



# **B.C. Food Expenditures in Health Care 2022/2023**

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## About Feed BC

Feed BC is a provincial government partnership initiative led by the Ministry of Agriculture and Food to increase B.C. foods in hospitals, residential care facilities, public post-secondary institutions, kindergarten to grade 12 schools, and other government-supported facilities.

The objectives of Feed BC are to:

- **Support jobs and businesses** for B.C. food producers and processors.
- **Stimulate economic development** across B.C. communities.
- **Grow food supply** and food system resilience across the province.
- **Increase local food access** for public institutions' patients, residents, and workers.

## Feed BC in B.C. Health Care

In B.C., five regional health authorities (Vancouver Coastal Health/Providence Health Care (VCH/PHC), Fraser Health, Island Health, Interior Health, and Northern Health) and the Provincial Health Services Authority are responsible for foodservices in 169 hospital and residential care facilities. 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 health care's use of B.C. foods.

Beginning in 2018/19, the Ministry of Health directed health authorities to report their total annual food expenditures and the proportion of those expenditures spent on B.C. foods. Health authorities are encouraged to work towards Feed BC's recommended target of 30% of expenditures on B.C. foods. Summary

### Feed BC Definitions:

**B.C. food:** A final product produced and/or processed within B.C.

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

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

- physical alterations (e.g., chopping)
- extension of shelf life (e.g., freezing)
- combining ingredients (e.g., mixing salad greens)

**Not considered food processing:** cleaning, washing, bagging, packaging and/or wrapping, *unless combined with one of the three activities above.*

[Learn more about Feed BC Program Standards here](#)

## Summary

This is the fifth annual report on B.C. food expenditure in B.C. health care. It summarizes the total proportion of food expenditure each of the six B.C. health authorities spent on B.C. food in 2022/23. It highlights some of the B.C. food achievements and challenges that each health authority encountered during the 2022/23 fiscal year. It also expresses health authorities' future B.C. food goals.

In 2022/23, health authorities purchased 27.5% of total food purchases from B.C. compared to 28.0% in 2021/22, 28.8% in 2021/20, 30.8% in 2019/20 and 27.3% in 2018/19. Factors that impacted changes in their food purchasing choices and expenditures in 2022/23 included disruptions in the food supply chain that led to product shortages and required product substitutions; transition of previously contracted foodservices to in-house operations; operational restrictions related to the continuing COVID pandemic; and rising food costs. Despite a challenging operational environment, health authorities remained committed to local food procurement, and overall, they were able to maintain their B.C. food spending at levels similar to previous years (with three of the six health authorities increasing their proportion of B.C. food spends compared to 2021/22).

Successes in B.C. food procurement for 2022/23 included:

- **Fraser Health** worked closely with the Vancouver-based processor Goodly Foods to create new soups and breakfast cereal products suitable for health care. They started serving four Goodly Foods soups.
- **Interior Health** continued to utilize a variety of entrees from their Okanagan production kitchens and continued to order Golden Valley eggs, B.C. Frozen Foods fruits and vegetables, and Sysco meats.
- **Island Health** met the aspirational target of 30% B.C. food expenditures by focusing on existing relationships with local vendors that customize products for their use, like precut vegetables from Islands West Produce and specialized cuts of meat from B&C Meats. They also made small gains through increased use of seasonal fresh blueberries from the Fraser Valley.
- **Northern Health** saw a small increase in local procurement from the previous year that can be attributed to adding two new soups from Goodly Foods to their menu, and by switching to the B.C. milk processor Saputo for

single portion milk cartons. They also ordered more entrees produced in Interior Health's production kitchens.

- **PHSA's** Forensic Psychiatric Hospital and Red Fish Healing Centre maximized their B.C. food spending by cooking from scratch using ingredients from a variety of local suppliers.
- **VCH/PHC**, despite facing major changes to foodservice management in 2022/23, maintained their B.C. food spends at levels similar to last year.

