



# Independent Democratic Conference

**Bringing New York Farms to Table**

*Shop: Pride of New York and Dine: Pride of New York*

April 2012

## **Executive Summary**

Agriculture plays a vital role in New York’s economy.<sup>1</sup> In 2007, sales of agricultural goods in New York exceeded \$4.4 billion, more than double the number from a decade ago. When accounting for ancillary industries, such as food processing, farming’s annual economic impact on New York rises to an astonishing \$31.2 billion.

A driving factor of New York’s agricultural success has been the broader, national movement towards local food consumption. And while reasons for the increased consumer demand are varied— personal health, food quality, local pride—the economic results are the same: greater revenue for farmers and in-state businesses.

**The Independent Democratic Conference has introduced legislation expanding the *Pride of New York* program. *Dine: Pride of New York* and *Shop: Pride of New York* will champion those businesses supporting state farmers and food processors, and will encourage others to follow suit. Under *Dine* and *Shop*, New York restaurants, retailers, and wholesalers that use a threshold amount of state-grown and processed food will earn the right to display promotional *Pride of New York* materials, including window stickers and digital logos.**

*Shop* and *Dine* emerge amidst growing demand among New Yorkers for more local products. For the first time, when asked what improvements they would like to see in their primary food stores, most shoppers now list “more locally grown foods” as their top priority—even above cost savings.<sup>2</sup> 86% of shoppers state the presence of local foods as “very important” or “somewhat important” in determining where they will shop. With over 40% of consumers reporting a desire to see more local food available, it is clear that market supply has yet to fully meet consumer demand. While the best days of this movement may be yet to come, it is up to all of us to keep this momentum building. Since New York farmers are trying their best to get local products on the shelves of New York grocery stores and restaurants, now is a great time for our state to expand its efforts in promoting these products.

*Sample Logo:*



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<sup>1</sup> Brain Obach and Kathleen Tobin, “Agriculture Supporting Community in the Mid-Hudson Region: Discussion Brief 35 – Spring 2011” *Center for Research, Regional Education and Outreach State University of New York at New Paltz*, 3, [www.clctrust.org/pdf/creeo\\_spring\\_2011.pdf](http://www.clctrust.org/pdf/creeo_spring_2011.pdf).

<sup>2</sup> “2011 Consumer Survey Report,” *National Grocers Association*, <http://www.supermarketguru.com/public/pdf/Consumer-Panel-Survey-2011.pdf>.

## **The “Locally Grown” Phenomenon in New York**

According to an Empire State Poll, 78.5% of New Yorkers “buy local”.<sup>3</sup> While restaurants and grocery stores form a portion of total sales, much of the current sales still originate from direct farmer-to-consumer marketing and sales.

From 2002 to 2007, an increase in direct marketing between farms and consumers prompted sales to skyrocket 57% to \$362 million.<sup>4</sup> The most visible manifestation of this demand can be found at the farmers market. Over the past decade, the number of these sites has taken off, doubling in size to more than 5,274 nationally.<sup>5</sup>

Community Supported Agriculture (CSA) agreements have become another popular source for local purchasing. Here, individuals purchase shares of a farmer’s crop, and receive food deliveries throughout the growing season. While the entire country could claim only two operational CSAs in 1986, today, the number stands at more than 1,400.<sup>6</sup> These numbers speak for themselves: more individuals want local food, and grassroots operations are emerging to meet this demand.

With initiatives such as *Shop and Dine: Pride of New York*, we can encourage local retailers and restaurants to take greater initiative in bringing locally grown products to their shelves and menus.

## **Rising Demand for Local**

As the National Grocers Association’s *2011 Consumer Survey Report* indicates, the desire for locally grown products continues to grow.<sup>7</sup> When surveying chief household shoppers, over a third of the respondents claimed to eat locally grown foods between two and seven times a week. Further, a growing number of shoppers eat local foods multiple times a day. Farmers need to reach a wider audience in order to increase their profits. While farmers markets will continue to play a vital role in the growth of state agriculture, they alone are insufficient to meet the increasing demand for local products. After all, many farmers markets are temporary or seasonal, and are unable to reach many consumers on a regular basis. According to the aforementioned state poll, 40% of those New Yorkers interested in buying locally produced foods state that they will continue to do so only if that food is conveniently accessible.

Restaurants across the state are beginning to integrate the use of local foods into their menus, recognizing the potential that connecting consumers with the food they eat has on their bottom lines. In Central New York, for example, several restaurants have adopted a local foods focus, promoting in their menus where the products were grown.

