then asked to rank the top 1-3 barriers faced by their organization/company.

Answers varied, but to a lesser extent than the question about factors. The most-selected option was chosen by four respondents: "Inconsistent availability of product." Two other options received three responses: "Local vendors are too small to work with organization/company" and "Pricing too high." These indicate that the availability of local products is perceived as being too low and too expensive. To supplement the perception of inconsistent availability, "Inconsistent quality of product" and "Inconsistent quantity of product" indicate an overall inconsistency in local product offerings.

Additional answer options show that finding information on what is available is a barrier (two respondents selected "Don't know where to get information on what is available" and one selected "Don't have time to gather sourcing information"). One respondent shed further light on this theme with a comment on the "Other" answer option:

> **"We have a high demand but it's nearly impossible to find any information other than going to farmers markets and locally networking. We feel that there should be an agency to support small businesses to connect directly with small farmers. In some ways this is available but very small farms are struggling as they don't have the marketing dollars needed to spread the word."**

The answer options that did not garner any responses were "Not familiar/aware," "Don't know what can be sourced locally," "Don't know how much locally sourced product costs," "Lack of time to train staff on handling local product," "Lack of customer interest in buying local," "Lack of marketing local product to consumers," and "Lack of interest from organization/company."

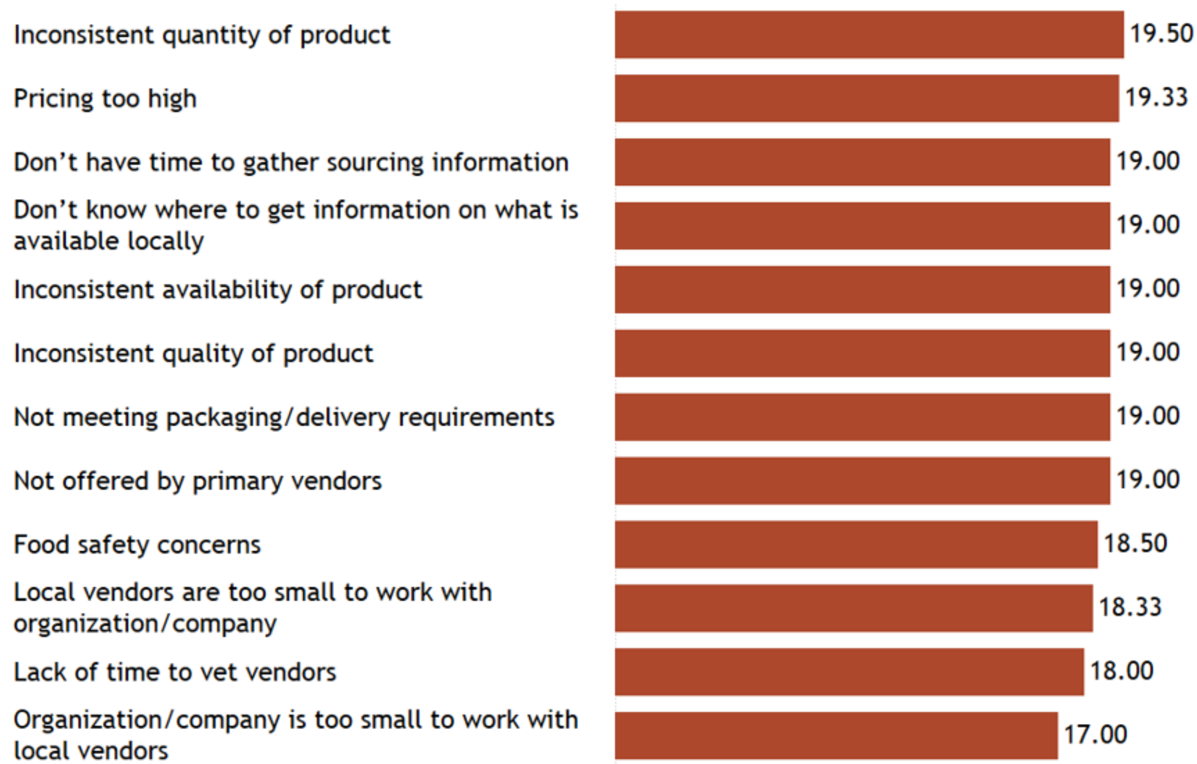
Notably, the total number of barriers selected (25) was much lower than the factors influencing buying local (85), meaning that more respondents selected more factors influencing the decision to buy local than barriers. There was also much less variety in the barriers than in the factors.

After the ranking step, each rank for each barrier was assigned a numeric value and averaged by the number of responses to create an overall score. Scores calculated by ranking are shown below.

There were 20 answer options in total, so the barriers ranked first received 20 points and, in theory, the barriers ranked last received one point (this would have been true if all answer options had been ranked by all respondents; however, the respondent who selected the highest number of barriers selected four). "Don't have time to gather sourcing information, "Lack of time to vet vendors," "Not meeting packaging/delivery requirements," and "Organization/company is too small to work with local vendors" were ranked by only one respondent each. All other answer options were ranked by at least two respondents.

