



B.C. Food Expenditures in Health Care

2021/2022



*feed***BC**

Bringing B.C. food to public institutions

Contents

About Feed BC _____	3
Feed BC in B.C. Healthcare _____	3
Summary _____	4
Food service in healthcare: 2021/22 _____	6
2021/22 Provincial Results _____	7
Vancouver Coastal Health (VCH)/Providence Health Care (PHC) _____	8
Successes & Challenges _____	8
Fraser Health (FH) _____	9
Successes & Challenges _____	9
Interior Health (IH) _____	10
Successes & Challenges _____	10
Vancouver Island Health (VIH) _____	11
Successes & Challenges _____	11
Northern Health (NH) _____	12
Successes & Challenges _____	12
Provincial Health Services Authority (PHSA) _____	13
Successes & Challenges _____	13
Conclusion _____	14

About Feed BC

Feed BC is a provincial government partnership initiative led by the Ministry of Agriculture and Food, to increase B.C. food in hospitals, long-term care facilities, public post-secondary institutions, and other government-supported facilities.

The objectives of Feed BC are to:

- support businesses and jobs for farmers, fishers, ranchers, food processors and their communities;
- bring more local food to patients, residents, students, and customers;
- stimulate economic development; and
- grow the provincial food supply and provincial food system resilience.

Feed BC in B.C. Healthcare

Through Feed BC, the Ministry of Agriculture and Food and the Ministry of Health are collaborating with the provincial and regional health authorities to optimize healthcare's use of B.C. foods.

To support this effort, Ministry of Health directed all health authorities to report their total annual food expenditures and the proportion of those expenditures spent on B.C. foods beginning in 2018/19. Health authorities have been encouraged to work with their food service providers towards Feed BC's target goal of 30% of expenditures on B.C. foods.

This report summarizes the total food spends and proportion of B.C. food expenditures reported by each of the six health authorities for for 2021/22. It goes on to note changes in B.C. food expenditures between 2020/21 and 2021/22. It also describes B.C. health authorities' plans for maintaining or increasing B.C. food procurement in the coming year.

Feed BC Definitions:

B.C. food: A final product produced and/or processed within the borders of B.C.

B.C. produced foods: Raw food products that are grown, caught, harvested or raised within the borders of B.C.

B.C. processed food: Foods that have undergone at least one of the following activities:

- physical alteration (ex. cutting)
- extension of shelf-life (ex. freezing)
- combining ingredients (ex. mixing salad greens)

Each authority reported on all health care facilities that it owns or operates. The 2021/22 report includes data from fewer facilities than previous annual reports, due to reporting changes as some health authorities shifted from contracted to in-house foodservice operations. The provincial percentage in this report represents 164 out of 170 facilities in B.C. As a result, the total annual dollar change for 2021/22 is not reported for this year.

Summary

This is the fourth annual report on B.C. food expenditures in health care. It covers the period from April 1, 2021, to March 31, 2022. Overall, while there are slight decreases in the use of B.C. foods in 2021/22 compared to 2020/21, health authorities managed under difficult circumstances to maintain B.C. procurement levels close to the previous year.

In 2021/22, B.C. food expenditures by health authorities were 28% of total food purchases as compared to 28.8% in 2020/21, 30.8% in 2019/20 and 27.3% in 2018/19. Two health authorities saw slight increases in their local purchasing this year. The four other health authorities saw slight declines in local food purchasing (0.9% -1.6%).

The decline is attributed to impacts of the COVID-19 pandemic and far-reaching supply chain issues including labour challenges, supply chain disruptions, product shortages and substitutions, higher use of single-use and pre-prepared products from outside of B.C., higher food prices and less staff time for active food sourcing.

Despite many challenges, 2021/22 was also a year of innovation and local food success stories for health authorities, including:

- **Northern Health Authority** worked with their broadline distributor, Sysco, to bring on their first supplier from B.C.'s north, Daybreak Eggs from Terrace. Due to shortages on single portion milks from an out-of-province processor, Northern Health replaced this product with a B.C. milk product.
- Faced with shortages from a national soup supplier, **Fraser Health Authority** successfully worked with B.C.-based Goodly Foods and distributor Gordon Food Services to develop a regional value chain to bring four local soups to facilities.
- **Interior Health Authority's** production kitchen developed an Indigenous food menu for the National Day of Reconciliation (September 30) and National Indigenous Peoples Day (June 21), and provided it to sites across Interior and Northern Health.

