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INSTITUTIONAL FOOD PURCHASING:

Michigan Good Food Work Group Report Series

Report No. 3 of 5

November 2010

This report was developed with leadership from the C.S. Mott Group for Sustainable Food Systems at Michigan State University, the Food Bank Council of Michigan and the Michigan Food Policy Council. This report, along with the others in the series, provides the foundation for the goals and agenda priorities put forth in the Michigan Good Food Charter.

Institutional Food Purchasing Work Group

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Work Group Report Series

Youth Engagement and Opportunity
Good Food Access
Institutional Purchasing
Farm Viability and Development
Food System Infrastructure

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INSTITUTIONAL FOOD PURCHASING:

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Report No. 3 of 5

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Vision

All Michigan residents are touched by institutions and their food purchasing decisions in some way: our sons and daughters participate in the lunch program at school; members of the next generation nourish themselves in college and university dining halls; our friends and family members are cared for at hospitals and healthcare facilities. In 2008, spending on food away from home in the United States was 48.5 percent ($565 billion) of total food expenditures ($1,165.3 billion).[1] Schools and colleges along with eating and drinking places, recreational places, hotels and motels, retail stores and direct selling, and other establishments are the major categories that the U.S. Department of Agriculture Economic Research Service uses to determine expenditures on food away from home. K-12 schools in Michigan, for example, spend about $200 million on food. Michigan State University (MSU) Food Stores, which supplies food to residential dining halls on campus, spent approximately $22 million on food and non-food items in fiscal year 2006-2007; $2.1 million, about 10 percent of that budget, was spent on produce.[2] With so many meals consumed away from home, we must address institutional food purchasing as we develop a Good Food Charter for Michigan.

We envision new approaches to food purchasing in which these Michigan institutions provide local, good food to consumers and create new markets for products grown, raised and processed in Michigan. In turn, these new approaches can help stimulate growth in local agriculture, encourage development of local food system infrastructure and increase access to good food. Evidence that these new approaches have such benefits can be found in the experiences of some Michigan institutions that have overcome challenges and started local food programs that benefit the institution, the food suppliers and the customers. If more of these institutions could provide good food to help Michiganders maintain diets that are consistent with the Dietary Guidelines for Americans, health outcomes of our residents would improve. Though we tend to focus on fresh fruit and vegetable products, minimally processed fresh Michigan products can also contribute to healthy diets and provide economic opportunities to process Michigan agricultural products into forms that institutions can use, given their many constraints. By purchasing a variety of local foods, institutions can provide high quality, nutritious meals, support local farmers, producers and processors, and support the Michigan economy. Shouldn't all Michigan residents, from prisoners to school children and college students to hospital visitors and staff members, have access to the same high quality, local foods? Shouldn't our institutional food purchasing dollars stay in Michigan to the greatest extent possible? Why not promote policies that could help provide good food at all of Michigan's institutions?

[1] *Economic Research Service, U.S. Department of Agriculture. Food CPI and Expenditures. Retrieved from http://www.ers.usda.gov/Briefing/CPIFoodAndExpenditures/.*

[2] *Abatekassa, G., Conner, D.S., and Matts, C. "Fostering Farm-to-MSU Efforts: Research to Guide Closer Ties with Michigan Agriculture." Retrieved from http://www.mottgroup.msu.edu/uploads/files/59/FarmToMSU%20fianl%20report-rev.pdf.*

To expand local food purchasing by Michigan's institutions – specifically K-12 schools, colleges and universities, and hospitals – we must overcome a number of constraints and barriers. Current distribution, processing, grading and sizing, packaging, and the seasonality and volume of our food supply all pose significant challenges to providing local food to institutions how, when and where they want it. On the other hand, institutional food service operations face tight food budgets, especially K-12 schools and correctional facilities, which rely on federal subsidies but must meet federal requirements and guidelines. Food service professionals may be limited in their skill levels (knife skills, food preparation, etc.), and kitchens may be limited in storage and equipment to handle, prepare and serve fresh and whole foods. In many cases, food procurement procedures and menu planning strategies have become streamlined to a point that they are no longer flexible or based on local, seasonal food availability. In addition, new interest in stricter food safety standards is trickling down through our dominant global supply chain, from national food distributors and large grocery store chains to our institutions and even farmers' markets, putting a greater burden on our farmers to meet buyers' requirements.

Though the constraints and challenges that institutional food service programs face are often similar and consistent between sectors, there are nuances to each type of institution based on its unique characteristics and operations. Programs even vary on an individual basis, depending on the location, agricultural production and seasonal availability in the area, and the type, size, equipment and delivery needs of the food service operation. Therefore, local food purchasing programs are inherently and necessarily local, and there are no one-size-fits-all solutions or strategies to develop or expand them. With practice changes and the implementation of new policies to address these high-level constraints and barriers, however, we can capitalize on the opportunity that Michigan's institutions represent, individually and collectively. With continued provision of technical assistance and education and outreach activities to share positive, sustainable models, more stakeholders, practitioners, non-profit and philanthropic organizations can apply these models at their institutions in their home communities. By increasing local food purchases by K-12 schools, colleges and universities, hospitals and correctional facilities, Michigan's institutions can contribute to the economic viability of our farmers, the economic development of our state, and the health and well-being of our residents.

Current State of Affairs

Michigan K-12 Schools: The Current Situation

The term "farm to school" (FtS) applies to a variety of initiatives but centers around offering local foods in K-12 school meals programs. Michigan simultaneously has 30.6 percent overweight youths (ages 10-17)[3] and the second-widest variety of farm products in the country behind California.[4] Farm-to-school programs can connect the dots between school cafeterias and farms by providing wholesome, fresh and local foods to Michigan's schoolchildren and expanding local market opportunities for some of Michigan's 50,000 farmers, particularly fruit and vegetable growers. Economic modeling demonstrates how boosting sales of Michigan fruits and vegetables through channels such as FtS could increase both employment and personal income in the state.[5] FtS programs, which engage and connect food service professionals, local farmers and food distributors, are important components of vibrant local or regional food systems that make healthy, local foods more accessible to schoolchildren and support Michigan farmers and local economies.

Strengths

Strong interest, will and expertise, mixed with a little persistence, flexibility and creativity, have helped food service directors, farmers and distributors establish and expand a great number of FtS programs in Michigan over the past six years. In 2004, the Traverse City Area Public Schools began a local food purchasing program, which by 2009 had expanded to a budget of $30,000 and growing.[6] Also in 2004, the C.S. Mott Group for Sustainable Food Systems at MSU (Mott Group) began its work in FtS by conducting a statewide survey of school food service directors (FSDs) to determine their interest and willingness to participate in local food purchasing and the challenges and barriers associated with it. Results of that survey showed that FSDs had significant interest in FtS programs: 73 percent of Michigan FSDs who responded (n=383) were interested in purchasing food directly from local farmers. This interest increased to 83 percent when respondents were asked to assume that local food products were available through their current vendors.[7] Additional qualitative data suggests that buying food directly from local farmers, regionally based distributors and wholesalers can increase the variety and quality of local foods available to schools and the flexibility of product specifications while keeping prices competitive with those of larger food distributors.[8, 9]

Organizational support and resources have expanded over the past few years to help cultivate FtS programs, both nationally and in Michigan. The National Farm to School Network and the Great Lakes Regional Farm to School Network provide resources, policy support on a national level and a venue for information sharing. The Michigan Food Policy Council Task Force C also provides a forum to gather farm-to-institution stakeholders, pursue a state policy agenda, and promote institutional (including K-12 schools) purchases of Michigan-grown and -processed foods. A statewide farm-to-school specialist, along with a farm-to-food service program manager with the Food System Economic Partnership (FSEP) in southeastern Michigan and a senior policy specialist at the Michigan Land Use Institute (MLUI) in northwestern Michigan, have coordinated and facilitated FtS programs throughout the state and worked together to develop a network of practitioners and key stakeholders. Though we can expand existing collaborations with entities such as the Michigan Food Policy Council, potential partnerships with groups such as the School Nutrition Association of Michigan, school food purchasing consortia, the Michigan Associations of School Boards and School Administrators, and organizations

[3] *Trust for America's Health. (2009) F as in Fat: How Obesity Policies are Failing America 2009. Retrieved from http://healthyamericans.org/reports/obesity2009/.*
[4] *Koivisto, D. "Agriculturally Speaking…2007 Census of Agriculture." Michigan Department of Agriculture. December 17, 2007. Retrieved from http://www.michigan.gov/mda/0,1607,7-125-1572_48039-181993--,00.html.*
[5] *Cantrell, P., Conner, D., Erickcek, G., and Hamm, M.W. "Eat Fresh and Grow Jobs, Michigan." September 2006. Retrieved from http://www.mottgroup.msu.edu/PublicationsPresentations/FoodProcessingDistributionandMarketing/tabid/152/Default.aspx.*
[6] *Personal Communication. Kristen Misiak, Food Service Director, Traverse City Public Schools.*
[7] *Izumi, B.T. et al. (2006) Results of 2004 survey of Michigan Farm-to-School Survey. Journal of School Health, 76(5), 169-174.*
[8] *Izumi, B.T., Alaimo, K., and Hamm, M.W. (2010) Farm-to-School programs: perspectives of school food service professionals. Journal of Nutrition Education and Behavior, 42(2), 83-91.*
[9] *Izumi, B.T., Wright, D.W., Hamm, M.W. (2009) Farm to School Programs: Exploring the Role of Regionally-based Food Distributors in Alternative Agrifood Networks. Agriculture and Human Values, 27(3), 335-350.*

focusing on children's health may be established if we continue to educate, inform and disseminate models of local purchasing for schools. Additionally, educational resources are now available, including the Michigan Farm to School Web site (www.mifarmtoschool.msu.edu), a listserv with more than 580 subscribers, and guides to help school food service directors purchase local food and farmers market food products to schools: *Purchasing Michigan Products: A Step-By-Step Guide* and *Marketing Michigan Products: A Step-By-Step Guide,* respectively.

