



WELCOME

ARC USDA RFSP Public Learning Session #2





Catalyzing A Local Food Processing Network in the Capitol Corridor

March 26, 2025



AGENDA

3.26.2025

- ARC Introduction
- RFSP Project Introduction
- Updates on Project
- Buyers Convening
- Q&A
- Closing

Webinar housekeeping

- Webinar will be recorded and available on the ARC website
- Please use the Q&A function
- Introduce yourself in the chat!
 - Name, organization, and where you are calling in from



**OUR GOAL:
SYSTEMS
TRANSFORMATION
TO BUILD
COMMUNITY
HEALTH,
COMMUNITY
WEALTH, AND
CLIMATE RESILIENCE**

Bay Area, CA ANCHORS IN RESILIENT COMMUNITIES

WHAT IS ARC?

ARC is a multi-sector community-based partnership that coordinates equity-centered regional projects and learning spaces to maximize the purchasing power and collective investment of the region's anchor institutions to improve health and generate wealth.

WHO SETS THE TABLE?

Emerald Cities Collaborative and Health Care Without Harm

OUR VISION

ARC leverages the assets and the capacities of Bay Area institutional anchors to target the social determinants of health and well-being with a focus on expanding jobs, improving health outcomes, and community climate resilience.

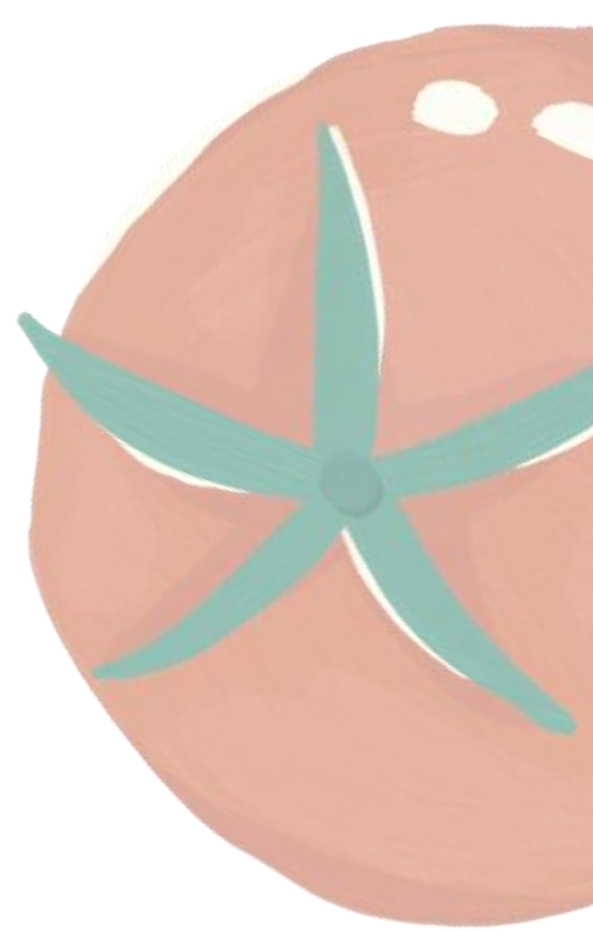
ENGAGEMENT PRINCIPLES

- Equity and Inclusion
- Transparency and Accountability
- Long-term Commitment
- Shared Governance



ARC's Regional Food System

- Goals of ARC's Regional Food System
 - Aggregate institutional demand for local and sustainable food products
 - Increase community-owned food business and manufacturing opportunities
 - Increase opportunities for local BIPOC producers who have been historically excluded from institutional markets
- Strategies for Implementation
 - Small scale one on one anchor procurement pilots
 - Value added product development and sourcing
 - Regional Coordination led by Regional Food System Manager - H Nieto Friga
 - USDA RFSP Project



RFSP

processing

project

updates

1

relationship with YFHN

2

introducing CalFIC

3

facility progress

4

the model in motion

5

next steps

re-setting the table

(infra)structural change

Our RFSP grant helps catalyze a **revolutionary project**: a processing and distribution hub that delivers processed local food to institutions in Northern California.