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<sup>3</sup> Duncan Hilchey & Joe Francis, “Rural New York Minute: New York State Consumers Express Strong Interest in Local Food,” *Community and Rural Development institute Cornell University*, April 2007, <http://devsoc.cals.cornell.edu/cals/devsoc/outreach/cardi/publications/upload/04-2007-RNYM.pdf>.

<sup>4</sup> “Direct Marketing Survey 2009,” *National Agricultural Statistics Service and New York State Department of Agriculture and Markets Division of Statistics*, October 2010, 2, <http://cce.cornell.edu/FeatureStories/Documents/DirectMarketingPublication2009.pdf>.

<sup>5</sup> Steve Martinez, “Local Food Systems: Concepts, Impacts, and Issues,” *United States Department of Agriculture*, May 2010, 7, <http://www.ers.usda.gov/Publications/ERR97/ERR97.pdf>.

<sup>6</sup> *Ibid*, 8.

<sup>7</sup> “2011 Consumer Survey Report,” *National Grocers Association*, <http://www.supermarketguru.com/public/pdf/Consumer-Panel-Survey-2011.pdf>.

At Empire Brewery in Syracuse, locally grown food is highlighted on the menu, where patrons are pointed to no less than 56 different farms or producers that Empire uses.<sup>8</sup>

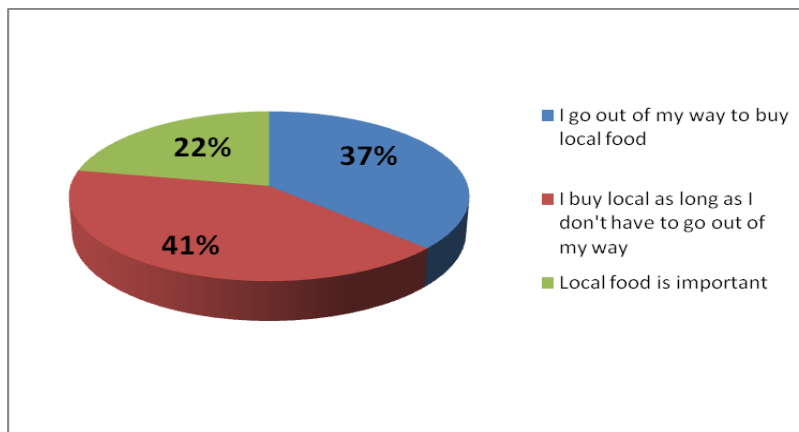
According to Syracuse First, a not-for-profit organization whose mission is to promote buying local products including food, “with just a 10% shift in market share from national or global businesses to locally owned independents, \$130 million in new economic activity would be generated in Onondaga County.”<sup>9</sup> In addition, agriculturally-focused Madison County promotes a “Buy Local Week” each summer where local restaurants showcase menu items which contain products grown in the county itself.<sup>10</sup>

With 24,000 restaurants and over 5,000 retail stores, New York City represents an incredible opportunity for state farmers to grow their businesses.<sup>11</sup> The urban planning and economic development firm Market Ventures Inc. surveyed city businesses and created a model to estimate the city’s currently unmet demand for locally grown products. What they found was astonishing:

The model shows that the demand among New York City food retailers, restaurants, and produce distributors for locally grown produce is \$649 million; for local meat and poultry \$48 million; for local eggs and dairy \$44 million.<sup>12</sup>

With over \$700 million in unmet citywide demand, it makes sense to create programs that encourage restaurants and grocery stores to connect with New York farms. Market Ventures found that roughly 38% of New York City restaurants and retailers currently purchase local products.<sup>13</sup> In order to grow the number of purchasers, we must (1) recognize those businesses doing their part to grow New York agriculture and (2) recognize ways in which we can better inform retailers and restaurant owners of how to identify locally grown foods .

### NY Residents’ Propensity to Buy Local Food<sup>14</sup>



<sup>8</sup> Menu available at <http://www.empirebrew.com/pdf/2012menu.pdf>

<sup>9</sup> See <http://www.syracusefirst.org/about/>

<sup>10</sup> See [http://madisoncountyagriculture.com/buylocalweek/?page\\_id=9](http://madisoncountyagriculture.com/buylocalweek/?page_id=9)

<sup>11</sup> The New York City Council, “Food Works: A Vision to Improve NYC’s Food System,” November 2011, 3, [http://council.nyc.gov/html/food/files/foodworks\\_fullreport\\_11\\_22\\_10.pdf](http://council.nyc.gov/html/food/files/foodworks_fullreport_11_22_10.pdf).

