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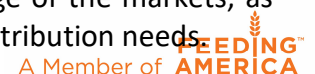
City Council Oversight Hearing on The Economic Impact of the Hunts Point Food Distribution Center April 27th 2022

Thank you to Chair Farias and the Economic Development Committee for the opportunity to submit testimony regarding the economic impact of Hunt Point Market. My name is Leslie Gordon and I am the President and Chief Executive Officer of Food Bank For New York City. For 36 years, Food Bank has housed our Warehouse and Fulfillment Center in the Hunts Point Market, a 90,000 square foot center where we safely store and distribute fresh produce, protein, and non-perishable items to member organizations through partnerships such as New York City's Emergency Food Assistance Program, also known as EFAP. The warehouse's location in the Hunts Point section of the South Bronx is also one of the most food-insecure neighborhoods in all of New York City.

Food Bank provides free, nutritious, and culturally appropriate meals to all New Yorkers who need them – this is at the very heart of Food Bank's mission. To that end, Food Bank equips, trains, sources and supplies food and supports a member network of nearly 800 emergency food providers citywide feeding an estimated 1.6 million New Yorkers from 1.1 million before the COVID-10 pandemic. Many of these organizations are EFAP-designated providers and agencies. The formal establishment of this member network – and all the nuanced logistical operations thereof – has been key to Food Bank's ability to competently serve more than one billion hungry New Yorkers to date. Solving a problem as complex as food insecurity *must* be a team effort. Food Bank's founding is, in itself, a testament to the collaborative nature it exists to promote. Thanks to investments from the City Council and other partners, we are also able to distribute to families in need personal care and hygiene products such as shampoo, deodorant, diapers, and menstrual products which can be prohibitively expensive for those already struggling to afford basic necessities like food and rent.

Since the committee's last hearing on this topic in 2019, COVID-19 caused food need to surge across NYC and the entire nation, and Food Bank's mission grew and adapted along with it – Food Bankers became first responders to help distribute more than 145 million pounds of emergency food. That is more meals in a single year than ever before. In response to the pandemic, Food Bank more than doubled the amount of food distributed across the emergency food network – from 69 million pounds in Fiscal Year 2019 to more than 145 million pounds in Fiscal Year 2021. In the current fiscal year, so far, we have moved 90 million pounds and this number is projected to be 95 million pounds in Fiscal Year 2023.

Our longstanding relationships with government agencies, vendors, food pantries and service organizations across the five boroughs have allowed us to meet the incredible need of the moment, as did support from our community at the "terminal markets" collectively also known as the Hunts Point Market Food Distribution Center (FDC). We received donations from long-standing and new market merchants. We benefited from the existing infrastructure and logistical advantage of the markets, as well as having the necessary space for our increased storage, refrigeration, and distribution needs.





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Food Bank’s almost four decades of procurement experience has helped it build a network of more than 100 sourced and vetted food vendors, ranging from national wholesalers to regional farmers and meat purveyors from almost every state in the United States and more than 35 countries. Our procurement team also expertly sources large quantities of culturally relevant, dietarily adherent, and specialty foods to meet the demands of serving a population as diverse as New York City. We currently procure and distribute, on average, 13 million pounds of wholesale food at cost-efficient and competitive market rates. Locally, this includes strong relationships within the Hunts Point Produce Market and The Hunts Point Cooperative Market (“The Meat Market”), putting the warehouse proximate to the largest food hub in the nation. This allows for access to the freshest produce, meat and fish along with the ease of delivery from a range of vendors.

Buying locally and having ease of access to the Hunts Point Terminal Markets contributes to Food Bank fulfilling its commitment to sustainability. Food Bank prioritizes practices, equipment, and infrastructures that support a healthy climate, stable ecosystems, and the minimization of the organization’s carbon footprint. To that end, buying locally means less mileage for food delivery trucks, and thus reduced carbon emissions per delivery. For an organization that purchases and distributes roughly 13 million pounds of wholesale food per year, every delivery counts – and every gallon Food Bank conserves in fuel for a truck is a priceless value in fresh air for the planet and for our New York City neighbors.

At the warehouse alone, Food Bank employs 60 staff (full-time, part-time, and seasonally), who are also then able to spend their earnings as a reinvestment into their local communities with the rent they pay, the food they buy, the transportation they take, and so on. This is an economic cycle that Food Bank is committed to supporting and bolstering.

We are grateful to be partners with the Hunts Point Market and part of the community of the Food Distribution Center, and look forward to continued opportunities with the NYC Economic Development Corporation and our Council Members through the **Hunts Point Forward Plan so we can continue to do the critical work of feeding New Yorkers in need.**

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Good afternoon,

My name is Phillip Grant, and I am the Chief Executive Officer at the Hunts Point Produce Market – the largest wholesale produce Market in the nation. Thank you to Chairwoman Amanda Farias and to our very own Councilmember, Rafael Salamanca as well as the other esteemed members of the Economic Development Committee for organizing this hearing around such a vital topic as food infrastructure.

