



# Michigan Farmers and Vendors Participating in the 10 Cents Supply Chain

10 Cents a Meal for Michigan's Kids and Farms, administered by the Michigan Department of Education, matches what participating schools and other non-school sponsors spend on Michigan-grown fruits, vegetables, and dry beans with grants of up to 10 cents per meal. This brief is part of the *10 Cents a Meal 2021-2022 evaluation results: Amplifying Impact with More Michigan Farms and Foods*.

**The 10 Cents a Meal for Michigan's Kids and Farms (10 Cents) program has benefits that extend to children and grantees, but also to small- and medium-scale Michigan farms and food suppliers through market opportunities. Using information about food purchases submitted by grantees between September 2021 – August 2022, it is clear that a diverse range of Michigan foods were purchased throughout the year from a variety of farms and food suppliers.**

This summary shares findings about participating Michigan farms and food suppliers, including the variety of market channels they sold through to reach 10 Cents grantees.

Please note that the results summarized below are representative of the 145 grantees who reported purchasing information to the Michigan Department of Education (MDE). MDE administers 10 Cents and provides this purchasing information for evaluation. Additionally, there were instances in which invoice submission errors by some grantees resulted in overall underreporting of the total dollars spent of purchases.

During the program year, grantees who reported their purchases spent over \$3 million dollars on Michigan-grown fruits, vegetables, and dry beans.<sup>14</sup> For these food purchases, grantees reported at least **222 unique vendors, of which 174 were farms that supplied Michigan-grown foods** through the 10 Cents food supply chain.

These farms were located in **45 different counties**, just over half (54%) of all counties in the state. Additionally, several vendors (distributors and food hubs) shared lists of farms to 10 Cents program administrators because some of their products purchased by grantees may have been sourced from multiple Michigan farms. Together, their lists included an additional 117 farms not already reported by grantees, for a possible total of **291 unique Michigan farms** as the original sources of 10 Cents purchases. Other vendors included farmer cooperatives, grocery stores, food hubs, processors, and distributors.

222

**unique vendors supplied Michigan-grown foods through the 10 Cents food supply chain**

<sup>14</sup> More information about the different Michigan-grown foods served can be found in the summary, [What Foods Are Served Through 10 Cents?](#)

**Based on grantees' purchasing information, the market channels through which foods moved from the farm to 10 Cents grantees are described below.**

- Regardless of the market channel used, grantees reported an **average of six farms of origin (5.7)** for their food purchases.
- More than half of grantees (54%, 79 of 145 who reported purchasing information) used **two or more types of market channels**, while 45% (65) reported using just one type of market channel.
- Nearly half (48%) of all 10 Cents purchases (in dollars) were from **broadline distributors** and 39% were from **food hubs**, as seen in the table below.

**Table 7: Purchases Through Market Channels Used by 10 Cents Grantees in 2021–2022**

Market Channel	Total reported dollars spent	Percent of total purchases	Number of grantees	Percent of total grantees
Broadline distributor	\$1,461,590	48%	98	68%
Food hub	\$1,202,830	39%	74	51%
Farm direct	\$172,785	6%	51	35%
Specialty distributor	\$89,462	3%	14	10%
Farmer cooperative	\$58,095	2%	14	10%
Grocery	\$50,406	2%	5	3%
Processor	\$30,917	1%	22	15%

Note. n = 145

Often grantees reported using only one vendor such as a broadline distributor, but they did not account for an intermediary vendor that sold a farm's product to the broadline distributor. Using information collected from distributors, we can see that all grantees reported purchases (145) that used intermediary market channels to acquire Michigan-grown products at least once, and over a quarter of all 10 Cents purchases (28%) involved an intermediary vendor (33 vendors total). For 10 Cents, an intermediary vendor is defined as a vendor that purchases products from Michigan farmers and then sells those products to another vendor or distributor before they reach grantees, as seen in the figure below.

