



B.C. Food Expenditures in Health Care 2018/19

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Feed BC

Feed BC is a provincial government priority to increase the use of B.C. grown and processed foods in B.C. government facilities. Led by the Ministry of Agriculture, Feed BC encourages, inspires and supports more B.C. grown and processed foods being served in hospitals, health-care facilities, post-secondary institutions and other public facilities.

Increasing the amount of B.C. food:

- Supports local farmers, fishers and food processors;
- Builds the provincial food supply;
- Connects patients, residents, students and clients to local food; and
- Increases prosperity in communities across the province.

Feed BC is a collaborative effort between government ministries, health authorities, post-secondary institutions and industry partners, including farmers, fishers, food processors, food distributors, group purchasing organizations and foodservice management companies. Together, Feed BC partners are creating new, long-term opportunities for B.C. food producers and processors.

Foodservices in Health Care

In British Columbia, there are 168 health authority-owned and operated hospitals and residential care facilities overseen by five regional health authorities and the Provincial Health Services Authority.

Health authorities provide foodservices in both acute and residential settings. Facilities vary greatly – from large acute care hospitals to small residential care homes. In smaller communities, acute and residential care are often located within the same facility or adjacent to one another. In addition, there are specialized residential facilities, such as mental health and addiction centres.

With millions of meals provided to patients and clients each year, health authorities can either manage foodservices themselves (in-house) or contract with a foodservice management company (contracted). There are two foodservice companies operating in B.C.: Compass Group and Sodexo.

How the food is prepared is not dependent on how the service is provided (in-house versus contracted) but rather on the equipment and skilled labour available to each site. For example, food items made from scratch require different equipment and skilled labour than food items that are fully prepared and re-heated. Regardless of the foodservice management model, in-house and contracted sites use a combination of produced (e.g., apples) and processed (e.g., applesauce) foods to meet the needs of their patient population.

Food Procurement in Health Care

Most decisions about menu planning and food purchasing take place at the health authority level versus at the individual site level. While procuring B.C. foods is a priority for health authorities, protecting the health and safety of vulnerable patients is paramount. All food products, including B.C. produced and processed foods, must comply with the highest standards for nutrition, allergens and traceability.

Except for bread and fluid dairy, most food is purchased through a broadline distributor that has access to a large quantity of items from a wide variety of vendors. Since distributors maintain a large inventory of food to offer their customers, health authorities can be confident their volume needs will be met. Most importantly, distributors can guarantee the products they carry have the safety standards health authorities require. Gordon Food Services and Sysco, the two broadline distributors in B.C., service both in-house and contracted foodservices in health care.

To provide patients and residents with a variety of food year-round, health authorities need to rely on both B.C. and non-B.C. food. Foodservice managers understand the economic and environmental benefits of local food procurement and have been working to optimize their B.C. food spends for several years.

However, much like any department in health care, food costs must come within budget. Health authorities use group purchasing organizations (GPOs) to leverage their buying power to reduce costs for high-volume products to stay within budget. Many non-B.C. products are less expensive than similar B.C. products due to the considerable negotiating power of GPOs that buy high volumes from large national and international companies for many sectors. HealthPro and Aramark are the two GPOs for health authorities in British Columbia.

Tracking B.C. Food Expenditures

To support the Ministry of Agriculture’s Feed BC mandate, the Ministry of Health directed health authorities to track their annual B.C. food expenditures starting in the 2018/19 fiscal year. The ability to implement tracking covering 2018/19 was due, in large part, to the efforts of the Local Food Working Group. In 2013, the working group was formed with foodservice representatives from all health authorities and their contracted foodservice companies. Their mandate is to gather information on local food spends, and identify constraints and opportunities related to procuring local foods. By 2016, the working group confirmed a definition of local food as “a final product produced and/or processed within the borders of British Columbia.” For the purposes of Feed BC in health care and tracking B.C. food expenditures, the working group definition was adopted, and the definition of B.C. processed food and sub-categories for reporting were established.

B.C. Food in Health Care

A final product produced and/or processed within the borders of British Columbia.

B.C. Processed Food

Food that has undergone one of the following activities performed in a commercial food and/or beverage manufacturing facility located in B.C., for the purposes of sales and distribution:

1. General physical alterations: grinding beef, milling wheat, crushing tomatoes, shredding cheese, chopping cucumbers, etc.; and/or
2. Extending shelf life: freezing, canning, drying, pickling, smoking, fermenting, etc.; and/or
3. Combining ingredients to make a new product: baking muffins, making pizza, blending juice, mixing salad greens, etc.