<sup>12</sup> “A Study on Development of New York City Wholesale Farmer’s Markets: Final Report,” *Market Ventures*, January 2005, 8, <http://www.marketventuresinc.com/download/NYC-WFM-ExecSum-Phase-1.pdf>.

<sup>13</sup> *Ibid*, 7.

<sup>14</sup> “Rural New York Minute,” April 2007.

## Bringing More of New York’s Agriculture to Market

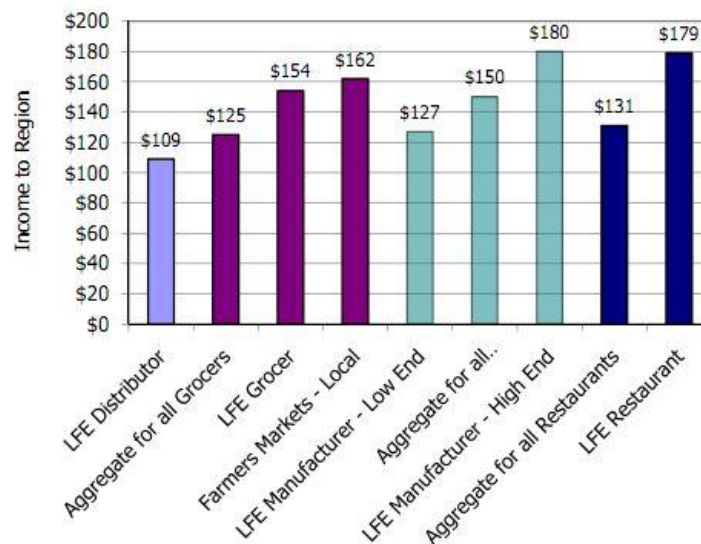
For the most part, restaurants and retailers want to purchase goods from one wholesaler against multiple farmers. However, while over 7,000 state farmers currently sell directly to consumers, only 1,782 farmers sell to restaurant and retail wholesalers. The key to increasing retailer access to—and the sales of—New York products, is to expand the network of wholesalers delivering these goods.

It is here where *Shop and Dine: Pride of New York* can have a major impact. **By identifying those wholesalers who are selling local, retailers will have a clearer opportunity to go out and buy local.** As we have seen, increasing the sales between wholesalers and their customers can have a major impact. In 2009, farmers who sold to wholesalers generated over \$255 million in sales. By stimulating supply, *Shop and Dine* can encourage the development of supply chains throughout the state, simplifying the effort of bringing local products to kitchens around New York state.

## Added Benefits of Buying Local

Buying local has implications beyond increasing the profits of farmers and businesses. Recent studies have shown that consumer spending on local products can have a ripple effect on the community, particularly when those dollars are spent within the local food economy (LFE).<sup>15</sup> A study of this effect, recently conducted in the city of Seattle, demonstrates the positive results. Researchers found that money spent within a local food economy increases the amount of time in which that money circulates within the broader economic community. The significance was astonishing. By slowing down the output of dollars outside of the community, each dollar spent or re-spent within the community increases regional income by the same amount.<sup>16</sup> Why? Because local and regional businesses who receive regional dollars are that much more likely to use regional or community suppliers. The effect is particularly acute when dollars are spent within the local food economy:

### Direct and Indirect Spending per \$100 of Local Food Spending



<sup>15</sup> Viki Sonntag, “Why Local Linkages Matter: Findings from the Local Food Economy Study,” *Sustainable Seattle*, April 2008, <http://www.ecopraxis.dreamhosters.com/wp-content/uploads/2009/03/lfe-report-final.pdf>.

<sup>16</sup> Ibid, 11.

The chart shows the impact of \$100 of spending directed at LFE businesses against an aggregate of all businesses within a region. LFE grocers and restaurants have an equal or greater effect on the local economy than even farmers markets. Spending \$100 at a LFE restaurant causes circulation of \$79 amongst local suppliers. This is compared to just the mere \$31 circulated when consumers spend outside of the community. The effect is the same when applied to grocers. Spending at LFE restaurants and retailers increases the money flowing within a community. These results indicate that reaching out to restaurants and retailers offers a substantial opportunity for expanding the local food economy. The “high multiplier for LFE restaurants, food service businesses, and farmers markets, and relatively high multipliers for grocers represent an opportunity to accelerate the local food economy through increasing access to locally produced foods”.<sup>17</sup>

These findings carry important ramifications for New York State. Promoting locally sourcing amongst businesses will direct consumers toward them, and increase demand overall for local products. Increased revenue will flow toward our farmers, who will then increase their spending with local suppliers. Thus, buying locally can have a cascading effect on the state economy. By increasing economic activity, purchasing local can led to job growth and encourage today’s youth to consider careers in the agricultural industry.