The Mott Group also provides policy support for FtS at the state level, such as educational information for legislators considering passage of a Michigan FtS three-bill package in late 2008. Public Acts 343 and 344 increased the state's small purchase threshold for school food purchases at the school district and public school academy level, and intermediate school district level, respectively. Public Act 315 called for collaboration and cooperation between the state departments of Agriculture and Education to support FtS throughout the state.

As this legislation was easing local food procurement regulations at the state level, a federal policy barrier, the ban on geographic preference for school food (i.e. explicitly specifying local produce in request for bids or quotes) was lifted with an amendment to the Richard B. Russell National School Lunch Act in the 2008 Farm Bill. The USDA Food and Nutrition Service initially indicated that, to "encourage institutions operating the Child Nutrition Programs to purchase unprocessed locally grown and locally raised agricultural products," institutions were able to define an area for geographic preference.[10] After observing throughout the following year the way the initial definition of "unprocessed" products prevented many opportunities for local sourcing,[11] the Food and Nutrition Service determined that this definition should expand to include "agricultural products that retain their inherent character" through handling, preservation techniques and size adjustments.[12] Under this guidance, schools can not only specify preference for Michigan agricultural products but can receive them in readily usable forms for school food service, an important improvement given their many budget and operational challenges. FtS stakeholders, including the National Farm to School Network and the Community Food Security Coalition, are pushing for mandatory funding for FtS programs in the upcoming Child Nutrition Act reauthorization.

New Michigan nutrition standards have been revised and were approved as a State Board of Education policy in October 2010. These standards strengthen not only current nutrition guidelines for school meals, which are based on the Dietary Guidelines for Americans, but also provide standards for foods and beverages sold on the school campus through concessions, bake sales, vending machines, parties, school stores, etc. The new standards will make available fewer refined grains and less total fats, cholesterol, saturated fats, trans fats, added sugars and sodium in foods at school, and more whole grains, low-fat milk products, legumes, and fruits and vegetables, especially dark green and orange vegetables.[13] Some changes in processed products often used in school meals may be required to meet these new standards, but minimally processed foods, such as flash-frozen fruits and vegetables, can make more healthy Michigan agricultural products available to schools in forms they can easily use and for a greater portion of the school year than typical seasonal availability allows. School food purchasing consortia can take advantage of the opportunity to push these standards even further by surveying members to determine their interests in and priorities for healthy fresh and processed foods, and harnessing their collective purchasing power to get the foods they want in the forms they need from Michigan farmers, processors and distributors.

[10] *U.S. Department of Agriculture, Food and Nutrition Service. Applying Geographic Preferences in Procurements for the Child Nutrition Programs. Memo SP 30-2008, July 9, 2008. Retrieved from http://www.fns.usda.gov/cnd/governance/Policy-Memos/2008/SP_30-2008.pdf.*

[11] *U.S. Department of Agriculture, Food and Nutrition Service. Applying Geographic Preferences in Procurement for Child Nutrition Programs – Updates. Memo SP 01-2010, October 9, 2009. Retrieved from http://www.fns.usda.gov/cnd/governance/Policy-Memos/2010/SP_01-2010_os.pdf.*

[12] *U.S. Department of Agriculture, Food and Nutrition Service. Geographic Preference for the Procurement of Unprocessed Agricultural Products in the Child Nutrition Programs. Memo SP 08-2010, November 13, 2009. Retrieved from http://www.fns.usda.gov/cnd/governance/Policy-Memos/2010/SP_08_CACFP_05_SFSP_06-2010_os.pdf.*

[13] *Drzal, N. Michigan Nutrition Standards: Recommendations for All Foods Available in Michigan Schools. Retrieved from www.michigansna.org/Michigan%20Nutrition%20Standards.ppt.*

Motivations and Challenges

Over the past decade, FSDs in Michigan and across the country have demonstrated growing interest in purchasing local foods for school meals programs. The 2004 survey of Michigan FSDs revealed numerous motivations for this interest in local food: access to fresher food, support for the local economy and local community, increased consumption of fruits and vegetables, higher quality food, good public relations, and the ability to purchase small quantities were the most frequently noted.[14] More recent in-depth interviews revealed three motivators for FSDs to purchase locally grown food for school meals programs: "students like it", "the price is right" and "we're helping our local farmer."[15] Preliminary analysis of results of a 2009 survey of Michigan FSDs also helps us understand current attitudes about local food purchasing, including motivators. Helping Michigan farms and businesses, supporting the local economy, higher quality food and accessing fresher food were reported as the greatest motivators for FSDs to serve locally grown or processed foods in school cafeterias. Assurances of food safety, financial incentives for purchasing local products, and availability of more processed products were most often seen as ways to facilitate purchasing of local food and/or motivation to increase the use of local foods by FSDs in their schools or school districts. (More products available frozen and more products available canned were not as frequently noted as facilitating FtS programs.) Responses showed that FSDs also believed that FtS brings higher consumption of local foods by students, but survey results were inconclusive when FSDs were asked if they saw an increase in fruit and vegetable consumption when locally produced foods were served.[16]

Although Michigan FSDs clearly have strong interest in purchasing local food products, barriers and concerns stand in their way and make starting or expanding FtS programs difficult. From responses to the 2004 survey, the most frequently reported barriers to local food purchasing are seasonality of local products, lack of local producers in the area from whom to purchase and food safety.[17] In the 2009 survey, food safety, adequate volume and reliable supply were the most frequently reported barriers.[18] In both surveys, FSDs indicated concerns about buying food directly from local farmers: cost, reliable supply, seasonality of Michigan fruits and vegetables, food safety and delivery considerations topped the list in the 2004 survey (in that order);[19] cost, quality, reliable supply, food safety and seasonality were the most frequently reported concerns in the 2009 survey.[20] Below we will further explore two of these significant concerns: cost of local food as it relates to school food budgets, and the seasonality of Michigan agricultural production and its relation to school food service operations and menu planning.

BUDGETS

Above all, the tight budgets of school food service seem to pose the greatest challenge and intertwine with or exert some influence on every other challenge or barrier to FtS. School food service programs that participate in federal child nutrition programs such as the National School Lunch Program are primarily funded through a three-tiered federal reimbursement system and commodity entitlement dollars. Schoolchildren are eligible for free and reduced-price lunches on the basis of their families' income level. Guidelines for the 2009-2010 school year, based on a family of four, were:

- Paid meals: >185 percent of the poverty level (above $40,793).
- Reduced-price meals: 130 to 185 percent of the poverty level ($28,665 to $40,793).
- Free meals: <130 percent of the poverty level (below $28,665).

[14] *Izumi, B.T. et al. (2006) Results of 2004 survey of Michigan Farm-to-School Survey. Journal of School Health, 76(5), 169-174.*
[15] *Izumi, B.T., Alaimo, K., and Hamm, M.W. (2010) Farm-to-School Programs: Perspectives of School Food Service Professionals. Journal of Nutrition Education and Behavior, 42(2), 83-91.*
[16] *Colasanti, K., Matts, C., Hamm, M.W., and Smalley, S.B. (Unpublished data). 2009 Survey of K-12 School Food Service Providers in Michigan.*
[17] *Izumi, B.T., et al. (2006). Results of 2004 survey of Michigan Farm-to-School Survey. Journal of School Health, 76(5), 169-174*
[18] *Colasanti, K., Matts, C., Hamm, M.W., and Smalley, S.B. (Unpublished data). 2009 Survey of K-12 School Food Service Providers in Michigan.*
[19] *Izumi, B.T., et al. (2006). Results of 2004 survey of Michigan Farm-to-School Survey. Journal of School Health, 76(5), 169-174.*
[20] *Colasanti, K., Matts, C., Hamm, M.W., and Smalley, S.B. (Unpublished data). 2009 Survey of K-12 School Food Service Providers in Michigan.*

Table 1. Reimbursement Rates for the National School Lunch Program

National School Lunch Program (Contiguous States)
July 1, 2010 - June 30, 2011 [21]

	Less than 60 %	60% or more	Commodity entitlement
Paid	$0.26	$0.28	
Reduced-price	$2.32	$2.34	$0.1950
Free	$2.72	$2.74	

Schools receive federal reimbursement for each paid, reduced-price and free lunch served in the National School Lunch Program. School districts receive a rate of reimbursement at one of two levels; the level received is based on the total percentage of free or reduced-price lunches (less than 60 percent or greater than 60 percent) served two years ago. Schools are eligible to receive an additional 2 cents for each lunch served if 60 percent or more of the total lunches served districtwide in the second preceding year were free or reduced-price.