Figure 6: Possible Market Channel in the 10 Cents Supply Chain in 2021-2022

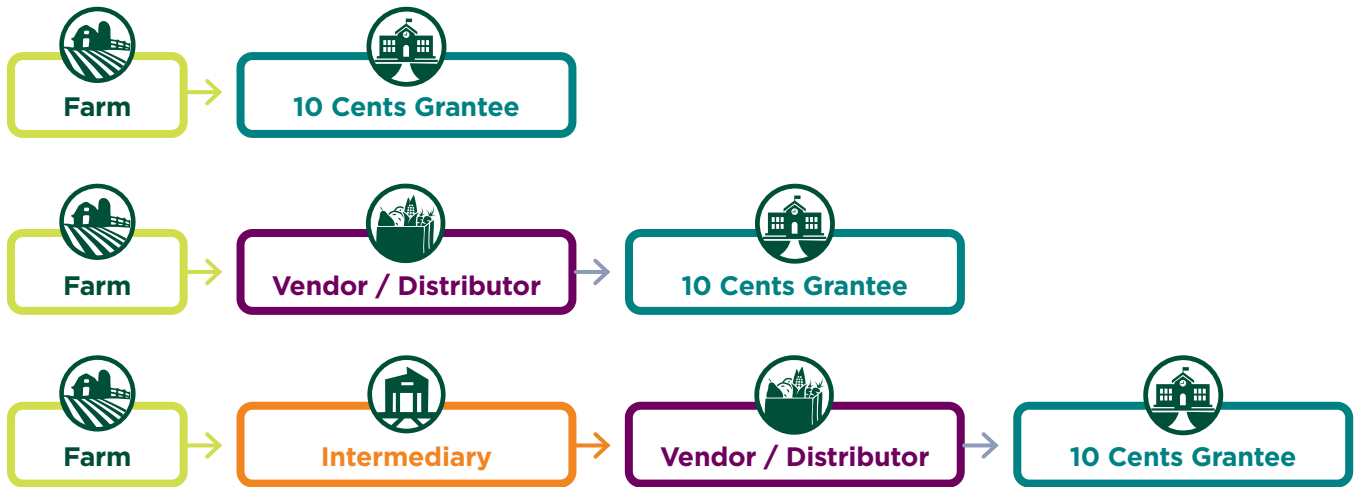
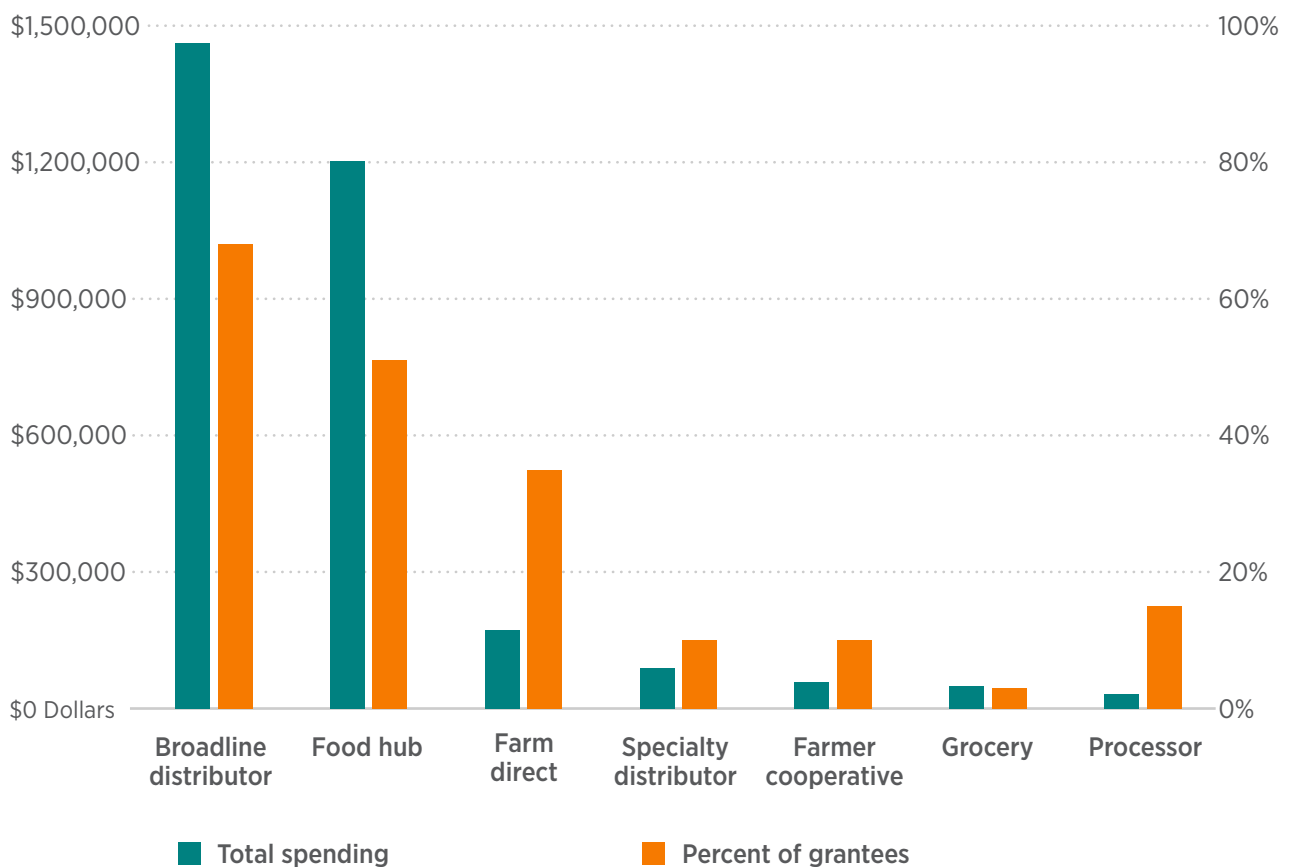