- **Vancouver Island Health Authority** continues to work with regional distributors of produce and meat to supply Island products for their facilities, a model unique to Island Health.
- 100% of bakery products used at **Provincial Health Service Authority's** Forensic Psychiatric Hospital now come from B.C. and coffee is now supplied by a local business.

Food service in healthcare: 2021/22

Despite health authorities' strong commitment to Feed BC and to increasing their use of B.C. food, 2021/22 was a very challenging year for food service operations. Many of the challenges health authority food service teams faced were national or even global in nature and thus beyond authorities' control. Challenges included:

Product shortages

- All health authorities reported struggling with on-going product shortages. Trying to quickly obtain foods, that met health and safety requirements in order to minimize impact on patients, took priority.

Inflation

- Food costs began to increase during this period, meaning health authorities had less flexibility in their budgets. Coupled with other supply chain and operational challenges, health authorities sometimes needed to choose lower cost, imported items to replace B.C. products.

Labour issues

- Food service staff were heavily involved in managing several supply chain disruptions, staffing shortages and other operational needs which greatly reduced time available for sourcing potential B.C. foods.

Portion and packaging requirements

- To address continued food service staffing challenges and to comply with enhanced infection control measures, health authorities used more individually portioned products, prepared meals, and simplified menu offerings which resulted in use of many out-of-province products.

Contraction in B.C. product offerings

- Some B.C. products health authorities were using became unavailable as suppliers discontinued certain products due to higher production costs and difficulty accessing ingredients, input, packaging, and labour.

Food service repatriation

- Four health authorities began a significant systems transformation from using contracted food service providers to bringing food services back in-house. While this

may open opportunities for more local foods in the future, it reduced the amount of staff time available, in the short-term, for local food initiatives.

Beyond the challenges of the COVID-19 pandemic and global supply chain issues, price and availability of B.C. products suitable for health care foodservices continue to be the greatest barriers to health authorities increasing their B.C. food expenditures. However, health authorities remain committed to supporting Feed BC in health care and bringing more B.C. food to their patients and residents.

2021/22 Provincial Results

Health Authority	Number of Facilities 2021	% of total food expenditure spent on B.C. food			
		2021/22	2020/21	2019/20	2018/19
Vancouver Coastal Health/ Providence Health Care	32	28.7%	30.0%	33.1%	26.2%
Fraser Health	16	29.3%	29.0%	29.0%	27.7%
Interior Health	55	28.2%	29.1%	35.5%	30.9%
Island Health	28	28.8%	30.4%	29.9%	27.2%
Northern Health	27	22.5%	22.1%	22.4%	23.1%
Provincial Health Services Authority	6	28.5%	29.4%	32.7%	26.1%
Total Number of Facilities/Provincial %	164¹	28.0%	28.8%	30.8%	27.3%

¹ Due to reporting changes as some health authorities shift from contracted to in-house foodservice operations, only 164 out of 170 facilities in B.C. reported in 2021/22.

Vancouver Coastal Health (VCH)/Providence Health Care (PHC)

	2021/22	2020/21	2019/20	2018/19
% B.C. Expenditure of Total Annual Food Spend	28.7%	30.0%	33.1%	26.2%

CATEGORY ⁱ	% B.C.: WITHIN CATEGORY	% B.C.: OF TOTAL SPEND
Baked Goods	64.4%	3.1%
Beverages	11.1%	1.3%
Dairy	78.0%	10.3%
Produce	34.7%	5.5%
Grocery	3.4%	0.8%
Protein	25.61%	7.7%
TOTAL		28.7%

Successes & Challenges

VCH/PHC saw a small drop in B.C. food purchases in 2021/2022, down 28.7% from 30% in 2020/21. This decrease was due to on-going supply chain disruptions and product shortages. Along with dealing with supply chain challenges, the repatriation of foodservices was a large focus for VCH/PHC staff.

In 2022/23, VCH/PHC will transition foodservices at all 32 sites from contracted foodservice companies to in-house operations. As part of this transition, VCH/PHC will actively explore opportunities for more local food and flexibility in their menus and purchasing processes.

Fraser Health (FH)

	2021/22	2020/21	2019/20	2018/19
% B.C. Expenditure of Total Annual Food Spend	29.3%	29.0%	29.0%	27.7%

CATEGORY ¹	% B.C.: WITHIN CATEGORY	% B.C.: OF TOTAL SPEND
Baked Goods	65.7%	4.1%
Beverages	6.2%	0.6%
Dairy	56.9%	9.4%
Produce	28.7%	3.8%
Grocery	8.3%	2.6%
Protein	25.0%	5.6%
TOTAL		29.3%

Successes & Challenges

Despite the challenges of the COVID-19 pandemic, staffing and supply chain shortages, rising food prices and transitioning eight sites to in-house foodservices, FH increased B.C. food purchases from 29% in 2020/2021 to 29.3% in 2021-2022. FH achieved this by remaining committed to sourcing local where possible and using flexible food procurement strategies where allowed within its purchasing contracts. Faced with ongoing shortages from a national soup supplier, FH successfully worked with locally-based Goodly Foods and their distributor, Gordon Food Services, to develop a regional value chain to bring four soups to FH facilities.