In addition to federal reimbursement, school food service programs are entitled every year to receive USDA commodity foods (nearly 180 products) at a value based on a flat rate per lunch meal served (19.5 cents for 2009-2010). These USDA foods account for about 20 percent of the food served in school lunches.[22] Nearly half of USDA foods are processed before delivery to schools.[23] Entitlement dollars can also be used to purchase fresh produce through the Department of Defense Fresh Fruit and Vegetable Program. This joint program of the departments of Agriculture and Defense makes up to 874 types and pack sizes of fruits and vegetables available to schools,[24] a wider variety than FSDs could purchase through the USDA commodity foods program. Additional surplus agricultural products are offered to schools as "bonus" or free USDA foods as they become available.

Other funding sources for school food service include:

- Cash payment for meals by students who are not eligible for free or reduced-price meals.
- Competitive foods – all foods for sale that are not part of a reimbursable meal, sold a la carte in the cafeteria or in school stores or vending machines.
- Staff meals – cash payment for meals by teachers and school staff members.
- Catering, if applicable.
- Grants, such as the USDA Food and Nutrition Service Fresh Fruit and Vegetable Program, if applicable.

School food service programs are often separate from school or district budgets and may be expected to be self-sufficient. FSDs frequently must maintain budgets that at least break even without any assistance from the school's or district's annual budget or general fund. If a food service program turns a profit, that revenue must be put toward improving the program. In addition to purchasing food and supplies, school food service is often expected to pay for labor and benefits, rent, utilities, trash removal, equipment and/or capital improvements.

School food authorities are being asked to help curtail the childhood obesity epidemic and serve healthier fare. Yet at the same time, they are facing rising food costs, which can make purchasing healthy foods even

[21] *These reimbursement rates change every year. Please check www.mifarmtoschool.msu.edu for updated information.*
[22] *U.S. Department of Agriculture, Food and Nutrition Service. "USDA Commodity Foods: The Healthy Option." April 2008. Retrieved from http://www.fns.usda.gov/cga/FactSheets/Commodity_Foods.pdf.*
[23] *National Alliance for Nutrition & Activity. "USDA Commodities in the National School Lunch Program." Retrieved from http://www.cspinet.org/new/pdf/commodities_fact_sheet.pdf.*
[24] *U.S. Department of Agriculture. Food Distribution Programs: Department of Defense Fresh Fruit and Vegetable Program. Retrieved from http://www.fns.usda.gov/fdd/programs/dod/DoD_FreshFruitandVegetableProgram.pdf.*

more difficult. Prices through predominant vending and distribution channels have generally increased as well, in particular for foods such as milk, whole-grain breads, eggs, and fruits and vegetables, all of which are needed to provide the nutritious lunches that children need and the Dietary Guidelines for Americans recommend. The costs to operate school meals programs, including labor and indirect costs such as utilities, have also increased at a higher rate than federal reimbursements for school meals. According to the School Nutrition Association, about 150 school districts were forced to raise lunch prices by an average of 27 cents for the 2008-2009 school year; just 60 districts raised prices in the spring of 2007. The School Nutrition Association also estimates that it costs about $2.90 to prepare a school meal,[25] but the current federal reimbursement for a free meal for qualifying students is only $2.70. This means that school food authorities are often losing money on the meals they serve. Though they may find some relief through the distribution of commodity foods, many of the commodity foods available to schools are processed, with added fat, sugar and/or sodium. Effectively sourcing and distributing wholesome, fresh, perishable produce to schools through the commodity food program remains a challenge for the USDA.[26] Even the USDA Food and Nutrition Service has recommended strategies such as purchasing seasonal foods and contacting "local farmers about products they can supply at a reasonable price" to help school food service managers deal with rising food costs.[27]

Despite the assumptions of some FSDs, local food may not always cost more. Anecdotal evidence from Michigan farm-to-school programs shows that some products, such as Michigan apples, are consistently cheaper, especially when sourced directly from the farmer, than apples from other parts of the country through typical distribution channels. Additionally, some other Michigan products may be reasonably priced or even prove cheaper when they are at the height of seasonal availability. Although some FSDs believed that local foods were competitively priced or at least more affordable, particularly because of the shortened, more local supply chain and more flexible product specifications, two interviews with FSDs revealed that, even though some local products were actually more expensive, they got a higher yield from these high quality products because there was less waste, and that made the price per serving lower in the end.[28] While the National Farm to School Network is working to secure mandatory funding for farm-to-school programs through the Child Nutrition Act reauthorization, increased reimbursements to school meals programs and permission for FSDs to use their commodity dollars as cash to purchase local foods, a concept known as "cash in lieu of commodities," would also be welcome changes that would allow for more flexibility in school meals programs and a greater ability to purchase and experiment with local foods in school cafeterias.

SEASONALITY

The challenge of seasonality, or the mismatch between the majority of Michigan's agricultural production and the typical school year, is interrelated with other variables that can make local food purchasing difficult. Generally, school food service lacks flexibility, and that may make it impossible for FSDs to purchase some seasonal local products when they are most readily available and at the best price (such as at the start of the school year). FSDs plan school menus well in advance, often nearly a year in advance, in part to take full advantage of USDA commodity foods, including produce from the Department of Defense Fresh program. In addition, entitlement dollars for school meals programs, which are used to purchase commodity foods that are sourced from around the country, not necessarily locally, are on a use-it or lose-it basis. Therefore, FSDs are sure to plan for and take advantage of commodity food products as opportunities arise.

[25] School Nutrition Association. (2008) "Fact Sheet: Why Are School Lunch Prices Going Up?" Retrieved from http://www.schoolnutrition.org/uploadedFiles/School_Nutrition/102_ResourceCenter/RunningYourProgram/FinancialManagement/FactSheet(3).doc

[26] Food Research and Action Center. (2008) Commodity Foods and the Nutritional Quality of the National School Lunch Program: Historical Role, Current Operations, and Future Potential. Washington, DC: Food Research and Action Center. Retrieved from http://www.frac.org/pdf/commodities08.pdf.

[27] U.S. Department of Agriculture, Food and Nutrition Service. "Fact Sheet: Meeting the Challenge of Rising Food Costs for Healthier School Meals." Retrieved from http://www.fns.usda.gov/TN/Resources/DGfactsheet_challenge.pdf.

[28] Izumi, B.T., Alaimo, K., and Hamm, M.W. (2010) Farm-to-School Programs: Perspectives of School Food Service Professionals. Journal of Nutrition Education and Behavior, 42(2), 83-91.

Once the primary fall harvest has ended, which is typically just a month or two into the school year, cold-hardy and storage crops are still readily available from Michigan farmers, but these products – such as kale, brussels sprouts and winter squash – are often not used in school meals. One reason is that, as many school food service operations have evolved away from cooking and toward reheating, many school kitchens do not have necessary equipment or staff members with the skills or training necessary to handle or prepare fresh produce. If skilled labor is available, tight budgets often cannot support the labor hours required to prepare fresh produce for service in school meals. Additionally, FSDs are unlikely to experiment with new or unusual foods for fear that they will be rejected and not purchased by students, a risk they are unwilling and often cannot afford to take because of the tight budgets under which they operate, budgets that are based on numbers of meals served.[29] Together, the expansion of hoophouse technology on Michigan farms and increased menu planning flexibility of FSDs could improve the availability and usage of seasonal, local foods in school cafeterias. Changes to the federal commodity foods system could make these new practices in school food service more likely and changes more expansive. Again, allowing schools to use USDA entitlement dollars to purchase fresh, local produce would put entitlement dollars to good use, continuing to support farmers and the agricultural economy on a more local or regional rather than national level, and would likely increase FSDs' willingness and ability to purchase more fresh, local products to serve to students. The rather static school menus as we know them today could become more flexible, nimble and seasonal in nature in the future.

PROCUREMENT AND DISTRIBUTION

To maintain free and open competition, competitive bidding for best price and/or other criteria is required for all products that a school or district purchases, including food. School food authorities participating in the National School Lunch or other child nutrition programs must comply with Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (7 CFR Part 3019) when procuring food, supplies, equipment or other services. Outlined in these requirements are procurement procedures, including informal and formal purchasing methods. Informal bids, a simple procurement method also known as requests for quotations (RFQs) or price quotations, are used for products and services that do not cost more than the simplified acquisition threshold, or small purchase threshold, which in Michigan is $100,000. This purchasing method requires a minimum of price or rate quotes to be obtained from "an adequate number of qualified sources." A more complex procurement method, known as formal, sealed bids or requests for proposals (RFPs), is the public solicitation of bids for procurement of products or services over the small purchase threshold. Conditions for this procurement method include a "complete, adequate and realistic" description of products or services requested and two or more responsible bidders. And the procurement must lend itself to successful bids on the basis of price. Sealed bids require public advertising of the invitation for sealed bids with sufficient time given for a response, inclusion of specifications, relevant attachments and definitions, and documentation of sound reasons for rejected bids.