the problem

- **Corporate contracts and market consolidation** block farmers and food hubs from selling to institutions
- Institutions have **severe labor constraints** and need much more **pre-cut and value-added foods** than whole and fresh produce
- They also need **stable volumes, competitive pricing and clear reporting** to achieve their sustainability goals

the solution

- **Consolidate back**: One processing center all values-based farms and food hubs can use, to compete with large suppliers at scale
- **Product development that solves problems**: create pre-cuts, sauces, condiments, and more that are local, sustainable labor saves
- **Coordinate production** with local farmers to stabilize price, volume, and embed values-based data through the chain



relationship with YFHN

- YFHN and Marcellus Foods remain *strategic allies*
- YFHN will keep building the barn site with existing funding
- Both projects will update each other regularly with project advances

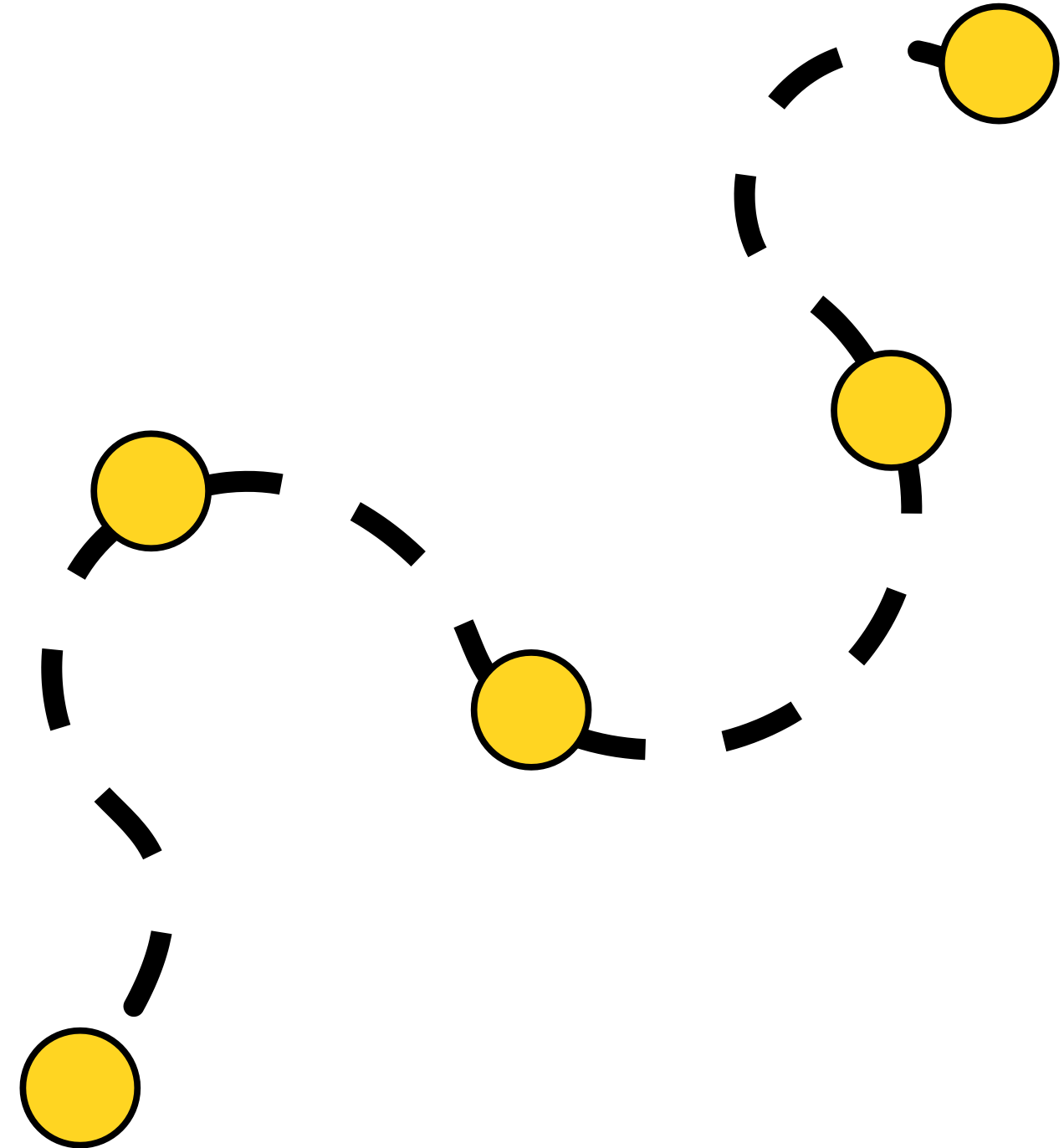


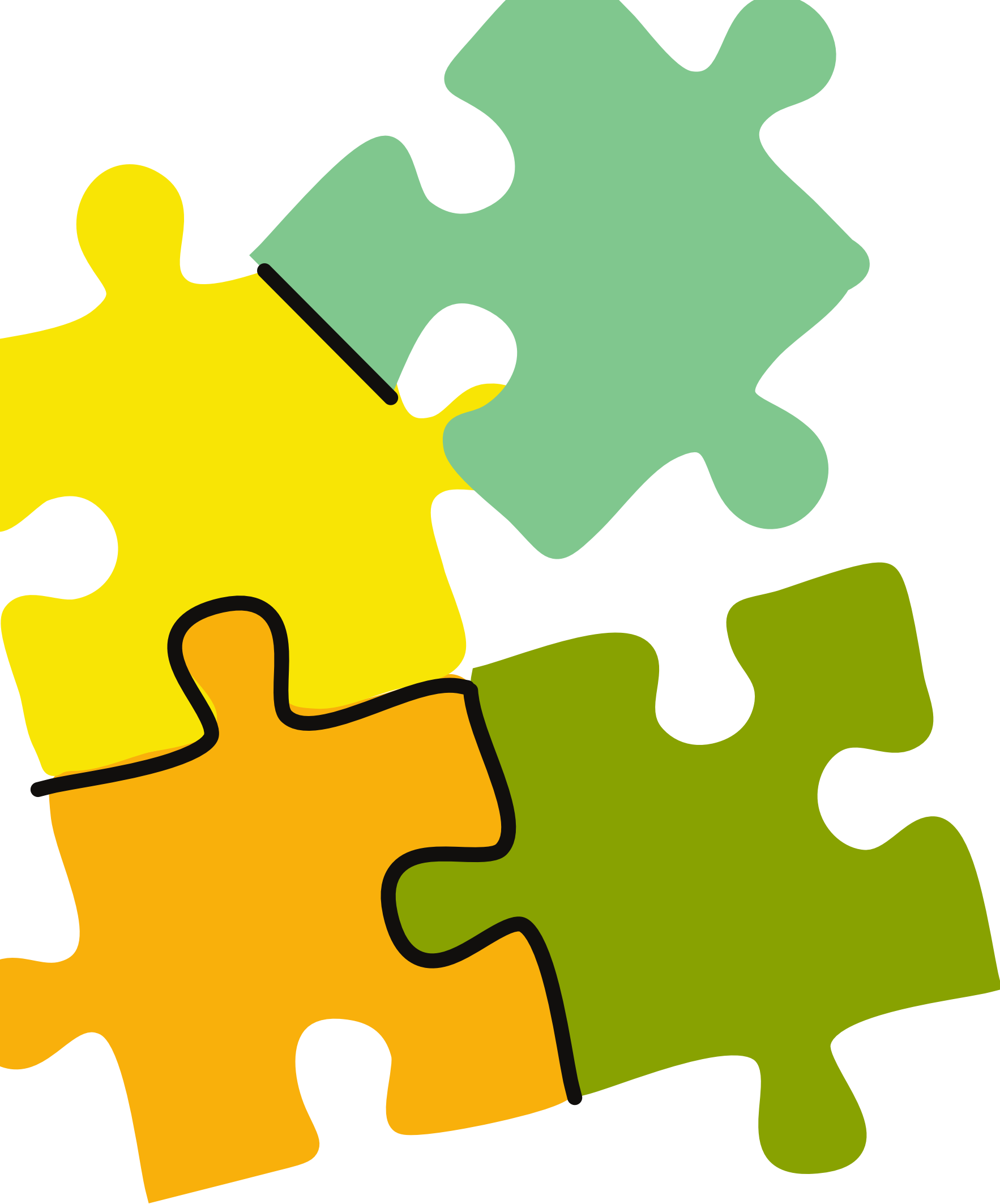
introducing CalFIC

- Temporary name: **California Food Infrastructure Collaborative**
- Represents the collaborative, interim effort to build processing **now**
- Separate from YFHN's long-term site but complementary

facility progress

- Multiple facility pathways under negotiation
- Working towards a near-term operational site for 2025
- Flexibility is key - many routes to success





putting the pieces together