### **The History of Statewide Promotional Programs**

National and state campaigns promoting certain products have been in place for decades. Since the 1960s the United States Department of Agriculture has engaged in marketing services endorsing the five major commodities produced in the country: dairy, fruit and vegetables, livestock and seed, poultry, and cotton and tobacco. The purpose of these campaigns is to “strengthen the position of a commodity in the marketplace, maintain and expand existing domestic and foreign markets, and develop new uses and markets for specified agricultural commodities”.<sup>18</sup> These campaigns are extremely well-known and include, for instance, “Beef: It’s What’s for Dinner”.

Beginning in 1983, New Jersey became the first state to establish its own marketing campaign. *Jersey Fresh* was created to inform consumers about the availability and variety of fruits and vegetables grown in the state. A certified *Jersey Fresh* product indicates that not only was it grown in the state, but that it meets a certain quality standard for size, shape and coloring. Guaranteeing a product’s quality and location was thought to support the sale of state agricultural products. Following their example, other states produced their own logos and slogans denoting and marketing homegrown products.

Originally dubbed the *Seal of Quality*, New York’s own campaign was rebranded *Pride of New York* in 1994.<sup>19</sup> The campaign designed marketing images that members could use through a 50-50 cost share grant program. Funds could be, and currently are being, used for advertising projects (TV and radio ads) and Point of Sale materials such as banners, decals, and rack cards. *Pride of New York* currently has 3,400 member organization including farmers, wineries, food processors, retailers, distributors, and restaurants. Experience has shown that restaurants use the logo throughout their premises and on menus to indicate specific local products. Retailers typically use

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<sup>17</sup> Ibid, 23.

<sup>18</sup> Erika Harney, “States Creating Their Own Agricultural Brands,” The Council of State Government, May 2011, <http://knowledgecenter.csg.org/drupal/content/states-creating-their-own-agricultural-brands>.

<sup>19</sup> Pride of New York website, [www.prideofny.com](http://www.prideofny.com).



the logo in their circulars, marketing materials, and in-store signage next to NY products. The state also has numerous food trails and regional brands that are quite successful.



### **The Effect of Statewide Promotional Programs**

Nationwide, these campaigns have had a successful impact on consumer awareness and purchasing behavior of local products. Recent studies by Batte et al.<sup>20</sup>; Onken, Bernard and Pesek<sup>21</sup>; Nganje, Hughner and Lee<sup>22</sup> have shown that the presence of a state logo not only increases the likelihood of purchasing it, but that consumers are willing to pay more for those branded with the logo.

Batte et al. administered a survey of 3,000 residents in the states of Ohio and Kentucky. Respondents were asked to choose between two jars of jam, identical except for the presence of various branding images including the *Kentucky Proud* and *Ohio Proud* logo. These two states were selected in order to gauge interest in state brands across different populations. The survey yielded significant results, demonstrating increased demand for jam branded with the state logo. The authors concluded that the presence of a statewide logo increased the likelihood that the product would be selected by over five percentage points.<sup>23</sup>

Onken, Bernard and Pesek sent out surveys to residents of Delaware, Maryland, Virginia, New Jersey, and Pennsylvania in order to determine how extensive the preference for local is in the Mid-Atlantic region. Much like the previous study, a choice experiment was conducted using strawberry preserves with different types of branding. Results again demonstrated that a state logo impacts consumer preference. In all five states, local and state program preserves were preferred over their

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<sup>20</sup> Marvin T. Batte et al., “Do Local Production, Organic Certification, Nutritional Claims, and Product Branding Pay in Consumer Food Choices?,” *Agricultural & Applied Economics Association 2010 AAEA, CAES, & WAEA Joint Annual Meeting*, July 2010, <http://www.uky.edu/Ag/CDBREC/blackberrypaper.pdf>.