In Michigan, most local foods for school meals are procured through informal bids or RFQs. If Michigan schools participate in the National School Lunch Program, they must join a consortium to receive USDA commodity foods and contract for their processing. They may also participate in a consortium to procure commercial (non-commodity) foods if they choose. The three consortia in Michigan are the Great Lakes Consortium (GLC), School Purchasing and Resource Consortium (SPARC) and Macomb Oakland Wayne RESA (Regional Education Service Agency), known as MOR. (Membership to MOR is limited to specific counties in southeastern Michigan.) Schools or districts typically contract to purchase food from an average of four vendors, including regionally based specialty vendors or distributors for produce, milk and bread, and one or two prime vendors known as broadline distributors (e.g., Sysco, Gordon Food Service, VanEerden Food Service, etc.), which carry everything from apples to napkins. Schools often purchase 80 to 95 percent of their food from a prime vendor to take advantage of early payment discounts and high-volume rebates. Prime vendors typically require minimum orders of $250 to $500 and deliver a few times per week.

[29] *Izumi, B.T., Wright, D.W., Hamm, M.W. (2009) Farm to School Programs: Exploring the Role of Regionally-based Food Distributors in Alternative Agrifood Networks. Agriculture and Human Values, 27(3), 335-350.*

Distribution of local foods remains one of the biggest challenges to developing and/or expanding FtS programs in Michigan and across the nation. Many school districts require direct delivery of small-order volumes to multiple sites, which may be uneconomical for farmers. Procurement directly from farmers or producers also takes more time and effort for FSDs to initiate and represents a significant change from their typical procurement practices. Getting quality local products in the form that schools need and expect in an efficient, cost-effective way is a hurdle that some regional food distributors are beginning to address. Here in Michigan, regionally based food distributors such as Cherry Capital Foods, Locavore Food Distributors, MI Foods, Eat Local Eat Natural and Honey Boy Bob are working to fill the gaps in local food distribution to Michigan restaurants and institutions such as K-12 schools, and to help Michigan farmers and processors capitalize on the growing market demand for local food. Their proximity and relationships with local farmers may give regionally based distributors an advantage in filling this niche market – "…they may have the infrastructure and possess the social relations needed to expand the scale and scope of local school food procurement."[30] Bypassing broadline distribution channels can also help school customers gain access to a greater variety of seasonally available products and a greater ability to specify their needs because they have a more direct relationship with the vendor.[31]

The ability of these distributors to help streamline and institutionalize local food procurement in schools is hamstrung, however, by the conditions under which school food service operates. In addition to issues of seasonal availability and time and budget constraints,[32] the lack of flexibility built into the school food procurement system puts regionally based distributors at a disadvantage compared to broadline distributors for FtS program facilitation. School customers often prefer vendors such as broadline distributors, which can offer adequate supply and timely delivery of a variety of food and non-food products that meet the specifications that school food service professionals have come to rely upon. Even if a regionally based distributor can deliver the same products and services, school customers may often use price as their overriding criterion for choosing a vendor, and that may favor broadline distributors that can provide competitive prices, financial incentives, streamlined service and the convenience of one-stop shopping for a wide variety of products in adequate volume.[33] Furthermore, the high minimum order value per delivery set by broadline distributors, typically a school's primary vendor, can further limit food buyers' flexibility to purchase food from other vendors, including local farmers, because they would then run the risk of not meeting this requirement.[34]

Farmers' interest in and challenges to participating in FtS and farm-to-institution marketing have not been researched to a great extent thus far, although research is under way by the Mott Group as part of a project funded by the USDA Agricultural and Food Research Initiative (AFRI) to investigate farm-to-institution marketing, including pricing decisions and relationships between supply chain actors – farmers, distributors and buyers. Recent research by Betty T. Izumi, which included interviews with farmers involved in farm-to-school programs, showed that, although school sales often made up only a small percentage of the farmers' total sales by volume and income, schools appeared to offer a stable, steady market and helped farmers diversify their marketing portfolios.[35] Market diversification allows farmers to spread out and better manage their economic risks, so institutional marketing may provide longer term value rather than short-term profitability. Although farmers must offer competitive, often nearly wholesale pricing for their products and services to be chosen by school food service authorities, selling directly to schools without a middleman such as a distributor helps farmers capture a greater share of the retail price, and schools initiating agreements or forward contracts could help growers feel a sense of security in this marketing relationship.

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[30] *Izumi, B.T., Wright, D.W., Hamm, M.W. (2009) Farm to School Programs: Exploring the Role of Regionally-based Food Distributors in Alternative Agrifood Networks. Agriculture and Human Values, 27(3), 335-350.*
[31] *Ibid.*
[32] *Ibid.*
[33] *Ibid.*
[34] *Ibid.*
[35] *Izumi, B.T. (2008) Farm to School Programs in Public K-12 Schools in the United States: Perspectives of Farmers, Food Service Professionals, and Food Distributors. Michigan State University: East Lansing, MI.*

Furthermore, Izumi's research showed that school customers were somewhat flexible to farmers' needs and sensitive to practices that would save them money – school food service directors might pick up local produce themselves rather than requiring direct delivery by the farmer, or save product packaging for pickup and reuse by the farmer. A long-term value of this direct marketing opportunity, cultivating future customers through sales to schools and consumption by schoolchildren, was another perceived benefit for farmers interviewed for this study. Providing schoolchildren with the opportunity to try the many varieties of Michigan apples, for example, may help them develop an affinity for those products so that they will choose them in the future. Despite these benefits, these participating farmers believed that the market potential of FtS was limited by the relatively fixed conditions of the school food environment, including seasonality, federal procurement regulations and even fresh commodity foods available through DoD Fresh.

Additionally, farmers may have difficulty meeting the particular specifications to which FSDs have become accustomed. Although FtS markets may provide a good opportunity for farmers to sell "seconds" or products that are not suitable for retail sales and might otherwise go to processing, school food service professionals are often used to purchasing high quality products graded U.S. Fancy or No.1 that are usually available from their broadline distributors or other retail marketers. In the 2009 Michigan survey of K-12 school food service directors, FSDs reported that food quality was one of the most important factors influencing their selection of food vendors, along with dependability, price and ability to meet specifications.[36] Often because of tight school food service budgets and limited equipment, storage space and skilled labor to handle and prepare fresh, whole foods in school kitchens, school food service professionals may still prefer to purchase fresh-processed products.

The same 2009 survey showed that FSDs reported a strong interest in purchasing a wide variety of fresh and whole Michigan-grown fruits and vegetables, with more than 50 percent of FSDs responding that they were interested in purchasing each of the following products fresh and whole: carrots, celery, cucumbers, onions, peppers, tomatoes, apples, blueberries, cantaloupe, grapes, muskmelon, peaches, pears, strawberries and watermelon. More than 30 percent of respondents were also interested in purchasing each of the following fresh, local products in a minimally processed (chopped, sliced, shredded, etc.) form: broccoli, carrots, cauliflower, celery, corn, and lettuce/salad greens; and frozen broccoli, corn, peas, blueberries and strawberries. Vegetable choppers, fruit and vegetable wedgers, industrial food processors, knives and steamers were the types of kitchen equipment cited most frequently by survey respondents as lacking and needed to prepare and serve fresh fruits and vegetables in school cafeterias.[37] Although some regionally based distributors are filling this niche market for local processed products, demand is still outpacing availability from these distributors.