Six of the barriers received the same overall score. The two that rose above the rest were "Inconsistent quantity of product" and "Pricing too high."

Figure: Barriers by Aggregated Ranking Score



What would make local sourcing easier

Respondents were required to provide a response to the open-ended question, "What would make it easier for your organization or company to source local food?" The most common theme in the answers was ease of communication. This included calls for a centralized source of information, like a distribution list; a distributor hub; easier ordering systems; improved communication channels with producers; and less time-intensive ways to identify local vendors. One respondent's answer encapsulated several of these points:

> **"To not have to "search" for this on weekends at markets and/or find ways to connect in person. A distribution list would be wonderful with information about the farm specifically (organic, located where etc.)."**

Other themes were availability (greater availability year-round and of produce in particular) and flexibility in purchasing (less red tape from the Texas Department of Agriculture around procuring directly from distributors specialized in local agriculture and a desire for current contracted vendors to increase local offerings). A final comment was that support is needed for producers to ensure they can meet food safety requirements.

CONSIDERATIONS FOR FUTURE SURVEYS

1. Increase number of survey respondents

A larger sample size would provide a more nuanced understanding of general trends, such as whether interest in local and local spend are increasing. More responses would allow for a more thorough analysis of numerical questions, like percentage of monthly food purchasing dollars spent on local food, number of vendors, and price points for value-adds. This analysis could help us get more specific about what the opportunities are for producers and how much various degrees of "local" are valued. For example, there was a high degree of willingness to pay more than 15% above wholesale cost for a variety of value-adds, but before encouraging producers to obtain certain certifications, we would need more robust data to support this observation.

The lack of prioritization of veteran-, BIPOC-, and woman-owned businesses was surprising, given that there were several school respondents, who have guidance from the State of Texas to purchase from Historically Underutilized Businesses that embody these demographic characteristics. This is a trend to explore in greater depth with a larger sample size.

2. Ensure buyers from all categories are represented

Grocery retail was not represented in the survey results and there was an overrepresentation of schools. Due to the low sample size and diversity of buyers represented within the small sample size, we did not calculate averages or medians where we otherwise might have with a larger sample size. We also did not segment responses from different buyer categories due to the low number of respondents. Having more responses in each buyer category would allow us to do a deeper analysis of the data segmented by buyer category in order to support specific approaches and recommendations for that buyer category, as well as to track trends over time.

3. Ensure buyers from more regions of Texas are represented

There was an overrepresentation of Central Texas buyers.

4. No major changes to questions or answer options are needed

Most of the questions had all their answer options selected at least once and there were few "other" write-in explanations needed. This indicates that the answer options made sense to respondents and represented the full spectrum of buying experience. Keeping consistent answer options from year to year will help ensure comparability of results over time.

5. Maintain the variety of "local" definition answer options, even though the majority were not selected by any respondents

If different types of buyers with a wider geographic distribution take the survey in the future, answer options like "Produced within 200 miles of consumption," "Produced in Texas, New Mexico, Colorado, Oklahoma, Arkansas, or Louisiana," could come into play.

APPENDIX: SURVEY QUESTIONS

Thank you for participating in the Texas Buyer Survey! This survey will take approximately 20 minutes to complete. Some of the questions will ask for estimates of dollars spent on local food, percent of spending allocated to local food, and the number of vendors you source from. Please have this information handy while taking the survey, if possible. *(* indicates a required question)*

* 1. Is your company or organization located in Texas?
Yes
No

* 2. Which buyer category best describes your organization or company?
Aggregator/Distributor
College/University
Convenience Store
Corporate Campus
Grocery Retail (brick-and-mortar)
Grocery Retail (e-commerce only)
Hospital
Private/Charter School
Public School
Restaurant
Other (please specify)

* 3. Which markets do you primarily serve? Check all that apply.
College/University
Convenience Store
Corporate Campus
Grocery Retail
Hospital
Private/Charter School
Public School
Restaurant
Other (please specify)
Name of food service management company, if applicable:

* 4. Are you currently operated by a food service management company?
Yes (please specify which one below)
No

* 5. Does your organization or company now, or has it ever made a deliberate effort to purchase locally produced food (produce, dairy, meat, grains, etc.)?
Yes
No
Don't know

* 6. How does your organization or company define “local” when purchasing food? Check all that apply.
Produced within 100 miles of consumption
Produced within 200 miles of consumption
Produced in the State of Texas
Produced in Texas, New Mexico, Colorado, Oklahoma, Arkansas, or Louisiana
We don’t have a set definition for local
Varies based on product type (e.g., meat vs. produce)
Varies based on what is available

Depends on supplier's definition
Definition is tied to where the raw ingredients come from
Definition is tied to where processing happens
Definition is tied to where the vendor is located
Don't know
Other (please specify)

* 7. How many unique vendors does your organization or company currently source locally produced food from? Please estimate, if necessary.