Success = coordinating 4 moving systems at once

- farmer + aggregator network
- buyer network
- facility + operations
- funding

all moving at different speeds - *timing is everything*

what Marcellus will do

- own customer relationships when buyers **require it**
- serve as processor + sales entity for partner farms/hubs
- build scalable infrastructure + back-end operations (co-manufacturing, fee-for-service, pass-through models if demand)

what Marcellus won't do

- won't own customer relationships when hubs **want to keep them**
- won't replicate hub functions that are already working
- won't build anything that doesn't have demand, collaborative trust + planning built in



critical sales design work

sales model is the linchpin - we have to figure out how the sales relationships flow together

you tell us what you need → we shape the infrastructure accordingly

requires transparency, trust, and the shared belief that this can grow everyone's business

buyer empathy exercise

university chef



**chef's labor budget is
\$\$\$**

**chef asks primary
produce distributor
for sustainable/local
pre-cuts**

**distributor can't
supply**

**chef asks UCOP for
support**

UC's options

price cannot be >20% higher than existing options

1

provide a list of pre-vetted sustainable pre-cut suppliers

2

ask primary distributor to be a logistics partner for pre-cuts supplier

3

create a systemwide contract with a pre-cuts supplier

the system design has not caught up to the demand and intent

UC's options

price cannot be >20% higher than existing options

1

provide a list of pre-vetted sustainable pre-cut suppliers

Local farms → Marcellus
→ Brisa/Coastside →
UCSC

2

ask primary distributor to be a logistics partner for pre-cuts supplier

Local farms → Marcellus →
Daylight (logistics only)

3

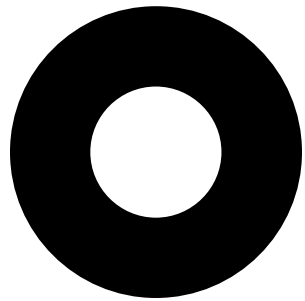
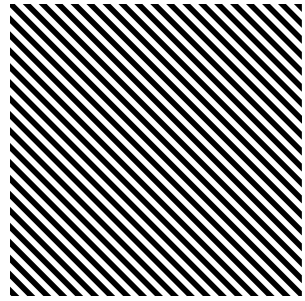
create a systemwide contract with a pre-cuts supplier

Farms + food hubs →
Marcellus →
UC sites

the time is now

your role matters. let's get to work.

- Conventional supply chains = organized by **power**
- This project = organized by **values, trust, and shared purpose**
- Flexibility is key - many routes to success
- The system won't fix itself
- We must build the infrastructure and parallel systems **together**
- Tariffs, corporate consolidation, public disinvestment = opportunity to do it better



how to get involved

reach out to us! we'll start calling in interested farm, food hub, and buyer partners for more planning sessions as facility work progresses

email **Carli Yoro** cyoro@emeraldcities.org to be added to our “planning partners” contact list



Questions/
Comments?



Closing

Resources:

- Slide Deck and Recording available on ARC Website

Additional Announcements:

- Look out for ARC RFSP Buyers Convening Invitation
 - April 16th 9 – 10:30 AM PST
 - April 17th 9 – 10:30 AM PST



THANK YOU

Questions?

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