Figure 7: Spending Through Market Channels Used by 10 Cents Grantees in 2021-2022



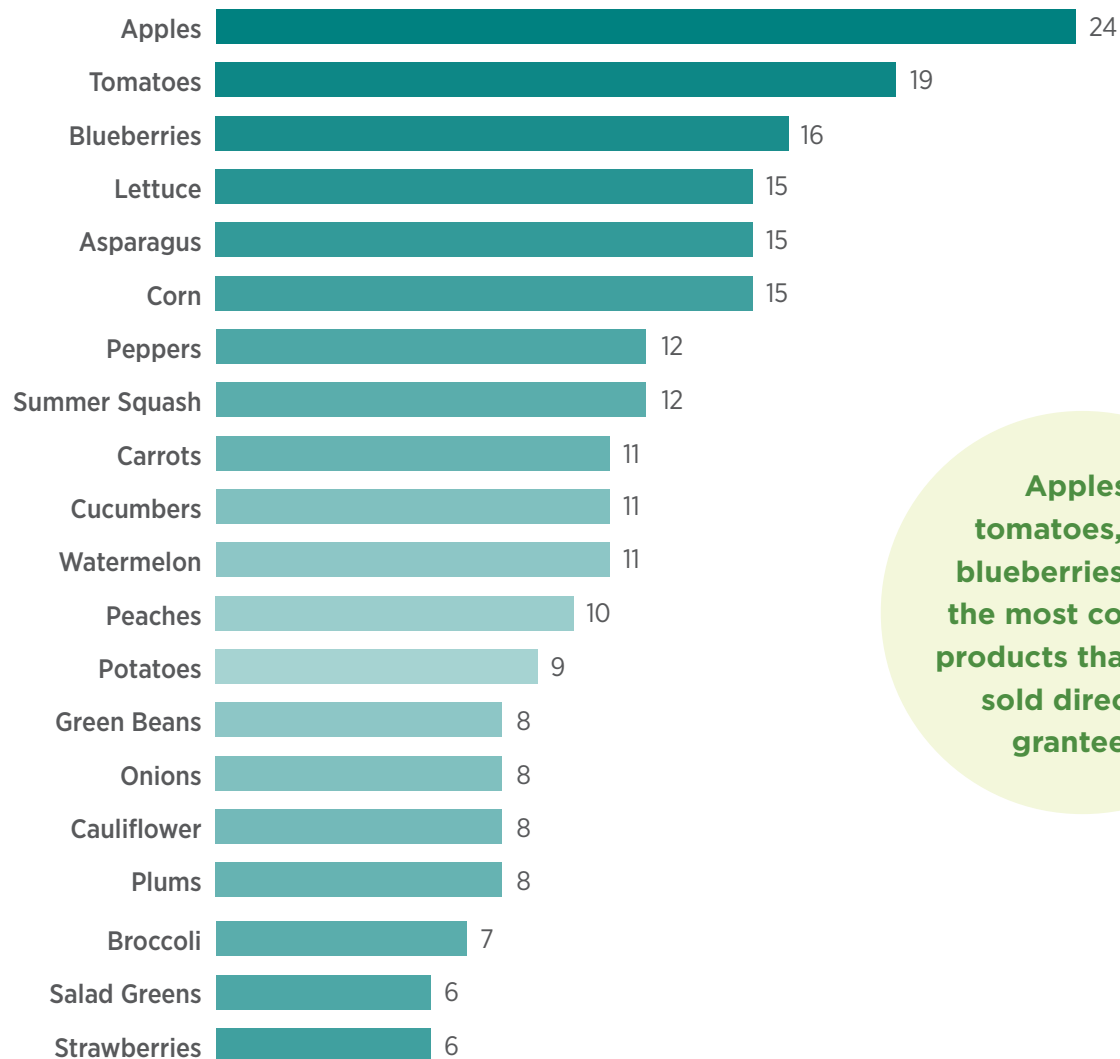
Note. n = 145

## Michigan Farmers' Sales in the 10 Cents Supply Chain

One way that farmers participated in the 10 Cents supply chain was by selling direct to 10 Cents grantees. Fifty-one grantees reported purchasing over \$170,000 of Michigan-grown products directly from 105 individual farms (6% of total reported purchases) in 32 counties across the state.

- Most farms reported by grantees (82%) sold just one category of food products directly to grantees, whether it was fruits, vegetables, or dry beans. No farms sold all three categories of products direct to grantees.
- The top Michigan-grown foods grantees reported most frequently as purchased directly from farms were apples (24 farms), tomatoes (19), blueberries (16), lettuce (15), asparagus (15), and corn (15). See additional products most frequently purchased from farms in the figure below.

**Figure 8: Most Common Products Farms Sold Direct to Grantees in the 10 Cents Supply Chain in 2021-2022**



Apples, tomatoes, and blueberries were the most common products that farms sold direct to grantees.

Note. n = 105

**Grantees reported purchasing Community Supported Agriculture (CSA) boxes for the first time this grant year, totaling over \$9,000 of purchases.**

Some farmers who sold directly to 10 Cents grantees did so through Community Supported Agriculture (CSA) boxes. As shared in the summary on [What Foods are Served Through 10 Cents](#), grantees reported purchasing CSA boxes for the first time this grant year, totaling over \$9,000 of purchases.