<sup>21</sup> Kathryn A. Onken, John C. Bernard and John D. Pesek Jr., “Comparing Willingness to Pay for Organic, Natural, Locally Grown, and State Promoted Marketing Program Promoted Foods in the Mid-Atlantic Region,” *Agricultural and Resource Economics Review* 40 (1), April 2011, <http://ageconsearch.umn.edu/bitstream/106065/2/bernard%20-%20current.pdf>.

<sup>22</sup> William E. Nganje, Renee Shaw Hughner and Nicholas E. Lee, “State-Branded Programs and Consumer Preference for Locally Grown Produce,” *Agricultural and Resource Economics Review* 40 (1), April 2011, <http://ageconsearch.umn.edu/bitstream/107472/2/hughner%20-%20current.pdf>.

<sup>23</sup> Batte et al., 10.

non-local counterparts. In the study, researchers found that consumers selected the state branded product almost 50% more often than those without similar branding.<sup>24</sup>

Along with preference, consumers in each state proved to have a higher “willingness to pay” (WTP) for local and state over non-local preserves. This indicates that even though state and locally-grown goods may be more expensive, consumers will purchase them regardless if their location is identified. The most successful state program was found to be *Jersey Fresh*. The authors theorize that this may be due to it being the most established state campaign in the nation. These findings undoubtedly show that consumer preference for state branded goods exists throughout the Mid-Atlantic. Nganje’s study touches on the same ground as Onken, Bernard and Peters, but emphasizes that knowledge of the state brand nearly *doubles* the purchasing frequency of locally grown produce.<sup>25</sup>

These three studies show us that labeling matters. If consumers are presented with a choice indicating a product was grown in-state they are more likely to purchase it, purchase it more often, and even pay more for it. Increased purchases of higher priced goods will lead to increased profits for farmers and the food industry, and will circulate more money throughout the state. At the same time, consumers will be able to satisfy their desire for local goods.

Cumulatively, the studies show that state branding can have an immense impact on the sale of agricultural products. In order to fully meet consumer demand, New Yorkers must be aware of the state’s program. *Pride of New York’s* focus is on promoting state-grown and processed foods, which it has done successfully. Restaurants and retailers are included, but are not highlighted in the same way state foods are. For instance, the state logo is used to showcase menu items and advertise goods in retail circulars.

We propose a second program should be created to complement the success of *Pride of New York*. The latter certifies food products themselves as grown and processed within the New York. *Pride* is, and will continue to be, vital in helping consumers identify state products. We propose a sister program to *Pride*, which would assume the role of branding and marketing for those at the end of the supply chain. It would be solely dedicated to promoting retailers and restaurants who make a concerted effort to bring local foods to their tables and shelves.

Currently only 114 restaurants, 33 retailers, 17 grocery stores, and two wholesalers are members of *Pride of New York*.<sup>26</sup> The research above tells us that more consumers are deciding where to purchase food based on whether they locally source. Additionally, we know there are a limited number of farmers selling to restaurants and retailers. An enhanced campaign will showcase businesses where locally sourcing has been profitable, and attract consumers to their doors. At the same time, their success will encourage other businesses to purchase locally, thus allowing farmers to more fully enter the retail market.

It is clear that the Department of Agriculture and Markets feels *Pride of New York* can be enhanced as well. Recently, the Department put out an RFP for the development of regional buy local

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<sup>24</sup> Onken, Bernard and Pesek, 40.

<sup>25</sup> Ibid, 31.

<sup>26</sup> Pride of New York Member List Search, Accessed 4/3/12, [www.prideofny.com/member\\_search.asp](http://www.prideofny.com/member_search.asp).



campaigns.<sup>27</sup> Once completed, these will broaden the promotion of grown and processed food throughout the state. The campaign seeks to ensure the collective effectiveness of regional campaigns, minimize potential consumer confusion, and make sure they work synergistically with the state. The Department of Agriculture will disburse \$18,550 in federal Specialty Crop Block Grant funds to each of the eleven agricultural regions to start, or support existing, regional campaigns.

Alongside this, a marketing campaign should be created to promote restaurants and retailers throughout New York. Clearly marketing businesses making the greatest use of state-produced food will direct consumers toward them. Even with the growing popularity of farmers markets, people want to see local food in their retail stores and restaurants. Other states already have programs with a similar aim.



*Colorado Proud* is a program promoting food and agricultural products grown, raised, and processed in Colorado. Like the New Jersey program, its goal is to help consumers identify the freshest quality, Colorado products. Out of this the state created a branch of the program solely targeting restaurants.

