



June 21, 2021

Dr. Melissa R. Bailey  
Agricultural Marketing Service, USDA  
Room 2055-S, STOP 0201  
1400 Independence Avenue SW  
Washington, DC 20250-0201

## **Re: Comments on Food System Supply Chains in the Urban Context**

Dear Dr. Bailey:

I am the Director of the New York City Mayor's Office of Food Policy (MOFP). The MOFP, codified into the City's Charter in 2019, works to advance the City's efforts to increase food security, promote access to and consumption of healthy foods, and support economic opportunity and environmental sustainability in the food system.

I am sending this letter firstly to congratulate the USDA on its recent announcement of \$4 billion food supply chain infrastructure investment through the Build Back Better initiative, and secondly to share recommendations from an urban perspective.

New York City has a strong commitment to food policy. In 2008, my office was created, and in 2019, the City adopted the Good Food Purchasing framework Citywide, and is currently working to implement it across its \$500 million annual food purchasing budget. In early 2021 MOFP released NYC's first ever 10 year food policy plan. The plan, [Food Forward NYC](#), lays out a comprehensive policy framework to reach a more equitable, sustainable, and healthy food system in NYC by 2031. The plan emphasizes the importance of equity and choice - enabling a food system where everyone should be able to access the food they want wherever they may want it, with an emphasis on the City's 1.6 million food insecure residents. To facilitate a food system that offers such choice, the plan sets out policies that support local food workers and food businesses, invest in food infrastructure within the City, especially in underserved areas, and deepen the City's connections with the region.

The plan was developed with the input of 300 stakeholders and reflects the collective knowledge built over decades of innovative food policy in NYC and deepened during the pandemic that revealed both the challenges and the opportunities of New York City's food system. The recommendations in this letter build on this work and are focused on how investments in distribution and processing infrastructure within the boundaries of New York City can help increase local food consumption within

the City in a way that increases offerings to food insecure residents in particular. These investments can help further unlock institutional markets, including the City's own food purchases.

### **Recommendation 1: Invest in Urban Food Processing and Distribution Infrastructure**

The food that nourishes New Yorkers originates from all over the world. New Yorkers checking the labels on their food may see the names of states from coast to coast and countries on multiple continents. While certain elements of the supply chain work well, the current lack of overall planning and coordination within the food system results in some components negatively impacting the city. A clear example of that is "last-mile" transportation - the last leg of the supply chain where goods are brought to a final destination - which occurs nearly exclusively by truck transportation that adds to traffic congestion and increased air pollution.

The COVID-19 pandemic really stretched the City's distribution system and revealed its vulnerabilities. Furthermore it is a harbinger of future crises that the food system is likely to face. Under any scenario, climate change is expected to have a major impact on the global food supply, and the City must prepare for it. Other disasters may strike - an extreme weather event, for example - and will test the city's food system yet again.

Essential to creating a more modern, efficient, and resilient food system is investing in the food supply chain within New York City, to create more opportunities for food distributors and producers to aggregate and operate more efficiently, and bring food closer to the people who need it. Such investments can also streamline the demand for regional food and make it easier for farmers and food producers, particularly minority- and women-owned businesses (M/WBEs), to sell their product in New York City. The City is already taking steps along this path. It has invested in a new food hub at Hunts Points operated by GrowNYC, which, when opened, will be able to distribute 20 million pounds of regional food a year to the City. The City is also pursuing redevelopment of the Hunts Point Produce Market, which provides 25 percent of New York City's produce, sourced from farms across 49 states. The development of a modern, resilient, and Food Safety Modernization Act (FSMA)-compliant facility will protect the City's food supply chain, preserve and create quality jobs, and reduce emissions and improve air quality. The expectation is that efficiencies in food distribution would ultimately benefit buyers and consumers, since overall business costs would decrease, thereby lowering cost barriers associated with accessing fresh, regional food.

However, with 1.6 million food insecure New Yorkers, the meal gap is in the hundreds of millions of pounds a year, and many more investments need to be made in the City's food distribution infrastructure. The City's 10 year food policy plan outlines various such investments. **Neighborhood food hubs**, such as the proposed Central Brooklyn Food Hub, could streamline distribution logistics and bring fresh food to communities that truly need it while also creating new jobs and supporting local

businesses. Institutional food buyers could also benefit tremendously from investments in **institutional food distribution and preparation infrastructure**. For example, schools often lack the space to store, process, and prepare fresh ingredients; investing in food distribution, cold storage and central kitchens nearby can help improve the quality of the food and enable institutional food buyers to diversify their food suppliers with more local supply. New York City is also looking to increase investment in **co-packing facilities, meat and dairy processing facilities**. While urban environments may not be optimized for large scale food production and processing, some food processing capacity within the City can increase efficiencies, create job opportunities, and as the COVID19 pandemic revealed, can strengthen the City's food system resiliency in a crisis.

However, while such facilities are critical, making them a reality is challenging. The food sector operates on very low margins, and it can be very hard to invest in such infrastructure in a competitive urban real estate market such as New York City's without additional subsidies. Therefore, MOFP recommends the following:

- Provide capital grants and low cost loans to invest in multi purpose food infrastructure, including and not limited to food distribution infrastructure including relevant freight infrastructure, cold storage, shared kitchen facilities, co-packing facilities, meat and dairy processing facilities. Grants should also enable investment in existing facilities to make them more modern and energy efficient and increase their capacity.
- As a wide array of organizations may be building such infrastructure, whether local and state government, institutions, non-profits, businesses, and cooperatives, funding should be made available to a range of organizations.
- To keep costs low, the USDA should consider providing operational grants to cover operations costs on a long term basis, particularly for ventures that support food access for low income communities.
- Prioritize such grants and loans to M/WBEs and BIPOC and socially disadvantaged communities.

**Recommendation 2: Invest in urban food supply chain knowledge creation, relationship building and expertise**

Direct investments in food infrastructure are critical but are currently not sufficient. New York City's food system is complex, fragile and 2highly distributed and fragmented, made up of many small parts that interact with each other in complicated ways. In fact, the system is so complex that even people who have spent years working in one sector of the food system often have little to no knowledge of how the rest of it works. It is not surprising that it can be extremely hard for anyone who plays a role, from policymakers to food workers to advocates to food consumers, to understand what levers to push for systemic change. For example, it is clear that there is a real opportunity to connect food production

in the New York metro region to New York City's residents, but to operationalize this opportunity we need an in-depth understanding of the City's diverse communities' food needs as well as how the supply chain can be strengthened to meet those needs.

That means that we need a greater investment in "soft infrastructure" including knowledge, relationships and people - to ensure that any grantmaking is a success. To achieve that, MOFP recommends the following:

- Fund neighborhood based community planning processes to identify and operationalize the appropriate model for neighborhood scale food distribution. A potential model can be the Central Brooklyn Food Hub study, led by the Bedford Stuyvesant Restoration Corporation with other partners. Incorporate community and industry perspectives to these decision making processes can help ensure an equitable and community focused approach while resulting in feasible projects.
- Invest in the development of staff in appropriate government agencies with expertise in food supply chain planning and food infrastructure planning, including in agencies that procure food and economic development agencies. Currently, food supply chain planning tends to "fall between the cracks", with different elements of expertise fragmented. Without dedicated staff with the right expertise, there is a risk that even with funding, projects will fall between the cracks.

Again, I wish to thank the USDA leadership for the opportunity to comment.

Regards,



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