<sup>15</sup> Five farms sold CSA boxes directly to three school districts and several early care and education (ECE) grantees, but the types of products included were not required reporting for grantees. CSAs may present a convenient way for some grantees, particularly smaller schools and ECEs, to get a variety of produce on a consistent basis. At the same time, CSAs

can ensure some up-front income for farm businesses as they typically require payment from customers for a subscription in advance of the growing season.



We did not know about CSA and are now participating with a local farm due to our participation in the 10 Cents program.

— Early care and education grantee

## Many farmers who participated in the 10 Cents supply chain sold through more than one market channel.

While some sold directly to grantees, some sold through food hubs and distributors (known also as intermediaries) instead or in addition to selling direct to grantees. Among the farms reported as vendors by grantees (174 farms in 45 counties):

- **137 farms sold through one type of market channel**, while 27 sold through two different market channels, and 10 sold through three or more market channels. One farm sold through five different market channels, the most of any farm.
- **138 farms sold just one category of eligible 10 Cents food products** (fruits, vegetables, or dry beans), 34 farms sold two categories, and only two farms sold all three categories.

<sup>15</sup> Refer to the [Key Definitions](#) for the definition of a community-supported agriculture (CSA) box.

To further illustrate this point, see a few examples outlined in the table below of how farms participating in the 10 Cents supply chain reached different types of grantees through different market channels.