The *Colorado Cuisine* program encourages restaurants to apply for a host of benefits, most importantly being able to identify itself to consumers as using local food. Membership allows restaurants to receive free artwork for use in advertising; advertising opportunities through television, radio, and billboards; and free “Proudly Serving Colorado Cuisine” window decals. The decal indicates to consumers that Colorado products will be featured on items throughout their menu.

Aside from being able to identify with the program, the greatest benefit is inclusion within the annual *Colorado Proud Restaurant Guide*. This document fully endorses restaurants within it stating that when you see the logo “you know you are getting the freshest, highest-quality products available.”<sup>28</sup> Included in the guide are a variety of restaurants: gourmet, casual dining, diners, and even mobile trucks. Every listing contains the restaurant’s address, information about the local food served, hours, and contact information.

Accessible on its website, the program makes it incredibly easy for individuals to eat locally outside their homes. No program exists specifically for retailers, but they do have two options. They can

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<sup>27</sup> “Request for Proposals (RFP) Regional ‘Buy Local’ Campaign Development,” *New York State Department of Agriculture and Markets*, <http://www.agriculture.ny.gov/rfps/regional-buy-local/Regional-Buy-Local-Campaign-Development-RFP.pdf>.

<sup>28</sup> “Taste Colorado: 2011 Colorado Proud Restaurant Guide,” Colorado Proud, <http://www.colorado.gov/cs/Satellite?blobcol=urldata&blobheader=application%2Fpdf&blobkey=id&blobtable=MungoBlobs&blobwhere=1251731519256&ssbinary=true>.

create displays for *Colorado Proud* products, and also receive a “Colorado Products Available Here” window decal.

This is a free program, which receives no state general funds. Instead it primarily relies on federal Specialty Crop Block Grants. Due to this administrators rely upon an honor policy in enforcing use of the logo. To facilitate this, no specific percentage of local ingredients are required. Therefore, it is an inclusive program designed to promote Colorado products and businesses as much as possible.



*PA Preferred* promotes the superior quality and freshness of Pennsylvania products, while also helping food service groups identify the best local products, processors and distributors. Its goal is to ensure consumers buy the highest quality products, and receive information on where to find them. Like *Colorado Proud*, businesses are free to join, though requirements are stricter in Pennsylvania.

The criteria for restaurants and retailers guarantees to consumers that certified business either meet a quota of local products or are making their best effort to locally source.<sup>29</sup> Grocery stores, nurseries and other retailers must carry at least 50 different products or brands meeting the program’s guidelines for either “fresh, unprocessed products” or “processed products.”

Additionally, when produce is in season, retailers must strive to merchandise as many of these available *PA Preferred* products as possible. Restaurants must strive to offer as many entrée items with featured ingredients meeting the criteria for fresh or processed food products as possible given seasonal availability. Regarding verification, on-site visits are occasionally conducted, however, the program is primarily member-policed. Like Colorado, Pennsylvania relies on an honor policy.

Becoming a member means that businesses can order free Point of Purchase promotional materials. These include window clings, posters, stickers, and banners. There is also inclusion with the Pennsylvania MarketMaker, an online site linking buyers and sellers of locally grown products. Networking is seen as another major benefit of the program.

*PA Preferred* helps connect producers with businesses interested in locally sourcing. It hosts buyer-vendor shows allowing businesses to see the wide variety of products they can purchase from state farms and food processors. These venues are designed to encourage businesses to use state products even more.

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<sup>29</sup> PA Preferred website, <http://www.papreferred.com/>.

## South Carolina



Part of *Certified South Carolina*, *Fresh on the Menu* was launched in February 2008. It is a cooperative effort among producers, processors, wholesalers, retailers and the South Carolina Department of Agriculture to promote state-grown produce and products. The program was designed to “appeal to local restaurants and encourage them to develop special menu items using locally grown products and highlight them on the menu using the *SC Certified Grown* logo”.<sup>30</sup> Here again is a program free of charge. If restaurants meet the guidelines in the application they can join the program and utilize its advertising.

Restaurants interested in joining must already be making a significant effort toward acquiring local foods. Membership requires businesses to prepare menus including at least 25% *Certified South Carolina Grown* foods and products in season and feature the *Fresh on the Menu* brand on-premise. According to the program’s marketing specialist, Ansely Rast, South Carolina recognizes that meeting this requirement on a month-to-month basis may be difficult given seasonal conditions. Restaurants are instead expected to meet the 25% quota over the course of a year. Members truly become a partner with the state in expanding the agricultural industry, and bringing state products to as many customers as possible.