Market Opportunity of Farm-to-School in Michigan

If food supply and infrastructure, including distribution and processing, follow demand, Michigan K-12 schools, which spend about $200 million statewide on food, represent significant market opportunity for Michigan farmers and producers. Of the 274 respondents to the 2009 survey of K-12 school food service providers, 112 FSDs – 42 percent – reported having purchased foods from a local farmer or producer in the 2008-2009 school year. When these respondents were asked if they would buy products from local farmers/producers again, 91 percent reported that they would. (Only 2 percent indicated that they would not purchase from local farmers/producers again.) In addition to serving Michigan products in meals, more than 30 percent of respondents also reported that their school or district linked students with local farms and agriculture by providing some form of education about or exposure to Michigan food and agriculture, such as taking students to visit a farm or farmers' market, in the past 3 years.[38]

[36] *Colasanti, K., Matts, C., Hamm, M.W., and Smalley, S.B. (Unpublished data). 2009 Survey of K-12 School Food Service Providers in Michigan.*
[37] *Ibid.*
[38] *Ibid.*

Table 2: School Food Service Year-end Reports, School Year 2008-09[39]

	Public schools[40]	Non-public schools[41]	Intermediate school districts[42]
Total no. of lunches	137,145,564	3,473,904	346,984
Cost per lunch	$2.93	$3.09	$4.68
Total no. of breakfasts	43,086,346	332,143	163,970
Cost per breakfast	$1.99	$2.16	$3.08
percentage of total food service costs			
Labor costs	42%	47.5%	46.5%
Contract services	7.8%	12.8%	32.4%
Transportation	0.2%	1.5%	0.6%
Supplies	5.5%	7.6%	4.3%
Food costs	41.1%	53.1%	35.4%

We do not yet have reliable data on the extent of these local purchases in number, volume or price. Assuming a minimal, break-even budget (cost per meal times the number of meals for breakfasts and lunches) and the average percentage of food costs within a total food service budget, Michigan's public and non-public schools and intermediate school districts spent $199,907,116, $6,069,450 and $745,120 on food, respectively. (See Table 2.) This means that the total food purchasing power for breakfast and lunch meals (not including snacks and suppers) of K-12 schools in Michigan was more than $206 million in 2008/09. This value may even be on the rise as more students become eligible and participate in free and reduced-price meals available from schools.

If all schools spent just 5 percent of their food expenditures on local food by 2012, then FSDs would contribute about $10 million to support local farmers/vendors and the local economy. If all schools spent 20 percent of their food expenditures on local food by 2020, then these purchases would contribute about $41 million to the local economy. If the state could supplement school meals with an additional 10-cent reimbursement for the purchase of fresh, locally grown fruits and vegetables just for school lunch, then about $14 million would help support Michigan farmers. If such a reimbursement program could be expanded to include school breakfast meals as well, then about $18 million of local produce would be purchased for school breakfasts and lunches, greatly increasing schoolchildren's access to fresh, local fruits and vegetables.

[39] These figures are derived from the Food Service Year End Report (SM-4012-A) submitted by each school district to the Michigan Department of Education. According to the Compilation Overview retrieved from http://www.michigan.gov/documents/compilation_overview_2003_81818_7.pdf, "some districts may not include all cost, some allocate the cost differently, and all have unique operations; you should only make generalized assumptions about the food service operations; and district figures can be used as indications of areas for concern or areas well-managed." High or low cost percentages, which are based on the total revenue number as reported at year end, may be due to inaccurate reporting of total revenue; "if this number was reported or entered too high, all of the cost percentages will be too low. Conversely, if total revenue was reported or entered too low, the cost percentages will be too high."

[40] Michigan Department of Education, Grants Coordination and School Support. (January 8, 2010) Public Schools Food Service Year End Report Compilation, School Year 2008-2009. Retrieved from www.michigan.gov/documents/mde/YER_links_238191_7.doc.

[41] Michigan Department of Education, Grants Coordination and School Support. (November 25, 2009) Non-Public Schools Food Service Year End Report Compilation, School Year 2008-2009. Retrieved from www.michigan.gov/documents/mde/YER_links_238191_7.doc.

[42] Michigan Department of Education, Grants Coordination and School Support. (February 11, 2009) ISD Schools Food Service Year End Report Compilation, School Year 2008-2009. Retrieved from www.michigan.gov/documents/mde/YER_links_238191_7.doc.

Summary

FtS is clearly growing in Michigan as more FSDs are interested in and willing to purchase local food products from local farmers, regionally based distributors and even broadline distributors. As research has shown, FSDs are motivated to purchase local foods because "the students like it," "the price is right" and "we're helping our local farmer."[43] But a number of concerns and barriers make FtS programs difficult to begin or expand. Cost, distribution, food safety and seasonality seem to be the most prominent challenges to building viable FtS programs in Michigan that benefit school food service programs, schoolchildren and participating farmers. All of these challenges can and should be addressed with practice changes and new policies on the local or state level to make local food purchasing by schools easier, cheaper and more sustainable, and to continue to increase schoolchildren's access to fresh, local fruits and vegetables, support local farmers and food systems infrastructure, and keep school food purchasing dollars circulating in Michigan communities. Michigan schools have significant purchasing power that translates to significant economic opportunity for Michigan farmers, distributors and all points in between that can help get local food to K-12 schools when, where and how they want it.

Michigan Colleges and Universities: The Current Situation

As demand continues to grow for local foods in communities throughout Michigan, locally produced food products have begun cropping up in notable quantities in establishments where limited or even no locally produced goods may have been served but a decade ago. College and university dining halls are some of the latest venues where you might have encountered fresh local food making its way from nearby farms to cafeteria tables. As the educational institutions charged with developing tomorrow's leaders, colleges and universities are uniquely positioned to introduce young residents to fresh local foods, expand and positively influence students' eating habits, provide education on the origin of and work required to produce their daily meals, and strengthen the link and understanding between our university systems and the local rural economy.

Michigan's higher education system is composed of 66 public and private colleges/universities as well as 30 community colleges.[44] A majority of these institutions of higher education offer dining services in some form, be it a dining hall, café, restaurant or catering. Students at campuses across the state are increasingly demanding access to more locally produced meal options at their cafeterias. In response to this growing student demand, university dining hall chefs and food buyers have begun integrating food products grown, raised and/or processed in Michigan into their core menu offerings. Local products that have been successfully integrated into college menus range from fresh fruits and vegetables to eggs, dairy products, and value-added products such as applesauce, jams and salad dressings.[45]

CAMPUS SUSTAINABILITY INITIATIVES

Some Michigan colleges and universities are already engaged in local food purchasing. Many of these programs were set in motion by campuswide sustainability initiatives established by students and faculty members. For example, the University of Michigan recently launched the Student Sustainability Initiative (SSI), a campuswide sustainability organization that is dedicated to assessing and addressing "the spectrum of environmental, educational, social, and ethical issues arising from sustainability."[46] SSI is made up of numerous task force subgroups, one of which is the Michigan Sustainable Foods Initiative (MSFI). The MSFI is seeking to increase the amount of locally sourced and sustainably produced food on campus and illustrates the role that student groups can play in mobilizing local food purchasing efforts on college campuses.[47]

[43] *Izumi, B.T., Alaimo, K., and Hamm, M.W. (2010) Farm-to-School programs: perspectives of school food service professionals. Journal of Nutrition Education and Behavior, 42(2), 83-91.*
[44] *National Center for Education Statistics (NCES) "U.S. Department of Education listing of accredited institutions in Michigan." Retrieved from http://nces.ed.gov/collegenavigator/?s=MI*
[45] *Western Michigan University. "WMU Dining Service Locally Sourced Initiative." Retrieved from http://www.wmich.edu/dining/green/locally-sourced.html*
[46] *"The Student Sustainability Initiative: About Us: SSI University of Michigan. Retrieved from http://www.umich.edu/~umssi/about.html*
[47] *"The Student Sustainability Initiative: Main Page." SSI University of Michigan. Retrieved from http://sitemaker.umich.edu/ssi/main_page*

Another successful example of a university local food initiative is the Sustainable Community Development Initiative (SCDI) at Grand Valley State University. The SCDI was founded in 1999 with the faculty as a driving force. A student chapter to the SCDI has now been added through the Student Sustainability Partnership, providing a forum for student leaders from campus organizations to come together to work on SCDI projects. The central goal behind the SCDI is to "make Grand Valley as sustainable as possible". Initiative organizers have chosen food procurement and dining as one of its focal areas.[48] The SCDI has initiated "green" purchasing goals, which aim to increase purchases of locally grown and processed food products. The goal to source locally is motivated by a desire to simultaneously: obtain products that are environmentally friendly, foster growth in the local economy, and improve relationships between the university and the surrounding communities.

NATIONWIDE EFFORTS

The initiatives instituted by the University of Michigan and Grand Valley State University are local examples of a nationwide movement focused on the increased purchase and use of fresh and local food products. Recently, a nationwide survey by the Community Food Security Coalition was conducted to assess why campuses were undertaking such initiatives, as well as what they envisioned as the perceived benefits of farm-to-college programs at universities and colleges. The survey found that "supporting local farmers, community and/or economy" was the most commonly cited benefit, followed closely by "higher quality food" and "lower environmental impacts".[49] For colleges and universities, the notion of reduced environmental impact is usually based on the belief that the shorter the distance food has traveled, the better it is for the environment. Additionally, if food has been produced in a "sustainable manner", it is generally assumed to be less environmentally destructive and less dependent on fossil fuel. However the environmental benefits of local are interpreted, defining "environmentally friendly" food practices can be challenging, especially when local production and purchasing are not always congruent with environmentally friendly practices.[50] As local food purchasing continues to grow, there will be an increasing opportunity and need for further research and education on the actual environmental and social benefits derived from local sourcing programs. The ambiguous nature of "local" and its impacts on the environment has opened up a continuing dialogue between consumers, food service buyers and academics on how food is being produced, the environmental merit of various production strategies, and the environmental and social benefits of local food purchasing programs.