**Table 8: Examples of How Farms Participated in the 10 Cents Supply Chain in 2021-2022**

Farm	Products	Market channels	Grantees reached	Potential reach (children)
<b>A</b>	Fruits (2 types) Vegetables (1 type)	Farmer cooperative, farm direct	5 public schools and districts	<b>11,076</b>
<b>B</b>	Community-Supported Agriculture (CSA) Box	Farm direct	2 public schools and districts	<b>2,119</b>
<b>C</b>	Fruits (1 type) Vegetables (8 types)	Broadline distributor, farm direct, food hub	42 public schools and districts, 1 nonpublic school, 1 ECE	<b>128,978</b>

Overall this year, about one-fifth (21%) of all 10 Cents purchases (in dollars) did not include a farm of origin, a significant increase in transparency from the previous program year (when 60% of purchases did not list a farm of origin). One big reason for this improvement was program administrators from MDE having additional staff capacity to follow up with grantees to ensure they named an eligible farm with their eligible product purchases. Administrators were also able to work with several vendors to obtain farm of origin for their products as one way to verify grantee purchases. When grantees can report the farm of origin, it helps improve the integrity of the program because their purchased foods can be verified Michigan-grown.

- Aside from farm direct purchases, grantees reported the farm of origin most often when they purchased from farmer cooperatives and food hubs.
- Additionally, MDE staff could verify 100% of all food hub purchases and 92% of farmer cooperative purchases by using the lists of farms that vendors provided.
- Grantees most often did not report the farm of origin when they reported purchasing from specialty distributors (50% of purchases) and broadline distributors (40% of purchases).

**About one-fifth (21%) of all 10 Cents purchases did not include a farm of origin, a significant increase in transparency from the previous program year.**

## Influence of 10 Cents on Grantees' Relationships with Farms and/or Food Suppliers

Food program managers (FPMs) were asked several questions related to their participation in 10 Cents and its impact on farmers or local food vendors/suppliers<sup>16</sup> in the final evaluation survey (August).

- Over half of responding grantees (52%, 111) reported that participating in 10 Cents allowed them to make connections with new farmers or suppliers, and 54% (114) reported that participation improved their existing relationships with farmers or local food suppliers.
- The majority (69%, 85 out of 123) of responding grantees indicated that 10 Cents participation positively influenced farms, distributors, processors, or other food businesses to better meet their food service needs.

Of FPMs who responded, 95 shared written responses about new connections and improved relationships with farmers and food vendors. Evaluators coded these responses, including for themes, which are described below.

Of responses about new connections to food suppliers, nearly half of grantees (49%) indicated new connections with farmers, and a third (34%) specified food hubs. Other new sources of local foods reported by grantees included farmers markets, distributors, and one food processor.



We have been in contact with lots of Michigan local farms and have talked with them about what fruits and vegetables are good at certain times of the year. We have had some really delicious products from them to try. We also had a local farmer come to our center and provide tips on how to keep up our garden. The children were able to grow some radishes and cucumbers.

— Early care and education grantee



I have been able to make connections with farmers in my local vicinity and had in-depth discussions about what items might be mutually beneficial for both our school and their farm... This program has provided an opportunity to open dialog between farmers/supplier and our program directly. We have been able to have discussions to find more opportunities for mutually beneficial arrangements.

— Public school district grantee

Among responses about improved relationships with food suppliers because of 10 Cents, the most common theme reported by FPMs was related to vendors adjusting their invoices and product information to help grantees identify the farms of origin for their food purchases (38%). Grantees also commonly shared about a perceived increase in business for farms/food suppliers due to increased sales through the 10 Cents program (30%).

<sup>16</sup> Refer to the [Technical Notes](#) for a detailed explanation of open-text written response analysis.



Communication has improved ... through reaching out to see what is new or available and our representative reaches out to us to provide the information on what farms/ locations that produce is coming from and that helps a lot.

— Early care and education grantee



We were able to do a marketing spotlight on two local farmers who grew the produce and post it on their website. It was a little bio, picture and list of produce including where it was grown.

— Public school district grantee

### Of the responding grantees, 120 shared written responses about their participation in 10 Cents positively influencing farmers or other food vendors to better meet their food service needs.

Some of the most common of these themes were:

- **Improved supply chain logistics** (24%);
- **increased access to local foods** for food service programs (22%);
- **increased demand** for local products (14% of all responses); and
- **improved relationships** (10%).



For the purposes of this analysis, we define the components of supply chain logistics as physical goods and services (ex. delivery methods), as well as information about products, vendors, and invoices. In the future, we hope to examine how more and more transparent information, including its exchange between vendors and grantees, improves over time, potentially including its impact on increasing sales of Michigan-grown foods through the 10 Cents program.