In applying for membership, South Carolina provides a checklist of products and their in-season availability. Restaurants must indicate which products they are likely to use. Restaurants can also indicate what items they are interest in sourcing, but are having difficulty tracking down. *Fresh on the Menu* then helps them acquire it. As part of the program, a host of advertising opportunities become available to members. Each certified restaurant receives a packet containing window clings, menu decals, and a CD containing the logo itself. The latter allows restaurants to decide themselves how to display the logo. Restaurants are added to the program directory as well. South Carolina actively promotes the program on television, radio, magazine, and billboards statewide. More recently, advertising has slowed down due to the state of the economy. Once again we see a concerted effort to maximize consumer awareness of restaurants using local foods. The program has been successful in its few years of existence. It began in Charleston with 60 restaurants originally participating,<sup>31</sup> and has now grown to 347 members.<sup>32</sup>

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<sup>30</sup> Commissioner Hugh E. Weathers, “Final Report: Specialty Crops Block Grant Program,” South Carolina Department of Agriculture, 4, <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5072418>.

<sup>31</sup> Ibid, 4.

<sup>32</sup> “Fresh on the Menu Members,” Certified South Carolina, <http://www.certifiedscgrown.com/FreshOnTheMenu/Members>.

## New Hampshire



Launched in the summer of 2011, the *New Hampshire Farm to Restaurant Connection* (NHFRFC) is unlike the previous three in that it is not state-administered. Instead it is a non-profit organization. It does work closely with the state as its partners with the Department of Agriculture, Markets & Foods and has various state agency members sit on its board. Another quality that sets it apart for the programs mentioned is its more intricate design, standards, and verification.

First of all, the program is not free. Instead, applicants are charged \$35 for a single site and \$150 for multiple sites. This is an application fee, not a membership fee. It covers the administrative expenses of the application process. The fee does not guarantee membership, which is determined based on a point system for certification.<sup>33</sup> Restaurants are graded on a two to 10 scale based on the availability, selection, and regularity of New Hampshire products appearing on menus. Additional points are awarded for the regularity of fish, cheese, beer and other state-specific products being offered. Restaurants are also graded on their promotion of local products. Restaurants are required to produce a list of vendors they purchase foods from. Program administrators then check with vendors to ensure the veracity of the claims. Once applications are reviewed, a staff member conducts an on-site visit for an evaluation and consultation with owners and chefs.

Members receive promotional materials including window clings, table top material, and the logo is supplied in a printable format. A “Food Trail” is also being developed. When finished it will map by region certified establishments and farms to promote agri-tourism. *NHFRFC* President Charlie Burke believes that the program’s high level of verification is necessary to maintain the program’s credibility. However, it seems this regulation has limited the number of restaurants willing to participate. According to Mr. Burke, the initial response has been slow with only two restaurants being certified although others have applied.

### **Shop: Pride of New York & Dine: Pride of New York**

Promoting restaurants and retailers is beneficial to a state’s bottom-line. The states above can act as guideposts for the expansion of *Pride of New York*. That program can, and should, maintain its focus on certifying products grown and processed within New York State. However, we are recommending a separate effort focusing solely on the business side of local sourcing.

The Independent Democratic Conference will be introducing two pieces of legislation creating the *Shop: Pride of New York* and *Dine: Pride of New York* campaigns. The IDC believes that New York products can reach more customers, and that an increased marketing campaign can help our state achieve this goal.

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<sup>33</sup> “Point System for Certification,” New Hampshire Farm to Restaurant Connection, <http://www.nhfarmtorestaurant.com/certification-point-ranking/>.

*Shop and Dine: Pride of New York* will highlight those businesses in New York offering a threshold amount of local foods to consumers. As we've seen, state promotional campaigns have the ability to increase demand and sales for goods. Promoting select food service providers will drive consumers to their doors, and support the long-term economic sustainability of farming and food processing in New York. Including processed foods allows businesses to feature state products throughout the entire year, instead of being held to produce's seasonal restrictions.

These campaigns will act as a beacon to other businesses. As sales increase at certified businesses, others will follow their example and purchase more state products. With this in mind, certified businesses must meet a threshold to confirm they are in fact striving to offer state foods. Putting in place criteria like South Carolina and Pennsylvania will be most appropriate.