DEFINING LOCAL AND MEASURING LOCAL SOURCING

Colleges and universities that have started to include local purchasing in their food service often differ in how they define "locally sourced foods". For example, Michigan State University defines "local" as within a 250-mile radius of the campus. Alternatively, Hope College defines it as any product produced or grown in Michigan. Finally, other Michigan colleges and universities define "local" on a regional basis, such as products grown or processed in the Great Lakes states. Although definitions of "local" may vary, the shared advantage of them all is that local food purchasing programs are keeping dollars circulating within local communities in and/or around Michigan.

Statewide, colleges and universities differ not only in their definition of "local" but also in their "local sourcing strategy". For example, Hillsdale College's strategy broadly encourages its cafeterias to "purchase Michigan products whenever possible".[51] Other universities set concrete and measurable goals, such as Grand Valley State University, which aims to increase local purchasing by 10 percent annually.[52] Aggressive local sourcing efforts are assisted by creative chefs, who are rearranging their

[48] *"Sustainability on Campus - Sustainable Community Development Initiative." Grand Valley State University. Retrieved from http://www.gvsu.edu/sustainability/sustainablity-on-campus-144.htm*

[49] *"Program Profiles." Farm to College. Retrieved from http://www.farmtocollege.org/survey. Question asked: "What do you see as the most significant benefits of farm-to-college programs?"*

[50] *Born, B., Purcell, M. (2006). Avoiding the Local Trap: Scale and Food Systems in Planning Research. Journal of Planning Education and Research, 26(2), 195-207.*

[51] *"Hillsdale College - Green Report Card 2010." The College Sustainability Report Card. Retrieved from http://www.greenreportcard.org/report-card-2010/schools/hillsdale-college/surveys/dining-survey*

[52] *"Sustainability - Campus Dining." Grand Valley State University. Retrieved from http://www.gvsu.edu/campusdine/index.cfm?id=A7763EAE-D4B4-0EDD-16CF84191E7F2062*

menus to incorporate local products. For example, Chef Buzz Cummings at the University of Michigan plans menus well in advance on the basis of what products will be available locally – he makes a conscious effort to create meals that incorporate seasonal fruits and vegetables. Food can be delivered fresh daily, then prepared from scratch and made to order as an alternative to the prepackaged, reheated options that tend to be more common in institutional kitchens.[53]

LOCAL MARKETING/EDUCATION

In an effort to increase the visibility of their local purchasing efforts, college and university campuses in Michigan have created displays and logos that indicate the local nature of their products. Items are labeled as "locally sourced" or "eat local," giving purchasers, including students with prepaid meal plans, the opportunity to make educated decisions about their food choices.

In addition, many colleges and universities provide education about their local purchasing through brochures, workshops, seminars or campus Web sites. Web sites include information about sustainable practices in food services and campus events that feature local food. For example, Albion College's dining halls and campus cafés hold annual harvest dinners featuring an all-local menu and events such as "Michigan Meal Days" that highlight local food products.[54]

CAMPUS GARDENS AND FARMS

Some campuses have also established demonstration gardens, campus farms or greenhouses where students not only have the opportunity to see how food is grown and participate in its production but can also follow the produce from the field to the dining halls where it is served. In fact, a recent nationwide survey of 113 colleges by the National Association of College and University Food Services found that 35 percent of campuses were incorporating gardens or farms as part of a sustainability program.[55]

Michigan examples of such student farms are at Wayne State University, Michigan State University and the University of Michigan. In 2008, Wayne State University established the Warrior Demonstration Garden, thanks to the help of campus and community partners. The garden has a number of raised beds a variety of crops. The garden provides an opportunity for students to volunteer, assisting in planting and harvesting produce that is used in the Wayne State University dining halls, sold at the campus farmers' markets and donated to local food assistance programs.[56]

The Student Organic Farm (SOF) at Michigan State University (MSU) exemplifies another productive partnership between campus dining and a student farm. The farm serves a number of purposes – an educational tool for students in an organic farming certificate program, a site for experiential learning for student volunteers and a local source of fresh produce. In 2008, MSU culinary services formed Spartan Harvest, a joint venture with the SOF. The objective of Spartan Harvest is to provide fresh, organic produce to campus dining halls at MSU. Passive solar greenhouses are a distinctive aspect of the SOF, one that enables a year-round supply of fresh, local produce. These greenhouses make the dream of having a locally sourced salad bar in January a reality. Snyder/Phillips, one of the largest dining halls on the MSU campus, serves about 25 percent of the total meals on campus and has been a continually satisfied customer of the SOF produce. The chefs of Snyder/Phillips have even become active participants in the food production, occasionally assisting the farm with the daily planting and harvesting of the produce to be used in the dining hall.[57]

Yet another campus garden example is the Cultivating Community program at the University of Michigan. Student volunteers are provided with experiential learning about various growing methods, composting and pest management. Produce from the gardens is used by students, served in a dorm cafeteria or donated to a local food assistance program.[58]

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[53] *"Green & Sustainable Dining, University Housing." Homepage, University Housing. Retrieved from http://www.housing.umich.edu/dining/sustainable*
[54] *"Dining Services, Albion College Sustainability." Retrieved from http://www.albion.edu/sustainability/departmental-initiatives/dining-services*
[55] *The National Association of College and University Food Services, "Sustainability Guide", 2010.*
[56] *"SEED Wayne Warrior Demonstration Garden." SEED Wayne. Wayne State University. Retrieved from http://clas.wayne.edu/unit-inner.asp?WebPageID=2854*
[57] *Cavanaugh, Bonnie B. "Hooping It Up." Food Service Director. Retrieved from http://www.fsdmag.com/going-green/hooping-it-up.html*
[58] *University of Michigan. "Matthaei Botanical Gardens and Nichols Arboretum: Cultivating Community." Retrieved from http://www.lsa.umich.edu/mbg/learn/cc/gardens.asp*

In addition to campus farms and gardens, weekly farmers' markets located on university and college campuses are also providing the opportunity for students, faculty members and campus staff members to purchase local products and establish a connection with the food production community. Student farms and on-campus farmers' markets are a growing trend and serve as a means of supporting local agriculture and stimulating excitement for local food.

FOOD SERVICE MANAGEMENT

In many cases, college and university dining services are operated by an external food service management company such as Sodexo, Aramark, Bon Appétit Management Company, Saga, Inc., Creative Dining Services or AVI Foodsystems, Inc. These corporate food service operators can play an integral role in the success of local food purchasing programs by partnering with colleges and universities to determine how best to bring more local food into campus eating establishments. For example, as part of Aramark's social responsibility initiative, it "offer[s] clients and customers fresh whole foods that are raised, grown, harvested, and produced locally and in a sustainable manner whenever possible."[59] This program is currently in place at Central Michigan University, where Aramark has set up programs and policies called "Green Thread", with the goal of increasing the level of sustainable food (which incorporates local purchasing) by 5 percent annually.[60] Meanwhile, Bon Appétit Management Company aims to integrate sustainability into its core food service provisions by making integration of seasonal and local produce prepared from scratch a hallmark of its daily operations.[61] Finally, Creative Dining Services is a Michigan-based company that has also demonstrated a commitment to local food purchasing. Creative Dining Services instituted a sustainability program called "Grow" that includes the goal of purchasing locally grown products.[62] The Grow program, which is being tried and tested at Hope College, has provided the college with the opportunity to partner with 14 local food purveyors. In addition to food service providers, local food distributors are also providing linkages that institutions need to make more local food accessible. For example, Shelton Farms, a local produce distributor in Niles, Mich., is supplying produce to Western Michigan University as part of its local food initiative.[63]

Barriers and Challenges

BUDGETARY CONSTRAINTS

Increasing local food purchasing at colleges and universities presents numerous challenges. To begin with, the population of students served daily at colleges and universities varies greatly depending on the size of the school. On Michigan campuses, student enrollment can range from 1,300 to 41,000. Though not all of those students are being served food on campus, the numbers illustrate the fact that each school operates according to substantively different budget parameters. As a result, a one-size-fits-all model for purchasing would not be applicable. As shown in Table 3, food purchasing budgets can range from $80,000 to $18 million. These numbers represent a variety of situations – some of these budgets cover strictly residential dining while others include campuswide total food purchasing for residential dining as well as convenience stores, catering, conference centers, etc. University food service budgets are not as fiscally constrained as those of K-12 schools, but university food services face challenges in serving full healthy meals that are within the budget constraints of their college students.

