

August 1, 2018

RE: Resolution 52538 - Authorizing the City of Madison to purchase services creating a feasibility study for a food terminal cross-dock facility within the City of Madison and making a funding allocation of no greater than \$100,000 for purchase of services

Members of the Madison Food Policy Council,

As a Postdoctoral Fellow at the UW Center for Integrated Agricultural Systems and Chair of the Madison Food Policy Council's Healthy Retail Access Work Group, I am writing to express my support for the Resolution (Legistar #52538) *Authorizing the City of Madison to purchase services creating a feasibility study for a food terminal cross-dock facility within the City of Madison and making a funding allocation of no greater than \$100,000 for purchase of services.*

The 2015 report *Healthy Food & Small Stores: Strategies to Close the Distribution Gap in Underserved Communities* notes "traditional distribution systems are not built to serve small stores. This results in a lack of healthy, fresh foods in the communities that need them most¹." It is well-documented that storage and distribution are major challenges for independent food retailers, especially small groceries and ethnic markets. This is because they often have difficulty meeting minimum order requirements for distributors and sourcing fresh products.

Small food businesses and household consumers pay the price for these challenges. It is not uncommon for these stores to face higher costs for lower quality product from distributors or to resell marked-up produce they have purchased at large discount food retailers. In other instances, small market operators make multiple trips a week to purchase product from wholesalers in cities several hours away.

Madison food retailers, including Madison Healthy Retail Access Program (HRAP) participants, are no exception. In 2017, The Food Trust² conducted an independent evaluation of the Program. The resulting report directs Program leadership to "examine how fruit and vegetable distribution influences the Madison retail environment" and notes that "developing sourcing and distribution strategies for healthy food and especially fresh produce" could enhance the Program.

Food terminals (also called *wholesale* produce markets) are a strategy used in other US cities (e.g. Boston, San Francisco, Baltimore, Syracuse) to help independent grocery retailers and other small food businesses overcome storage and delivery challenges. Food terminals address issues associated with consolidation in the food industry by offering semi-public infrastructure that ensures market access for independent farmers, distributors, and buyers. Specifically, by renting space to a mix of food distributors, wholesalers, retailers and other food businesses, food terminals provide important off-site storage space, one-stop shopping for small volume buyers, and function as aggregation sites for high volume food buyers, such as schools and hospitals. Meanwhile, "cross-docks" at these facilities provide simultaneous pick-up and drop-off points, helping to move fresh product quickly.

Allocating no more than \$100,000 of the available \$655,000 HRAP funds for a feasibility study of a food terminal cross-dock facility would enable the Program to explore solutions that are larger than any single HRAP participant or healthy food access project while connecting the Program to regional supply chain businesses and infrastructure. Thank you for your consideration.

Sincerely,



Lindsey Day Farnsworth
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Madison Food Policy Council Healthy Retail Access Work Group Chair

¹ http://thefoodtrust.org/uploads/media_items/healthy-food-and-small-stores.original.pdf

² The Food Trust is a national organization recognized for its expertise in healthy food access and financing.