- *Shop: Pride of New York* food sellers (grocery stores, supermarkets, bodegas, etc.) must carry at least 20 different items grown and/or processed in New York State; and merchandise as many as seasonally possible;
- *Shop: Pride of New York* wholesalers must strive to offer as many foods grown and/or processed in New York State as possible. The Commissioner of Agriculture and Markets may determine the appropriate threshold for such businesses;
- *Dine: Pride of New York* restaurants will demonstrate that 15% of their total ingredients are grown and/or processed in New York State; and
- Applicants receiving such designation within one year of the effective date of this section shall receive official *Shop: Pride of New York* and *Dine: Pride of New York* advertising and promotional materials free of charge.

Interested parties will submit a newly-designed application to the NYS Department of Agriculture and Markets. Businesses will list the products they have purchased along with the vendors they purchased from. Claims can then be checked with the vendors to guarantee businesses are in fact purchasing from them. On-site verification will not be conducted, unless reports of program abuse surface. The application will also include a section where businesses can indicate if they've experienced difficulty sourcing any food products. This will allow administrators to provide assistance in locating producers and processors for businesses, and expand the practice of locally sourcing.

These thresholds will be established in place of the point system used in New Hampshire. This will accomplish two goals. First, it will decrease the potential administrative costs of the campaign. The point system requires on-site verification and interviews with owners and chefs. In the future, additional monies may be allocated for inspection, but at this time it is not possible. Secondly, on-site verification is too burdensome for businesses. The point of this campaign is not regulation, but celebration. *Shop: Pride of New York* and *Dine: Pride of New York* will be inclusive campaigns, aimed at partnering with businesses throughout the state. The best way New York can fashion this partnership is by approaching organizations in a non-regulatory manner.

Some may argue the thresholds are too low. However, the IDC believes these levels are high enough to demonstrate a commitment to locally sourcing, while being low enough to allow a large number of businesses into the program. Additionally, these program will work with both members and non-members in identifying avenues through which businesses can acquire more state products. Again, the goal is inclusion and marketing New York products. This cannot be accomplished if criteria are set too high. By maintaining a reasonable criteria, more state grown and processed products will reach consumers.

There is no better time to institute this program. The introduction of the Regional Buy Local campaign will allow *Shop* and *Dine: New York* to touch the entire state. Currently, *Pride of New York* has only one full-time employee. Soon, the state will have campaigns in eleven different regions developing multi-year marketing plans catered specifically for each area. Applicants receiving grants will be required to recruit specialty crop members within their region, and track the number of businesses participating in their campaign.<sup>34</sup>

Regional administrators have a greater idea of which area businesses locally source. *Shop* and *Dine: Pride of New York* can potentially utilize these administrators in identifying and reaching out to businesses living up to the program ideal. Furthermore, these administrators can offer greater hands-on assistance for restaurants and retailers. Certified businesses can also be marketed through these regional campaigns. While there will be eleven different campaigns, each region will have a number of certified businesses. Therefore, including the new logo and its meaning won't go against the nature of these local advertisements. In fact including this will amplify the strength of the state's agricultural campaign.

Certified members will receive Point of Purchase materials such as window clings, banners, and a disc containing the logo for their own advertising purposes. A Restaurant/Retailer guide can also be produced and displayed on the *Pride of New York* website. This will contain contact information, hours of operation, and a brief description of what that business offers. Additionally, a participating business locator can be included on the website. As the campaign will utilize existing personnel, no new administrators will be needed, and the majority of costs will arise from producing promotional materials.

The IDC has worked in the past to promote the growth of agriculture in state. Last year, the Conference unveiled its legislative package "Preserve, Promote, Grow." Under this initiative Sen. Jeff Klein introduced legislation (S. 614B) allowing the Urban Development Corporation/Empire State Development Corporation to make a low interest loans, or award grants to help farmers upgrade the transportation of their products. This was a companion bill to IDC legislation that had previously passed as well allowing UDC investment in the expansion of regional farmers markets. Sen. David Carlucci introduced S. 4889 which would create tax incentives for restaurants who purchase produce from *Pride of New York* participating farms. These programs aimed to increase the availability of fresh produce throughout the state, especially in lower income, urban areas.

*Shop: Pride of New York* and *Dine: Pride of New York* will work in tandem with these policies to ensure not only that local foods are available to everyone, but that consumers know exactly what businesses have them and are supporting the state.

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<sup>34</sup> RFP "Buy Local" Campaign Development, 6.