[59] *"Environmental Stewardship, Social Responsibility, ARAMARK." Food Services ARAMARK. Retrieved from http://www.aramark.com/SocialResponsibility/EnvironmentalStewardship/#food*
[60] *"Dining with Central Michigan University." Green Stakes. Central Michigan University. Retrieved from http://www.campusdish.com/en-US/CSMW/CMU/Sustainability/GreenStakes.htm*
[61] *Bon Appétit Management Company. Retrieved from http://www.bamco.com/page/8/kitchen-principles.htm*
[62] *"Growing for the Good." Creative Dining Services Employee Extranet. Retrieved from http://www.cdsbecreative.com/grow/growingforthegood.htm*
[63] *"Locally Sourced Products." Western Michigan University. Retrieved from http://www.wmich.edu/dining/green/locally-sourced.html*

Table 3. College and University Food Purchasing Budgets in Michigan.[64]

Name	Type	Enrollment	Operated by	Total annual food budget
Hillsdale College	Private	1,347	Saga Inc.	$ 1,253,354
Kalamazoo College	Private	1,381	Sodexo	$ 900,000
Albion College	Private	1,750	College/University	$ 1,350,000
Hope College	Private	3,093	Creative Dining Services	$ 2,679,000
Andrews University	Private	3,419	College/University	$ 1,339,500
Lawrence Technological University	Private	4,000	Management Company	$ 620,000
Saginaw Valley State University	Public	10,498	Management Company	$ 5,840,000
Lansing Community College	Public	19,465	Management Company	$ 1,365,800
Grand Valley State	Public	24,408	Aramark	$ 6,500,000
Western Michigan University	Public	24,576	College/University	$ 3,491,062
Wayne State University	Public	31,786	AVI Foodsystems, Inc.	$ 1,250,935
University of Michigan	Public	41,040	College/University	$ 8,500,000
Michigan State University	Public	41,148	College/University	$18,000,000
Kirtland Community College	Public	n/a	College/University	$ 80,000
			TOTAL	**$ 53,169,651**

RELIABLE SOURCING

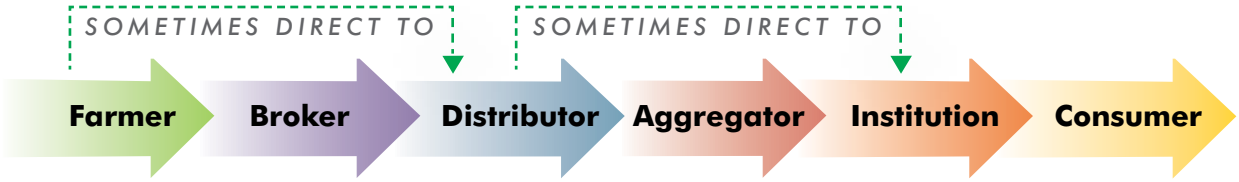
Large universities such as the University of Michigan and Michigan State University have enrollments between 40,000 and 45,000 and serve up to 30,000 students per day. They therefore require a larger volume of product than most small to midscale farmers are prepared to supply.[65] Additionally, they prefer uniform products and the assurance of timely deliveries. Some local farmers may have the ability to meet these demands and product specifications, but this type of procurement may be more complex than sourcing food through a broadline distributor.

In addition, college institutions frequently work through a broadline distributor that can offer products with some level of food preparation prior to their arrival at the campus food locales. Such specifications can include anything from specific pack sizes and amounts to some level of processing (washed, sorted, sliced, etc.). Because scheduling deliveries, managing invoices and coordinating purchasing from multiple vendors may be challenging and more expensive (because of the additional labor required), colleges and universities may require food vendors to work through their designated produce distributors.[66] This barrier may be difficult for local producers to overcome.

[64] *College Sustainability Report Card (www.greenreportcard.org) and the National Association of College and University Food Services (Bob Robinson, NACUFS, Personal communication).*
[65] *Marta Mittermaier, procurement manager for Michigan State University Food Stores, personal communication, Feb. 2010.*
[66] *Murray, S.C. (2005). A Survey of Farm-to-college Programs: History, Characteristics and Student Involvement. Thesis. University of Washington.*

These constraints underscore a larger underlying theme in cafeteria purchasing. The current food procurement process is designed for efficiency, not diversity. As a result, there is no easy route through which small to medium-scale local farmers can provide Michigan-produced products to institutions as efficiently and seamlessly as larger broadline food distributors can. Figure 1 below illustrates the path of most institutional food purchases.

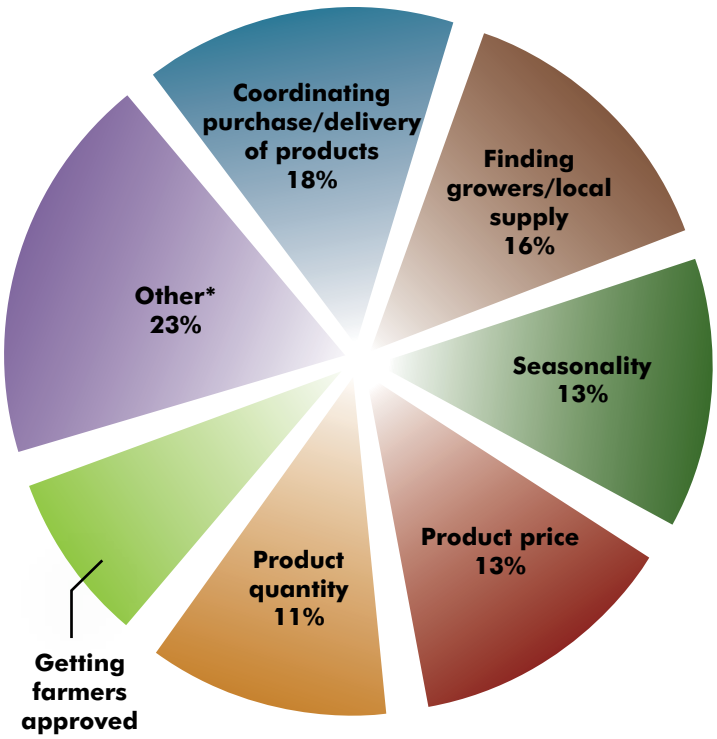
Figure 1. The Pathway of Institutional Food Purchasing



Though the above supply chain works relatively smoothly, challenges have arisen on both the farm and institutional sides of the supply chain when institutions have attempted to initiate more local food procurement.

Results of a Community Food Security Coalition (CFSC) survey indicate that coordinating purchase and delivery, finding growers, and product quality are some of the most common barriers that need to be addressed to achieve continued success with farm-to-college programs. Aggregated data specifically for Michigan have not been gathered, but discussions with those engaged in farm-to-institution purchasing often cite the same barriers identified in the CFSC survey. Adding to the challenge, broadline distributors are not always eager to work with local producers because it can take more time and money to facilitate relationships with them than with large-scale producers – often not local – who already have established relationships that work well. Figure 2 includes results from the CFSC, identifying barriers to starting and sustaining a farm-to-college program.

Figure 2. Barriers To and Challenges For Farm-To-College Programs [67]



*"Other" represents engaging students (5.8%), product quality (4.6%), getting administrative support (4.3%), other (3.1%), resolving insurance needs (2.7%), retraining kitchen staff members (1.5%) and N/A (.72%)

[67] Community Food Security Coalition. Retrieved from http://www.farmtocollege.org/.

FOOD SAFETY

Food safety is another concern for college and university food service directors that can present challenges and barriers to local growers. The responsibility of serving a safe product to thousands of students a day requires stringent food safety policies. Such policies can range from those required by contracted food service management companies, campus-created food safety standards, USDA Good Agricultural Practices (GAP) certification and/or other third-party audits. Meeting these food safety requirements can be a difficult hurdle for local producers to overcome, especially small to medium-sized farms. In fact, food safety issues may even discourage some growers from engaging in farm-to-institution partnerships. The costs to farmers for certification or required infrastructure changes to meet food safety requirements may be so high that they outweigh the benefits of selling to colleges and universities.

STUDENT AND ADMINISTRATIVE SUPPORT

Another barrier to success of local purchasing at colleges and universities is the support necessary from the student population as well as administration. Some of the current local purchasing programs at Michigan colleges and universities were initiated by student demand, which then led to administrative endorsement. Administrative endorsement is key to program success because administrators control the food service contracts and ultimately the power to request more local sourcing. Without administrative support, the opportunity for growth in local sourcing is limited, and getting off the ground is unlikely. Hiring campuswide sustainability coordinators or sustainable food directors can help facilitate local food purchasing programs, but it is not always possible for a campus to provide this kind of support.

SUPPLY SIDE CONSTRAINTS

If Michigan colleges and universities continue to increase their local purchasing, the question remains whether the demand could be met by the current number of farmers and processors. New farmer initiatives and development of local food infrastructure – for example, distribution and food processing – would help increase the economical feasibility of institutional marketing for more farmers who wish to start or scale up to meet the growing local sourcing demand.

OPPORTUNITIES

Fourteen Michigan colleges and universities were reviewed to assess their potential purchasing power (See Table 3). The total annual food budgets at these institutions amounted to $53 million annually. Nine of the 14 colleges listed, those surveyed for the 2010 College Sustainability Report Card, already purchase locally grown or processed products. The percent of the total annual budget spent on local products ranged from 2 to 20 percent. Whatever the reason for local purchasing – environmental reasons, new purchasing policy mandates or a desire to support local markets – these numbers indicate both that local purchasing is occurring at Michigan colleges and universities and that there is plenty of room for growth.