## Looking Forward

- In 2021, B.C. health authorities and Providence Health Care began to transition foodservice and housekeeping contracts to return to in-house management. Health authorities that previously contracted some or all of their foodservices will now have direct control over all food purchasing, which may result in new opportunity to increase purchasing B.C. food.
- As part of the transition from contracted foodservices to in-house operations, some health authorities will take over responsibility for retail foodservices. There is potential for small to medium-sized B.C. food companies with products that suit cafeterias and retail outlets to enter the health care market through retail, with the possibility of expanding in to patient menus.
- Interior Health wants to expand their production kitchens if space and staffing allows. Island Health is looking at adopting a similar model. In addition to boosting their opportunities for using B.C. products, increased use of production kitchens gives health authorities more control over ingredients and provides for more food system resilience.
- Five of six health authorities will soon to be using a common provincially negotiated food procurement contract. Through this new contract, it may be possible to identify more collective opportunities to source B.C. products and to obtain better pricing for the higher aggregated volumes needed.
- All health authorities consistently reported needing more gluten-free, multicultural, and Indigenous foods and ingredients whether cooking from scratch or using prepared food items. In addition, several health authorities are prioritizing planetary health in their decision making and want to source food products that have less environmental impact. Understanding and responding to health care's product interests may present new opportunities for B.C. producers and processors.
- The three health authorities outside the Lower Mainland (Northern Health, Island Health, and Interior Health), as well as the rural parts of VCH/PHC, are interested in procuring food that is local to their regions to support local businesses and the communities that they serve.

## 2022/23 Provincial Results

Health Authority	#Sites Reporting / #Sites	2022/23	2021/22	2020/21	2019/20	2018/19
Vancouver Coastal Health/Providence Health Care (VCH/PHC) <sup>1</sup>	31/32	28.2%	28.7%	30.0%	33.1%	26.2%
Fraser Health (FH)	21/21	26.5%	29.3%	29.0%	29.0%	27.7%
Interior Health (IH)	55/55	25.6%	28.2%	29.1%	35.5%	30.9%
Island Health	28/28	30.4%	28.8%	30.4%	29.9%	27.2%
Northern Health (NH)	27/27	24.8%	22.5%	22.1%	22.4%	23.1%
Provincial Health Services Authority (PHSA) <sup>2</sup>	2/6	37.8%	28.5%	29.4%	32.7%	26.1%
<b>Total Facilities/Provincial %</b>	<b>164/169</b>	<b>27.5%</b>	<b>28.0%</b>	<b>28.8%</b>	<b>30.8%</b>	<b>27.3%</b>

<sup>1</sup> VCH/PHC reporting does not include food spends from one facility operated by a contracted foodservice provider in 2022/23 (representing less than 1% of the total food spend of the health authority)

<sup>2</sup> PHSA reporting for 2022/23 does not include food spends from four facilities operated by a contracted foodservice provider (representing approximately 60% of the total food spend for the health authority).

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

% B.C. of Total Food Spend	2022/23	2021/22	2020/21	2019/20	2018/19
	28.2%	28.7%	30.0%	33.1%	26.2%

CATEGORY	% B.C.	
	WITHIN CATEGORY	OF TOTAL SPEND
<b>Baked Goods</b>	56.7%	2.7%
<b>Beverages</b>	7.2%	0.8%
<b>Dairy</b>	74.3%	10.3%
<b>Produce</b>	34.0%	5.5%
<b>Grocery</b>	2.2%	0.5%
<b>Protein</b>	28.3%	8.5%
<b>TOTAL</b>		<b>28.2%</b>

### VCH/PHC Successes & Challenges in 2022/23

Operational demands limited the ability of VCH/PHC to focus on Feed BC in 2022/23. Supply chain disruptions and the resulting food shortages were extensive and a constant challenge. Staff were dedicated to searching for any suitable substitute food products. This made it difficult to introduce new B.C. food products. COVID also continued to have an impact on foodservices, although infection control protocols and retail operation restrictions began to ease.

Transition of foodservice staff to VCH/PHC, which began in June 2022, was a major undertaking. The contract for food procurement services was extended until December 2023. VCH/PHC's focus throughout 2022/23 was on stabilization of foodservices and this will continue into 2023/24.

In January 2024, VCH/PHC will be partnering with a new purchasing services agent and new distributor (common to PHSA, Northern Health, Interior Health, and Island Health). VCH/PHC will look for opportunities to increase their local purchasing in the future, although the impact will not begin to be felt until 2024/25. Future plans include an emphasis on planetary health by incorporating more plant-based and traditional Indigenous food items and developing farm to hospital opportunities.



## Fraser Health (FH)

% B.C. of Total Food Spend	2022/23	2021/22	2020/21	2019/20	2018/19
	26.5%	29.3%	29.0%	29.0%	27.7%

CATEGORY	% B.C. WITHIN CATEGORY	% B.C. OF TOTAL SPEND
<b>Baked Goods</b>	58.0%	2.9%
<b>Beverages</b>	10.2%	0.9%
<b>Dairy</b>	44.3%	8.9%
<b>Produce</b>	36.1%	4.7%
<b>Grocery</b>	11.1%	3.5%
<b>Protein</b>	25.7%	5.6%
<b>TOTAL</b>		<b>26.5%</b>

### FH Successes & Challenges in 2022/23

Food supply chain issues were a challenge throughout 2022/23 for Fraser Health with commonly used products, like salad dressings, crackers, and plain cookies, being difficult to source in the high volumes needed. Fraser Health reported food prices going up as much as 40-45% in 2022/23. While B.C. foods are typically higher priced than non-B.C. foods, Fraser Health still tries to purchase as much B.C. food as possible.

