



**San Francisco Wholesale  
Produce Market**  
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March 31, 2022

Chairman James P. McGovern  
Ranking Member Tom Cole  
House Committee on Rules  
The Capitol  
Washington DC 20515

Dear Chairman McGovern and Ranking Member Cole:

On behalf of the merchants, customers, community organizations and growers that together sustain The SF Market, we thank you for your visit with us in August of 2021, and for your steadfast leadership addressing hunger in the United States. As a longstanding and critical link in the Bay Area food economy since 1963, we share your vision to ensure all Americans have reliable access to our nation's abundant food supply.

The SF Market has been operating out of the 25-acre campus you visited since 1963, and is the only nonprofit wholesale produce market of its size in the country. We provide critical food infrastructure for the regional food system, including reliable and affordable operations space for 26 independent food merchants. We are equally focused, and, through our community programs, are deeply committed to the imperative goal of combating hunger.

This dedication to addressing local and regional food insecurity and access only expanded during the COVID-19 pandemic. We maintained uninterrupted operations as an essential food business throughout the last two years, often requiring our merchants to pivot and/or adapt their businesses significantly, quickly, and repeatedly. Even in the most uncertain early days of the pandemic, our merchants ensured a consistent supply of fresh produce to the region's grocery stores and other food businesses. In early 2020, we also rapidly stood up and operated an Emergency Food program which, paired with our award-winning Food Recovery program, distributed over 3 million pounds of fresh, nutritious and culturally appropriate food to community partner organizations throughout the region. We were, and remain, proud to leverage our position to mitigate the food insecurity crisis faced by our most vulnerable neighbors.

For almost six decades, The SF Market has sustained our operations through a rent-based revenue model. Our merchants - primarily small and mid-sized family-owned businesses - lease space from The SF Market, often growing their market footprint over time as their business expands and succeeds. We serve as an "incubator," providing merchants with highly competitive lease rates and terms that help insulate them from the speculation and instability that characterizes the broader real estate market conditions of the San Francisco Bay Area. In other words: we provide a reliable, and stable environment from which merchants can plan for the long term, grow, and thrive. In turn, our merchants provide the region with a reliable source of fresh produce, over 500 quality jobs that are low barrier to entry and serve as a vital collaborator in our efforts to increase food access.

Since launching our Food Recovery Program in 2016, we have partnered with our merchants to rescue and redistribute nearly six million pounds of surplus food that would otherwise have ended up in landfills. Our program connects this surplus food to food insecure individuals across the Bay Area through partnerships with 19 community-based organizations. We are also partnering with city agencies in San Francisco to implement new statewide legislation – SB 1383 – intended to reduce business-generated food waste and connect food insecure communities with surplus food. We are proud to play this role in our community in the fight to end hunger, and

to serve as a model for other wholesale produce markets around the country that are increasingly recognizing and sharing in our commitment to this kind of leadership.

Though our community programs have relied on our rent-based revenue model at their outset, in more recent years we have been fortunate to secure additional private and public sector grant funding to help sustain these programs. This has allowed us to prioritize our rent revenue for growing operational and facility maintenance costs, and to support the critical goals of our Reinvestment Project.

As The SF Market rapidly approaches concluding its sixth decade of operations, our buildings are in need of replacement. The SF Market's multi-phased Reinvestment Project will allow us to modernize our campus facilities, resulting in vastly improved critical food infrastructure that is built to seismic standards for long-term resiliency. As we anticipate future disruptions to our food supply, this work is essential to ensuring we remain part of the solution in those times of need.

The first phase of our Reinvestment Project was completed in 2015, and included the construction of the region's first 100% food-focused, multi-tenanted LEED-gold certified building. Our next phase will build on this momentum and deepen our community impact in particular. We intend to construct a new 70,000 square foot food distribution warehouse building which will provide modernized space for up to six merchants, support the creation of at least 550 direct and indirect jobs and will create a dedicated Operations Center that will house our Community Programs and Waste Management Program. This new facility will allow us to increase the scale, efficiency, reach and impact of our Food Recovery program and drive our overall market operations toward zero waste.

These necessary upgrades require significant resources which outstrip the revenue available in our current business model. While we have been able to create meaningful reserves for this work over time, and diligently, creatively and strategically pursued new funding sources, gaps in our financing persist. A lack of available resources combined with the dramatically increased costs of urban construction have constrained the pace of our Reinvestment Project and the scale of our impact.

Access to these resources would enable us to initiate construction on our new building and secure our critical food infrastructure for the future. We also know that additional funding would allow us to play an even more dynamic role in connecting our merchants and their food to those who need it most. For example, we are eager to increase our capacity to deepen our leadership role in the San Francisco Food Security Taskforce, a cross-sector collaborative leading the policy conversation around more systemic solutions to hunger at the city level. We see a tremendous opportunity for an institution like ours to leverage our unique position and combination of industry expertise, infrastructure, and capacity, to help shift the systems that stand in the way of ending hunger in the Bay Area, statewide and nationally.

Thank you again for your time joining us here at The SF Market last year, and for your leadership on these important issues at a national level. We remain enthusiastically committed to supporting your endeavors surrounding a White House Hunger Conference, and stand at the ready if there is anything we can do to help.

Sincerely,



Michael Janis  
General Manager



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