The Hunts Point Produce Market has been an essential part of New York City's Food Infrastructure with its roots going back to 1790 and **continues to do the important work of keeping NYC Fed**. The Market was originally located in Manhattan and relocated in 1967 to a more modernized space on its current site, a sprawling 113 acres in the Bronx. The Hunts Point Produce Market joined with several other large **Public Markets** to form the Hunts Point Food Distribution Center (FDC). We are major employers of Bronxites and the jobs at the Food Distribution Center are largely composed of Union Labor and have historically provided salaries more than **one third higher than the average of other industries in the Bronx**.

The Hunts Point Produce Market is an essential intermodal freight facility that provides 25% of New York City's produce. Every year, more than **2.5 billion pounds** of produce - sourced from 49 states and across the globe - pass through the market, feeding New Yorkers and the greater region. **210 million packages of produce** flow through the Market yearly with a customer base that includes the corner push carts to the neighborhood bodegas to 2500 independent green grocers to Wegmans and Wholefoods and everything in between. **We like to say that if you're eating an apple – it very likely came from our Market**.

As I mentioned before, the Market was built **in 1967**. The Market continues to work hard in an aging facility to keep pace with New York City's ever-growing food demand in the most diverse city in the world. That is why we are grateful to Mayor Eric Adams for making the Hunts Point Produce Market a priority withing his first 100 days in office **and committing 100 million dollars** to the Markets redevelopment.

The goals of this redevelopment project are to strengthen and expand our food supply chain by building a food safety and cold chain compliant facility able to keep up with the demands our growing city, alleviate the effects of industrial land use and climate change on an environmental justice community, work to make food more accessible to food insecure communities, and support the development of new jobs and small businesses. The Hunts Point Produce Market employs nearly 2,000 direct workers, 65% being Bronx based union labor, while also supporting an estimated 7,000 indirect jobs in the region. The redevelopment project is estimated to **create 1,000 net new direct jobs** most of which **will be union labor** and supporting **3,500 net new indirect jobs** at the market.

Again, thank you Chair Farias and the esteemed members of the Economic Development Committee for the opportunity to discuss the incredible impact the Hunts Point Produce Market has on New York City. I look forward to one day having you tour our market so that you can see with you own eyes our complex and massive operation.

Thank you.

THE NEW
FULTON FISH
MARKET
COOPERATIVE
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Economic Impact of Hunts Point Distribution Center

As a way of background, the New Fulton Fish Market has been in the Bronx since 2005. The New Fulton Fish Market is the largest fish market in the United States comprised of 26 businesses. The market employs 350 of which 85% are union affiliated. Seafood is sourced globally, maximizing all possible seafood variations at any given moment. Its Seafood is distributed throughout the Tri State Area and much of the Northeast region. It is not uncommon for its distribution tentacles to extend out to the Midwest.

During the pandemic the Fish Market, an essential entity endured many challenges and obstacles. Its employees, also essential workers, had to navigate the medical and governmental protocols. The Fish Markets revenue was off 65-70% initially, compounded by their failed receivables, inability of the City restaurants and hotels to pay due to closure. Within the first two weeks of the restaurant closure 20% of Union members were laid off.

The present-day revenue levels are approaching 70-75% of prepandemic levels with much consternation. The current burdens of transportation costs, labor shortages and the permanent adjustments by seafood suppliers to contract their distribution matrix leads to a projected revenue underperformance.

In light of these challenges the Terminal Market setting is the economic ingredient to move from the negatives presented.

The Terminal Market setting, where there are extremely large companies with an extensive product diversification, *economic* product distinction can be achieved. The Hunts Point Distribution Center company's use their sourcing power and product diversification to isolate Product *attributes-distinctions* such as food safety, sustainability, country of origin, animal welfare, the sustainability of production, and labor conditions. The ability to feature the attributes that are unique to the product (e.g., species, geographical origin) will improve consumer's perceptions and preferences for this product. A differentiated product can also achieve higher prices in a specific consumer segment.

The Terminal Market setting, extremely large companies with an extensive product diversification, develops more resilience to address challenges and to be able to identify the opportunities. A differentiated Terminal Market will respond to *Shocks* due to environmental conditions, diseases, and trade.

Shocks in the seafood systems are likely to continue to occur, such as the pandemic related to Covid-19 and climate change

The seafood industry has been able to realize the opportunities of product differentiation, especially compared to other protein industries. This is important because seafood in general has a relatively lower footprint when compared to the other proteins such as from poultry, and it is expected to be a source of protein for many from a more climate-friendly perspective.

Health awareness is expected to lead to an increase in demand for seafood, giving incentives to the aquaculture industry to increase production. Consumers' acceptance, preference for specific attributes and willingness to pay for the product to be sold are aspects that the Fish Market producers are aware of, and the Fulton Fish Market is best situated, Hunts Point Distribution Center, to bring these to the consumer.

Lenny Guerra – Market Manager, New Fulton Fish Market