By fall 2023, all FH facilities will transition to in-house foodservices. Going forward, FH aims to maintain the 30% target for local food purchasing, explore opportunities for more local foods in retail spaces, expand plant-based offerings, and continue to work with their distributor and purchasers to find more B.C. products that meet healthcare's nutritional and requirements.

Note that results are not available for six FH sites due to reporting changes as the sites transitioned from contracted to in-house foodservices this year.

Interior Health (IH)

	2021/22	2020/21	2019/20	2018/19
% B.C. Expenditure of Total Annual Food Spend	28.2%	29.1%	35.5%	30.9%

CATEGORY ⁱ	% B.C.: WITHIN CATEGORY	% B.C.: OF TOTAL SPEND
Baked Goods	35.6%	2.2%
Beverages	14.7%	0.5%
Dairy	65.9%	8.1%
Produce	25.3%	3.4%
Grocery	10.0%	3.2%
Protein	32.9%	10.8%
TOTAL		28.2%

Successes & Challenges

The impacts of the pandemic have been felt across IH in 2021/22, through supply chain shortages, delivery challenges, labour shortages in kitchen facilities, as well as increasing prices. Through these challenges, IH remained committed to maintaining and growing local food options as operations re-stabilize. B.C. food expenditures declined slightly from 29.1% in 2020/21 to 28.2% in 2021/22. This decline was due in part to pandemic- and labour-related closures of IH hospital cafeterias which reduced local beverage sales. B.C. baked good purchases also decreased as some B.C. companies discontinued certain product lines.

IH's production kitchen developed an Indigenous food menu that was provided to sites across Interior and Northern Health for the National Day of Reconciliation (September 30) and National Indigenous Peoples Day (June 21).

In 2022/23, IH is keen to continue working on its traditional foods program to develop menus and source local ingredients in collaboration with local Indigenous communities. IH is also exploring sourcing more local, seasonal produce as well as a new menu ordering systems and cafeteria improvements that will increase opportunities for local food in the future

Vancouver Island Health (VIHA)

	2021/22	2020/21	2019/20	2018/19
% B.C. Expenditure of Total Annual Food Spend	28.8%	30.4%	29.9%	27.2%

CATEGORY ⁱ	% B.C.: WITHIN CATEGORY	% B.C.: OF TOTAL SPEND
Baked Goods	56.6%	3.2%
Beverages	12.5%	1.3%
Dairy	39.9%	6.7%
Produce	34.4%	6.5%
Grocery	3.4%	0.7%
Protein	38.2%	10.3%
TOTAL		28.8%

Successes & Challenges

In 2021/22, VIHA's combined in-house and contracted food services' use of B.C. food declined slightly from 30.4% to 28.8%. Like other health authorities, VIHA faced disruptions to distribution and supply chains, on-going product shortages and discontinuations, and labour shortages. In response, VIHA's food services focused on maintaining day-to-day food supplies and operations.

In 2022/23, VIHA is eager to expand their use of local foods, particularly from supplier on Vancouver Island. By the end of 2022, contracted foodservices at eight Victoria-area sites will be brought back in-house, which may present opportunities to expand the use of local food. VIHA continues to work with regional distributors of produce and meat to supply Island products for their facilities. VIHA is exploring opportunities for more local Indigenous foods from the region. VIHA is also exploring the option to expand its production capacity with the intention of redistributing in-house prepared foods across its facilities..

Northern Health (NH)

	2021/22	2020/21	2019/20	2018/19
% B.C. Expenditure of Total Annual Food Spend	22.5%	22.1%	22.4%	23.1%

CATEGORY ⁱ	% B.C.: WITHIN CATEGORY	% B.C.: OF TOTAL SPEND
Baked Goods	51.2%	3.8%
Beverages	13.5%	1.2%
Dairy	45.8%	5.1%
Produce	19.4%	4.3%
Grocery	4.9%	1.0%
Protein	23.7%	7.1%
TOTAL		22.5%

Successes & Challenges

In 2021/22, NH was able to increase their B.C. food purchases by 0.4% to 22.5%, despite many supply chain and labour challenges. While supplier shortages and changes decreased the use of some B.C. products (e.g., baked goods and beverages), it also presented opportunity for others. For example, NH grew its use of B.C. dairy products by replacing out-of-province individual milks with pourable B.C. milk due to supply chain shortages.