In September 2022, foodservices for all sites but one that were previously contracted out were brought in-house. These sites were gradually moved from their former menus to Fraser Health's own menus. With the demands of this transition, Fraser Health did not make many changes to their menus in 2022/23 but tried to maintain their current B.C. food spend. Now that Fraser Health has responsibility for all patient foodservices, as well as for retail foodservices, they are in a good position to explore opportunities for more local food procurement next year.

Fraser Health continues to work with a local processor to develop soups and other products that meet their price, quality, consistency, nutritional and allergen requirements. Other authorities are now using or testing these products. In 2022/23, Fraser Health worked to build new relationships with some other companies that could potentially produce food items suitable for health care.

## Interior Health (IH)

% B.C. of Total Food Spend	2022/23	2021/22	2020/21	2019/20	2018/19
	25.6%	28.2%	29.1%	35.5%	30.9%

CATEGORY	% B.C. WITHIN CATEGORY	% B.C. OF TOTAL SPEND
	<b>Baked Goods</b>	57.3%
<b>Beverages</b>	27.9%	2.6%
<b>Dairy</b>	45.6%	7.2%
<b>Produce</b>	18.2%	2.6%
<b>Grocery</b>	6.0%	1.5%
<b>Protein</b>	25.6%	6.9%
<b>TOTAL</b>		<b>25.6%</b>

### IH Successes & Challenges in 2022/23

Throughout 2022/23, Interior Health had to work closely with their distributor to deal with product shortages as companies reduced their product lines or had production issues. Reviewing the nutritional and allergen specifications for substitute products and communicating changes to staff was time consuming. Dealing with price increases was also a challenge. Forest fires in the region in the summer of 2022 affected the availability of local produce.

Purchasing B.C. food, despite its higher cost, is still a priority for Interior Health but for 2022/23 they focussed on keeping the B.C. produced and processed items that they already had, like eggs, frozen fruits, and meats. They also relied on items made in their production kitchens to boost their B.C. food spend.

In the future, Interior Health wants to move to local-to-community coffee vendors to support local businesses at the same time as increasing their local food spend. They are also interested in making more Indigenous foods available and expanding their production kitchens.

## Island Health

% B.C. of Total Food Spend	2022/23	2021/22	2020/21	2019/20	2018/19
	30.4%	28.8%	30.4%	29.9%	27.2%

  

CATEGORY	% B.C. WITHIN CATEGORY	% B.C. OF TOTAL SPEND
Baked Goods	70.2%	3.4%
Beverages	4.6%	0.4%
Dairy	46.3%	7.4%
Produce	46.3%	7.4%
Grocery	4.2%	1.0%
Protein	35.8%	10.8%
<b>TOTAL</b>		<b>30.4%</b>

### Island Health Successes & Challenges in 2022/23

In 2022/23, Island Health achieved the target of 30% B.C. food procurement. They were able to expand their use of local food since they were no longer using contracted foodservices in hospitals and long-term care facilities in the South Island. They also made small gains in B.C. food buys through increased use of seasonal fresh blueberries from the Fraser Valley.

In 2022/23, Island Health spent considerable resources reviewing food products in preparation for a move to a new Group Purchasing Organization and distributor beginning April 2023. They emphasized maintaining local items and continued to use precut vegetables and specialized cuts of meat from Island companies.

Like other health authorities, due to food supply chain issues, they experienced many product shortages in 2022/23 and found sourcing replacement products that meet their requirements for patient and resident health and safety difficult and time consuming. Increasing food costs was a challenge as well.

## Northern Health (NH)

% B.C. of Total Food Spend	2022/23	2021/22	2020/21	2019/20	2018/19
	24.8%	22.5%	22.1%	22.4%	23.1%

CATEGORY	% B.C. WITHIN CATEGORY	% B.C. OF TOTAL SPEND
<b>Baked Goods</b>	45.1%	3.7%
<b>Beverages</b>	31.1%	1.7%
<b>Dairy</b>	41.0%	4.5%
<b>Produce</b>	32.3%	6.2%
<b>Grocery</b>	3.5%	0.9%
<b>Protein</b>	24.8%	8.0%
<b>TOTAL</b>		<b>24.8%</b>

### NH Successes & Challenges in 2022/23

In 2022/23, Northern Health increased their B.C. food spend to 24.8% from 22.5% despite facing many food supply chain issues. They boosted their B.C. food spend by purchasing entrees produced in Interior Health's production kitchens and by adding new soups from a Lower Mainland processor to their menu.