B.C. Food Sub Categories

- ▶ Baked Good (e.g., bread, muffins)
- ▶ Beverages (e.g., juice, pop, coffee, tea)
- ▶ Dairy (e.g., milk, yogurt, ice cream)
- ▶ Produce (e.g., fresh and frozen fruits and vegetables)
- ▶ Protein (e.g., meat, chicken, fish, seafood, eggs, cheese, entrées)

2018/19 Results

This is the first report for Feed BC that tracks health authority expenditures on B.C. foods. B.C.'s health authorities have been long-time champions of local food and have been working to optimize their use of B.C. food for several years with good results. While health authorities have informally tracked their B.C. food expenditures for the last few years, this is the first report under the Ministry of Agriculture's Feed BC mandate.

Interior Health was the first health authority to participate in Feed BC and received supports to test innovative strategies to increase the purchase of B.C. food starting in 2018. Fraser Health and Northern Health are now engaged in the next phase of Feed BC implementation. Although each health authority is unique in the challenges experienced to increase procurement of B.C. foods, using a phased approach allows for sharing of successes and best practices across health authorities.

The results are impressive. Within the first year of Feed BC, all six health authorities have met, or are close to meeting, the aspirational target for 30% of B.C. food purchases set by the Minister of Agriculture. While B.C. health authorities are unique in terms of their population, size, geography, health needs and foodservice structure, each health authority has used creative solutions and expert budget management to increase their B.C. food expenditures. Health authorities have also sought new opportunities for B.C. products across the many different types of food they procure. This report celebrates their hard work and dedication.

Results of the 2018/19 B.C. Food Expenditures Report¹:

Health Authority and Food Category	% B.C. Food: Category	% B.C. Food: Total Spend
Interior Health		
Baked Goods	63.5%	5.0%
Beverages	37.0%	2.7%
Dairy	48.0%	7.5%
Produce	15.0%	2.0%
Grocery	4.5%	1.6%
Protein	59.9%	12.1%
TOTAL		30.9%

Successes

- Exceeded Feed BC aspirational target of 30% B.C. food spends.
- Overall increase reflects switches to B.C. suppliers of ground beef and shell eggs (early 2019) and more emphasis on local produce (throughout 2018/19).
- More items made in Vernon and Penticton (production kitchens) used by health authority sites.

¹ The data within each table has not been independently verified by each health authority.

Health Authority and Food Category	% B.C. Food: Category	% B.C. Food: Total Spend
Fraser Health		
Baked Goods	86.5%	5.2%
Beverages	3.9%	0.4%
Dairy	72.4%	10.3%
Produce	32.7%	3.7%
Grocery	5.0%	1.6%
Protein	25.6%	6.5%
TOTAL		27.7%
<p>Successes</p> <ul style="list-style-type: none"> • Increase in local purchases for tea cart items for residential sites (scones, loaves, cookies). • Menu change resulted in increased use of sandwich bread (local product). • Introduction of more seasonal fresh fruit and salad choices through summer. • Switch to new local meat supplier for some protein items and a local source for liquid eggs. <p>Challenges</p> <ul style="list-style-type: none"> • Beverage procurement shifted from B.C. to lower-cost Ontario supplier. • Less milk being served overall (residents can now indicate choice of beverage when offered). • Some protein products sourced differently due to increased prices. 		
Northern Health		
Baked Goods	59.1%	4.6%
Beverages	5.9%	0.6%
Dairy	68.7%	6.7%
Produce	26.6%	5.1%
Grocery	3.1%	0.6%
Protein	16.0%	5.5%
TOTAL		23.1%
<p>Successes</p> <ul style="list-style-type: none"> • Better identification of food items sourced locally. • Transition to B.C. supplier part way through year for supply of liquid eggs. • Fresh squash purchased throughout summer from local sources. <p>Challenges</p> <ul style="list-style-type: none"> • Identification of product source and whether it meets definition of B.C. food. Group purchasing organizations and food distributors play key role in assisting health authorities with this. 		