NH's B.C. food spend is lower than other health authorities' B.C. food spends, in part because facilities in northeastern B.C. use an Edmonton-based broadline distributor due to geographical and transportation restrictions. This results in fewer choices for B.C. products. However, NH is keen to expand its use of B.C. foods and is actively working with B.C. companies to plan for the unique transportation and small size of Northern facilities. In 2021, NH began sourcing eggs from Daybreak Farms in Terrace, their first northern B.C. supplier. This shift required over a year of work by NH, Daybreak Farms, Aramark and Sysco-BC. Although not captured in the B.C. expenditures, as Daybreak replaced another B.C. supplier, increasing northern suppliers remains a key goal for NH.

In 2022/23, NH aims to expand its number of B.C. producers, processors, and suppliers. Work is also underway to explore the use of produce from on-site gardens in their foodservice kitchens.

Provincial Health Services Authority (PHSA)

	2021/22	2020/21	2019/20	2018/19
% B.C. Expenditure of Total Annual Food Spend	28.5%	29.4%	32.7%	26.1%

CATEGORY ⁱ	% B.C.: WITHIN CATEGORY	% B.C.: OF TOTAL SPEND
Baked Goods	37.9%	2.3%
Beverages	21.3%	1.8%
Dairy	68.6%	10.8%
Produce	22.7%	4.3%
Grocery*	8.6%	2.3%
Protein	29.7%	7.0%
TOTAL		28.5%

Successes & Challenges

In 2021/22, B.C. food expenditures at PHSA decreased slightly to 28.5%, from 29.4% in 2020/21. PHSA oversees provision of foodservices by contracted foodservices in six sites that provides province-wide specialized health services, including the new Red Fish Healing Centre that opened in October 2021, replacing the Burnaby Centre for Mental Health and Addictions. These PHSA sites will transition to in-house foodservices in the 2022/23 reporting period.

PHSA includes the 200-bed Forensic Psychiatric Hospital, which has used direct purchasing over the last few years to increase its B.C. food spend. One hundred percent of bakery products now come from a B.C. supplier. Local beverages have also increased through a local coffee supplier. The facility continues to expand its offerings of traditional foods and Indigenous recipes for its patients, such as B.C. salmon sourced from an Indigenous business and menus for special events. An on-site greenhouse is being renovated, with plans to build patients' food production skills and use produce in the facility's menus.

The four contracted foodservices sites operated by Compass Marquise (BC Women's, BC Children's, Brock Farnhi and BC Cancer Agency) during this period saw percentages within most food categories remain stable, with local produce purchasing declining during the pandemic.

Conclusion

In 2021/22, Feed BC in health care continued to support a shift to more B.C. foods and beverages in hospitals and long-term care homes. Despite many challenges, health authorities worked hard to continue using B.C. products and managed to maintain B.C. food sourcing levels close to the previous year. While overall levels declined slightly for the second year in a row, losses were relatively small. It is worth noting that 2021/22's B.C. food expenditures is higher overall than the first year of Feed BC reporting.

Health authorities food services responded to significant supply chain challenges with commitment and creativity, looking for opportunities to use new B.C. products when possible. In general, health authorities continued to order the same B.C. products in 2021/22 that they had ordered the previous year to the extent that product availability, product price, and staffing shortages would allow. The transition to in-house foodservices in all health authorities may present new opportunities for local foods. Health authorities continue to show a strong commitment to procuring B.C. food that is produced or processed within their regions.

The Ministry of Agriculture and Food is continuing to work across the food supply chain to increase the availability of products suitable for health care institutions. Feed BC in health care continues to work to create jobs and business opportunities across the province, to stimulate economic development and economic recovery post-pandemic, and to build a resilient provincial food system.

ⁱ Food categories are as follows: Baked Goods (e.g., bread, muffins, baked goods); Beverages (e.g., juice, pop, coffee, tea, thickened fluids, water); Dairy (e.g., fluid and cultured, yogurt, ice cream); Produce (e.g., fruit and vegetables (fresh and frozen); Grocery (e.g., shelf-stable puddings, jams, sauces, condiments, soup, dry goods, misc. items); Protein (e.g., meat, chicken, fish, seafood, eggs, tofu, cheese, textures, entrees).