Due to transportation networks, the five northeastern sites in Northern Health order through an Edmonton-based food distributor which means they have fewer B.C. options than the other sites that order through a Kelowna distributor. Furthermore, Northern Health finds that some B.C. vendors require minimum orders that can be difficult for small rural facilities to meet.

Despite the higher cost of B.C. products, Northern Health continues to support local food procurement. To cover the additional expense of B.C. products, they choose lower cost products without a counterpart from B.C.

Sourcing food from northern producers and processors, like eggs from a farm in Terrace, is a priority for Northern Health. Next year they plan to investigate sourcing berries from a farm in their region. They also plan to start to use vegetables and herbs grown in outdoor gardens and indoor hydroponic systems at some of their sites.

## Provincial Health Services Authority (PHSA)

% B.C. of Total Food Spend	2022/23	2021/22	2020/21	2019/20	2018/19
	37.8% <sup>3</sup>	28.5%	29.4%	32.7%	26.1%

CATEGORY	% B.C. WITHIN CATEGORY	% B.C. OF TOTAL SPEND
<b>Baked Goods</b>	77.8%	4.1%
<b>Beverages</b>	74.8%	4.6%
<b>Dairy</b>	47.9%	6.6%
<b>Produce</b>	28.6%	4.8%
<b>Grocery</b>	13.2%	4.8%
<b>Protein</b>	59.9%	12.8%
<b>TOTAL</b>		<b>37.8%</b>

### PHSA Successes & Challenges in 2022/23

Because the foodservice company that was contracted to provide foodservices in four PHSA facilities (BC Children’s Hospital and BC Women’s Hospital, Brock Fahrni and BC Cancer Agency) did not submit a report for 2022/23, the percentage B.C. food spend for 2022/23 is not comparable to other years. The other two PHSA facilities, Forensic Psychiatric Hospital and the mental health facility, Red Fish Healing Centre, cook from scratch on-site and make sourcing ingredients from local suppliers a high priority and therefore had a high B.C. food spend.

PHSA faced many of the same challenges that other health authorities were facing in 2022/23, namely ongoing food supply chain issues and transition of foodservices to the health authorities. While COVID infection control protocols eased somewhat in 2022/23, other flu-like illnesses emerged during that period. As a result, use of pre-packaged snacks and disposable cutlery were continued. Local products which were in use prior to COVID were continued, although new local products were not specifically sought out.

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<sup>3</sup> PHSA reporting in 2022/23 did not include food spends from four facilities operated by a contracted foodservice provider (representing approximately 60% of the total food spend for the health authority).

Future plans include expanded support for the greenhouse project, that is part of the rehabilitation program at Forensics. There will also be a greater emphasis placed on seasonal menus, with greater choice and Indigenous menu items. The contract for foodservices at the four PHSA facilities ended in September 2023, and opportunities will be explored for greater use of B.C. produced and processed food.

## Conclusion

In 2022/23, Feed BC in health care continued to support a shift to more B.C. food in hospitals and long-term care facilities. Ongoing disruptions in the food supply chain, transitioning previously contracted foodservices back to health authorities' in-house management, continuing COVID restrictions, and higher food prices impacted health authorities' ability to focus resources on greater use of B.C. food. However, health authorities worked to keep their proportion of B.C. food purchasing at levels similar to previous years under challenging circumstances.

Looking forward, the ability of health authorities to achieve greater use of B.C. products is promising. The transition of foodservices back to being managed directly by health authorities, to be completed in 2023/24, may create new opportunities for local food procurement. With health authorities now responsible for procuring food for all of their sites, and with five of six health authorities using the same provincially negotiated food procurement contract, they are better positioned to influence the products available to health care and to negotiate lower food prices for the higher aggregated volumes needed. Health authorities are interested in working with B.C. food companies to ensure that their products meet the special nutritional, quality, and price requirements of health care.

Health authorities continue to be champions of Feed BC and are keenly interested in procuring food that is local to their regions, as they recognize the value of providing B.C. food to their patients and residents and of supporting agriculture in their communities. Through Feed BC, health authorities play an important role in maintaining and growing a resilient provincial food system.