Health Authority and Food Category	% B.C. Food: Category	% B.C. Food: Total Spend
Island Health		
Baked Goods	58.1%	2.7%
Beverages	0.7%	0.1%
Dairy	44.9%	7.4%
Produce	24.8%	5.6%
Grocery	3.0%	0.7%
Protein	35.2%	10.8%
TOTAL		27.2%
Successes		
<ul style="list-style-type: none"> Island Health in-house food services has met the aspirational target for health care food services of 30% B.C. food spend. Baked goods, including muffins and squares, now sourced from B.C. supplier. Ice cream now being sourced from a B.C. supplier. More produce being sourced from B.C. supplier. 		
Vancouver Coastal Health/Providence Health Care		
Baked Goods	68.9%	3.0%
Beverages	6.2%	0.7%
Dairy	80.5%	11.4%
Produce	19.3%	3.0%
Grocery	1.9%	0.5%
Protein	25.5%	7.6%
TOTAL		26.2%
Successes		
<ul style="list-style-type: none"> Some protein items shifted from non-B.C. suppliers to a local supplier of meat and fish products. Most eggs (shell, liquid and hard boiled) now sourced from B.C. suppliers. 		
Challenges		
<ul style="list-style-type: none"> Results reflect three months of purchases from new B.C. suppliers; next year results will show the full impact of recent shifts. 		

Health Authority and Food Category	% B.C. Food: Category	% B.C. Food: Total Spend
Provincial Health Services Authority		
Baked Goods	57.2%	3.7%
Beverages	1.6%	0.2%
Dairy	64.6%	10.3%
Produce	51.4%	5.8%
Grocery	3.1%	0.9%
Protein	22.0%	5.2%
TOTAL		26.1%

Successes

- Forensic Psychiatric Hospital met Feed BC aspirational target of 30% B.C. food spends
- Switch to new produce supplier provides weekly notices of what is local
- BC Women's Hospital, BC Children's Hospital, BC Cancer Agency and Brock Farni Pavilion foodservices now focused on sustainable sourcing from B.C. and Canada
- Most poultry and eggs (shell, liquid and hard boiled) now sourced from B.C. suppliers
- Some baked goods (buns, bread, dessert squares) and cheeses (mozzarella blend, shredded cheddar, Parmesan) now sourced from B.C. suppliers
- 1 L and 250 mL juices transitioned to B.C. supplier
- Burnaby Centre for Mental Health and Addictions now focusing on sustainable food sourced from B.C. suppliers
- Some protein items shifted from non-B.C. companies to local supplier of meat and fish products

Challenges

- No local supplier of individual portioned cheeses currently known/identified
- Results for 2018/19 reflect three months of purchases from new B.C. suppliers. Results for next year will show the full impact of these more recent shifts

Conclusion

Reporting on B.C. food expenditures is just one component of Feed BC in health care. As health authorities and their foodservice professionals work to identify opportunities to purchase more B.C. food, the Ministry of Agriculture is also working to support capacity-building of B.C. producers and processors to expand the availability of B.C. foods that government facilities need. Innovative ‘value chain’ collaboration between foodservice supply chain partners will help all partners solve supply and demand challenges by better connecting B.C. products to the B.C. government facilities market.

Feed BC has given health authorities clear direction and provided additional supports, however, food budgets have not changed. Containing costs, while also providing nutritious and diet-specific food to patients and residents, is an imperative for health authorities. To support Feed BC, health authorities have allowed for the purchase of some B.C. food even when it is priced higher than similar non-B.C. food.

For example:

- Introducing more local and seasonal fruit, vegetables and salads;
- Offering a wide variety of B.C.-processed baked goods and sandwich options; and
- Balancing labour costs with producing in-house products versus the cost of purchasing non-B.C. pre-made products.

In working to build capacity and support along the government facilities foodservice supply chain, Feed BC supports the potential growth and expansion of B.C. food businesses. New long-term markets may offer some B.C. producers and processors the stability and certainty required to grow their products and enhance the competitiveness of B.C. versus non-B.C. food currently used in health authorities.

Food service professionals in each health authority are using creative solutions and expert budget management to increase their B.C. food expenditures. The ministries of Health and Agriculture wish to acknowledge and thank the many dedicated health authority staff that work in foodservices. This report reflects their commitment to increase B.C. food available on patient and resident trays in hospitals and health care facilities across British Columbia.

feed BC
Bringing B.C. food to public institutions