There have been times that I have been able to connect with a supplier on how to use a product that they are having difficulties moving that might work well for us because they can offer us a discounted rate.

— Public school district grantee



This is allowing the bridging of the local farm industry directly with the local community, which allows the school to share where the produce has been obtained, which in return increases the traffic to the local farm we use.

— Non-public school grantee



## Conclusion

Information reported by FPMs shows that 10 Cents grantees are purchasing from a variety of farmers and food suppliers across the state who are participating in, and benefitting from, the 10 Cents supply chain through different market channels.

- **Grantees reported over 200 unique vendors**, of which 174 were farms in 45 counties that supplied that Michigan-grown fruits, vegetables, and/or dry beans.
- **An additional 117 farms were reported separately by local food suppliers** for a possible total of 291 Michigan farms as sources of products purchased and used through 10 Cents.

Evaluation survey responses also revealed that many grantees reported new connections and/or improved relationships with Michigan farmers and food vendors through participating in 10 Cents. As we look into the future of the program, evaluation can help us track the evolution of grantees' spending and relationships with farms and/or food suppliers over time, potentially including the exchange of information within this supply chain. For now, this information can help grantees and other farm to school practitioners learn more about how Michigan-grown foods travel through the 10 Cents supply chain before ending up on children's plates. Additionally, farmers and food suppliers can learn more about the market channels and the Michigan-grown foods that grantees currently use so that they can make more informed business decisions, should they seek to participate in this growing market.

### QUESTIONS FOR A 10 CENTS FARMER:

**David Rennhack** | Manager, Rennhack Orchards

**Rennhack Orchards is a farm located in Hart, Michigan that grows a range of products and are well known for their delicious apples. They currently sell through various markets, including 10 Cents grantees as well as their farm market, Rennhack Orchards Market. Dave Rennhack is the manager of Rennhack Orchards and Rennhack Orchards Market.**

#### WHAT DO YOU DO?

I manage around 100 acres of apples as well as around 15 acres of sweet and tart cherries, peaches, apricots, nectarines and plums. We also raise around 25 acres of sweet corn, and several acres of tomatoes, melons, peppers, pumpkins and squash. I enjoy raising high quality, healthy produce and getting positive feedback about our fruits and vegetables. I feel like the 10 Cents program has given us the opportunity to impact our future consumers by giving them good tasting, healthy fruit, mainly apples, that they can incorporate into their diet.

### HOW ARE YOU INVOLVED WITH 10 CENTS A MEAL?

We have been involved with the 10 cent program for several years, maybe 7-8, and have expanded the number of schools we work with during that time. The 10 cent program has allowed us to have a better market for some of our fruit that is good for fresh consumption but beyond what our farm market can sell.

### HOW HAS 10 CENTS CHANGED YOUR FARM BUSINESS?

The program has definitely impacted our operation in a positive way.

### WHAT WOULD YOU LIKE TO SEE FOR THE FUTURE OF 10 CENTS?

As far as the future goes, I would like to see the program's cost share increase slightly to keep up with rising costs. We need to increase what we charge schools every couple years to reflect our increasing costs of materials and labor. My fear is that the schools will not be receiving enough assistance and will eventually scale down or stop purchases in the future.

### ANYTHING ELSE YOU'D LIKE TO SHARE ABOUT YOUR EXPERIENCE WITH 10 CENTS A MEAL?

We have actually planted some new apple varieties specifically for the program because we believe that they are well suited to that market. It has also been nice to hear from the food directors how well the kids like our apples.

Learn more about Rennhack Orchards at [www.rennhackorchardsmarket.com](http://www.rennhackorchardsmarket.com).



Photo credit: Sarah Rypma

Evaluation of 10 Cents is led by the Michigan State University Center for Regional Food Systems (CRFS). The work presented here is part of the *10 Cents a Meal 2021-2022 evaluation results: Amplifying Impact with More Michigan Farms and Foods* by Megan McManus and Colleen Matts, CRFS, and with support from the W.K. Kellogg Foundation and 10 Cents administrative funds for partner organizations.

To learn more, visit [tencentsmichigan.org](http://tencentsmichigan.org), [foodsystems.msu.edu/10-cents-a-meal](http://foodsystems.msu.edu/10-cents-a-meal), and [mifarmtoschool.msu.edu](http://mifarmtoschool.msu.edu).