

**RED TOMATO**  
*righteous produce!*™



## When Rules and Regulations Meet the Market

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# Who is Red Tomato?

## Our Vision:

Midsized farms in the Northeast are known primary suppliers of a sustainable regional food system.

## Our Model:

Non-asset based aggregation and distribution of produce.

Wholesale direct to distribution centers or direct to store/school/institution.

- 20 year old non-profit food hub based in Massachusetts
- Network of 40+ growers throughout the Northeast
- Staff of 9 full time equivalents
- Manage Eco Apple and Eco Stonefruit IPM growing protocols partnership

# Red Tomato in the Market

- PACA License
- Insurance Policy
- Aggregation and Distribution Partnerships
- Many farms: same pack, same quality
- Eco Apple and Eco Stonefruit
- Dedicated Staff

**#1 Not all rules and regulations in local food are for food safety.**

**#2 There's more to food safety than FSMA.**

- Voluntary versus Compliant
- Market Access
- Buyer Requirements
- Consumer Demands
- Growing Practices

# What does the buyer want?

Cheap Food

Easy Food

Safe Food

# Cheap, Competitive, Consistent Pricing

- You can have the safest, best tasting, prettiest produce, but price pressure is immense.
- Decrease in price premium for certified organic. Local products tend to be treated similarly.
- Cost of Delivery: Why is local more expensive?

# Red Tomato Examples

## Cost of Transportation

- Direct Store Delivery (DSD) vs. Warehouse
- Regional grocery store chain now setting own prices for all local produce.

## Institutional RFP

- How to prioritize local using federal dollars (extremely price conscious) & vendor contracts
- MAPC RFP
  - Group of public school districts in greater Boston area
  - Comprised of price & non-price proposal

TOMATOES	3061	Brown Tomatoes	Lb.	\$	2.60
TOMATOES	3338365520	Cherry Tomatoes 1 Pint	1 Pint	\$	3.00
TOMATOES	3338365585	Grape Tomatoes 1 Pint	1 Pint	\$	1.75
TOMATOES	3423	Heirloom Bulk Tomatoes	Lb.	\$	2.58
TOMATOES	4798	Hydroponic Tomatoes	Lb.	\$	2.44
TOMATOES	4064	Large Tomatoes	Lb.	\$	2.70
TOMATOES	4800	Locally Grown Tomatoes	Lb.	\$	2.00
TOMATOES	3458	Orange Cherry Tomatoes 1 Pint	1 Pint	\$	2.15
TOMATOES	4087	Plum/Roma Tomatoes	Lb.	\$	1.26
TOMATOES	4796	Red Cherry Tomatoes 1 Pint	1 Pint	\$	2.00
TOMATOES	4664	Red Vine Cluster Tomatoes	Lb.	\$	1.00
TOMATOES	4801	Tomatillos	Lb.	\$	1.80
TOMATOES	4797	Yellow Cherry Tomatoes 1 Pint	1 Pint	\$	2.15
TOMATOES	4778	Yellow Tomatoes	Lb.	\$	1.48

# Easy to Buy, Easy to Use

- **Institutional**
  - procurement guidelines, nutrition standards, contract limitations
- **Retail**
  - warehouse & non-regional competition, direct to stores or through distribution center
- **Examples**
  - online ordering
  - wrapped cauliflower
  - lightly processed
  - grab and go





# I only eat/buy/sell/waste safe foods.

- **Insurance**

- What is legally required to start selling? What are your buyer's requirements?

- **Voluntary Food Safety Audits**

- 2<sup>nd</sup> party: Commonwealth Quality Program (CQP) in Massachusetts, USDA GAP, Harmonized GAP
- 3<sup>rd</sup> Party: GFSI, Global Gap, etc.

- **What about FSMA?**

# Red Tomato Examples

## Insurance

- Food service distributor increased insurance minimum to \$10 million.
- Food service management company requires themselves as additionally insured.
- Regional grocery store chain requires \$1 million policy.

## Food Safety Certifications

- Regional grocery chain requesting audit report in addition to certificate.
- National grocery store chain requires testing 60 random portions from every block on farm before sales, using customer approved method, to have on hand, in addition to an audit.

# Food Safety Modernization Act

- Compliance is not voluntary
- Eight Foundational Rules
  - Each has different compliance dates
  - Each requires different training
  - Standards for the Growing, Harvesting, Packing, and Holding of Produce for Human Consumption (Produce Safety Rule)
    - On farm activities
    - Know who is implementing in your state
    - Qualified Exemptions
    - No checklist, no certificate
  - Current Good Manufacturing Practice and Hazard Analysis and Risk-Based Preventive Controls for Human Food Rule
  - Sanitary Transportation of Human and Animal Food Rule

- Isn't local produce organic?
  - Even if it's grown using organic methods, unless it is certified, it can't be sold as organic
- But what about ugly produce?
  - USDA grading, customer quality expectations (retail vs. institutional)
  - Not consistently available
- Is your business sustainable?
  - Finances, growing methods, employees
- Who's harvesting?
  - Depends on the crop, depends on the time of year, depends on where you are in the USA
  - Red Tomato Example: Many wholesale apple growers in the Northeast use the same H2A labor year after year.

# Equitable Food Initiative

- Certification program that covers labor, sustainable agriculture practices, and food safety standards
- Partners Signed On
  - Costco, Whole Foods & Bon Appetit
- Workforce development → higher quality, better food safety
- Price premium



## Red Tomato Trial

- Ongoing with two Northeast farms
- Scaling down EFI training used in California & Mexico
- Costs
- Training Time
- 2017 feedback

# Thank you!

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