* 8. Approximately what percentage of your organization or company's monthly food purchasing dollars are spent on locally produced food? Please estimate, if necessary.

* 9. Which market channels does your organization or company utilize to source local produce? Check all that apply.
Directly from individual producer
Directly from a producer cooperative or food hub
Contracted distributors
Food service management company
Other (please specify)

* 10. What price point would your organization or company be willing to pay above wholesale cost for the following value-adds? Please estimate, if necessary. (Answer options for each value-add: None, Less than 5%, 5-10%, 10-15%, More than, 15%, N/A)
Animal Welfare Approved
Certified Fair Trade
Certified Humane
Certified Naturally Grown
Certified Organic
Farm-Identified (can be traced back to the farm)
Free Range/Pastured
Union-Made
BIPOC-Owned
Woman-Owned
Veteran-Owned
Local, within 100 miles
Local, within 200 miles
Local, within Texas
Sustainable
I do not have access to this information
I am not allowed to share this information
Other (please specify)

* 11. Which of the following factors influence your organization or company's decision to purchase locally produced food? Check all that apply.
Affordability
Animal welfare
Better selection
Company policy/mission
Contract requirement
Contribute to local economy
Convenience
Customer demand
Customer service
Environmentally sustainable growing practices

Fewer food miles
Fair labor practices
Less plastic packaging
Better nutrition
Better quality
Food is fresher
Sense of community
Supply chain transparency
Support local businesses
Support small businesses
Unique products
Other (please specify)

* 12. Of the factors selected, please rank the top 1-3 that are most important to your organization or company:
Affordability
Animal welfare
Better selection
Company policy/mission
Contract requirement
Contribute to local economy
Convenience
Customer demand
Customer service
Environmentally sustainable growing practices
Fewer food miles
Fair labor practices
Less plastic packaging
Better nutrition
Better quality
Food is fresher
Sense of community
Supply chain transparency
Support local businesses
Support small businesses
Unique products
[Insert text from Other]

* 13. How has your organization or company's interest in locally produced items changed in the last year?
Increased
Decreased
No change
Don't know

* 14. How has your organization or company's purchases of locally produced items changed in the last year?
Increased
Decreased
No change
Don't know

15. Optional: What is working well for your organization or company in its local procurement efforts?

* 16. Which of the following barriers does your organization or company face in purchasing

locally produced items? Check all that apply. Please add any barriers not on this list to the "Other" box.
Food safety concerns
Inconsistent availability of product
Inconsistent quality of product
Inconsistent quantity of product
Not familiar/aware
Not meeting packaging/delivery requirements
Not offered by primary vendors
Pricing too high
Don't know where to get information on what is available locally
Don't have time to gather sourcing information
Don't know what can be sourced locally
Don't know how much locally sourced product costs
Lack of time to vet vendors
Lack of time to train staff on handling local product
Organization/company is too small to work with local vendors
Local vendors are too small to work with organization/company
Lack of customer interest in buying local
Lack of marketing local product to customers
Lack of interest from organization/company
Other (please specify)

* 17. Of the barriers selected, please rank the top 1-3 that are most important to your organization or company:
Food safety concerns
Inconsistent availability of product
Inconsistent quality of product
Inconsistent quantity of product
Not familiar/aware
Not meeting packaging/delivery requirements
Don't know where to get information on what is available locally
Don't have time to gather sourcing information
Don't know what can be sourced locally
Don't know how much locally sourced product costs
Lack of time to vet vendors
Lack of time to train staff on handling local product
Organization/company is too small to work with local vendors
Local vendors are too small to work with organization/company
Lack of customer interest in buying local
Lack of marketing local product to customers
Lack of interest from organization/company
Not offered by primary vendors
Pricing too high
[Insert text from Other]

* 18. Are there any types of products you want to start sourcing locally, or source more locally? Check all that apply.
Bread and Grains
Dairy and Milk
Eggs
Fish and Seafood
Meat and Poultry
Nuts, Seeds and Legumes
Produce
Other (please specify)

* 19. What would make it easier for your organization or company to source local food?

* 20. Which food safety certifications do you require of your vendors?
GAP certification (Good Agricultural Practices)
GHP certification (Good Handling Practices)
Third party audit
HACCP verification (Hazard Analysis Critical Control Points)
Don’t know
Other (please specify)

* 21. Which type(s) of insurance do you require for your vendors?
General liability
Product liability
Multi-peril
Don't know
Other (please specify)

* 22. Which zip code is your organization or company based out of?

* 23. Which counties does your organization or company serve?

* 24. Approximately how many individuals does your organization or company serve monthly?

* 25. Are you interested in learning more about this survey and SFC’s work to transform the food system? Please provide your email address if you would like a follow-up meeting or email:
Yes, I’d like to have a follow-up meeting
Maybe, I’d like to receive an email with more information
No, not at this time