Table 4 is based on the total annual budget information from these 14 campuses and indicates the potential purchasing power if local food purchasing made up 1.5 percent, 3 percent, 5 percent, 10 percent and 20 percent of the total annual budgets.

Table 4. Potential Local Food Purchasing Power

	Percentage of total food budget used for local food purchases				
	1.5%	**3%**	**5%**	**10%**	**20%**
$$ staying in local economy	**$797,545**	**$1,595,090**	**$2,658,483**	**$5,316,965**	**$10,633,930**

A recent survey nationwide of 105 colleges and universities by the National Association of College and University Food Services determined that, on average, college institutions spend 16.6 percent of their total food and beverage purchases on local products. The definition of "local" for those surveyed varied from within 100 miles or less to within the state/province.[68] Because this average is already being achieved at some institutions, it is exciting to imagine what could be accomplished if the aforementioned barriers to local purchasing were addressed.

What is clear is that college and university dining services present an opportunity for growers, processors and distributors to tap into a market seeking a year-round supply of products. Although the number of meals served by food service operations peaks during the school year, many campuses have summer sessions as well as catering services that are utilized for special events during the summer months. Additionally, most campuses have multiple dining halls, which can provide menu flexibility and the demand for a wide variety of locally produced food products. Furthermore, colleges and universities are often equipped with the infrastructure necessary for relatively easy integration of fresh, local products. They are more likely than some other institutions, such as K-12 schools, to have the necessary equipment, storage and trained staff members needed to use fresh products. Additionally, though budget constraints are often a limiting factor for institutional purchasing, colleges and universities have a little more flexibility and are better able to pass along a portion of the price increases to the final consumer than are K-12 schools.

According to another national survey by the CFSC of 304 colleges and universities, 64 percent of colleges and universities had contract managed food service operations; the rest were self-operated. Contract managed food services tend to have less flexibility in purchasing than self-operated colleges and universities because they often negotiate prices on the basis of bulk purchases from large companies.[69] Though many campuses are contract managed, there has been a trend and an opportunity for growth among some of these companies, which are putting forth an effort to make local food more accessible. Bon Appétit, AVI Foodsystems and Creative Dining Services, for example, have included sustainable food practices in their management plans. A key component of these management plans is establishing relationships with local farmers and suppliers as a means of procuring the freshest, best tasting products. This is an encouraging sign, and we hope that this trend will continue as demand for local food on campuses continues to grow.

BEYOND FRUITS AND VEGETABLES

Colleges and universities have successfully started to integrate local fruits and vegetables into their food services, but there is still tremendous opportunity to expand local purchasing by branching out into more diverse local food products, such as dairy, poultry, beef and seafood. In the fall of 2010, Michigan State University began serving (when available) locally raised beef roasts, stew cuts and flank steaks, as well as Michigan-grown eggs. In addition, the university already purchases over 90 percent of its turkey from a local producer. These successes at MSU provide an example of the potential local sourcing that can occur when campus food service providers are willing to seek out such product offerings.

Summary

Colleges and universities in Michigan are in a unique position to utilize their immense purchasing power to dramatically influence and shape the food purchasing decisions of students at campuses around the state. A number of examples of successful sustainability initiatives and new food purchasing policies are providing opportunities for consumers to experience something different in campus dining halls. Students, faculty and staff members, and visitors can learn about the cornucopia of agricultural products the state has to offer and see agriculture as a resilient centerpiece of Michigan communities as the state moves forward through these difficult economic times to a brighter future.

[68] The National Association of College and University Food Services, "Sustainability Guide", 2010.
[69] "Dishing up Local Food on Wisconsin Campuses (Research Brief #55)." Center for Integrated Agricultural Systems. Jan 2010. Retrieved from http://www.cias.wisc.edu/farm-to-fork/dishing-up-local-food-on-wisconsin-campuses/

Michigan's Healthcare Sector: The Current Situation

In general, hospitals and health systems are experiencing the combined effects of the widespread economic crisis and an evolving healthcare insurance financing system. In this context, levels of awareness and participation in emerging local, regional and state food purchasing initiatives appear to vary greatly across healthcare institutions. Yet despite these challenges, the healthcare industry sector appears to represent an area of great potential growth and leadership in shaping the future of Michigan's food system and improving the quality of food it provides to the three main groups it serves: patients, visitors or the public, and staff. The following sections identify several strengths, weaknesses, opportunities and barriers to advancing local food purchasing within Michigan's health industry sector.

Positive Trends across the Healthcare Industry

Three positive trends in current Michigan hospital food purchasing have been identified. These seem to reflect market and social forces affecting the broad food industry.

HOSPITALS ARE INCREASINGLY GOING "GREEN"

The green movement among hospitals corresponds to a major trend that has been exploding across the larger cultural, hospitality and retail landscape. As evidenced by the work of participatory coalitions such as Health Care Without Harm (HCWH), and by the work of the Michigan Health and Hospital Association in creating the Michigan Green Health Care Committee, recognition by the healthcare industry of the connectivity between health and environment continues to grow stronger. New definitions of care are encompassing a broad vision of the role of healthcare institutions in community and society: "Hospitals and health systems have opportunities to help prevent food-related health concerns by modeling good nutrition in their institutions and by influencing how food is produced and distributed. Through its food purchasing decisions, the U.S. health care industry can promote health by providing more fresh, good tasting, and nutritious food choices for patients, staff, and the community. And by supporting food production that is local, humane, and protective of the environment and health, health care providers can lead the way to more sustainable agricultural practices."[70]

HOSPITALS ARE EMPHASIZING HEALTH AND WELLNESS

An emphasis on wellness and prevention is emerging as part of a new paradigm for healthcare. As a natural extension of the environmentally based trend, this trend includes a push for alternative diets and healthy food. Adoption of the HCWH Healthy Food in Health Care pledge by hospital decision makers offers an opportunity for Michigan healthcare institutions to influence food system outcomes. The pledge is an initiative begun in 2005 that outlines goals for hospitals to improve the quality of their food. Healthcare is a recognized and powerful sector of the Michigan economy, and this potential influence cannot be overstated. Adopters of the pledge to date include St. Joseph Mercy in Ann Arbor, Chelsea Community Hospital in Chelsea, Borgess Medical Center and Bronson Methodist Hospital in Kalamazoo, Metro Health Hospital in Grand Rapids, Sparrow Hospital in Lansing, Henry Ford West Bloomfield Hospital, Servants of the Immaculate Heart of St. Mary in Monroe and Northern Michigan Regional Hospital in Petoskey.

"We signed the pledge back in May, but we've been involved in providing healthy food for many years now," said Michael Rowe, Director of Food Service at Bronson. "It just works out that many things listed on the pledge are things we've been undertaking for quite some time."[71]

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[70] *HCWH, Going Green: A Resource Kit for Pollution Prevention in Health Care, April 6, 2006*
[71] *Keshavan, M. (2008) "Health Care Centers Take Pledge, Detroit Free Press, July 8.*

The following is an excerpt from the Healthy Food in Health Care pledge:

> As a responsible provider of healthcare services, we are committed to the health of our patients, our staff and the local and global community. We are aware that food production and distribution methods can have adverse impacts on public environmental health. As a result, we recognize that for the consumers who eat it, the workers who produce it and the ecosystems that sustain us, healthy food must be defined not only by nutritional quality, but equally by a food system that is economically viable, environmentally sustainable, and supportive of human dignity and justice. We are committed to the goal of providing local, nutritious and sustainable food.
>
> Specifically, we are committed to the following healthy food in healthcare measures for our institution. We pledge to:
>
> - Increase our offering of fruit and vegetables, nutritionally dense and minimally processed, unrefined foods, and reduce unhealthy (trans and saturated) fats and sweetened foods.
> - Implement a stepwise program to identify and adopt sustainable food procurement. Begin where fewer barriers exist and immediate steps can be taken, such as the adoption of rBGH-free milk, fair trade coffee, or selections of organic and/or local fresh produce in the cafeteria.
> - Work with local farmers, community-based organizations and food suppliers to increase the availability of fresh, locally produced food.
> - Encourage our vendors and/or food management companies to supply us with food that is produced in systems that, among other attributes, eliminate the use of toxic pesticides, prohibit the use of hormones and non-therapeutic antibiotics, support farmer and farm worker health and welfare, and use ecologically protective and restorative agriculture.
> - Communicate to our Group Purchasing Organizations our interest in foods whose source and production practices (i.e., protect biodiversity, antibiotic and hormone use, local, pesticide use, etc.) are identified, so that we may have informed consent and choice about the foods we purchase.
> - Develop a program to promote and source from producers and processors which uphold the dignity of family, farmers, workers and their communities and support sustainable and humane agriculture systems.
> - Educate and communicate within our system and with our patients and community about our nutritious, socially just and ecologically sustainable healthy food practices and procedures.
> - Minimize and beneficially reuse food waste and support the use of food packaging and products that are ecologically protective.
> - Report annually on implementation of this pledge.[72]

Implicit in the intent of pledge adopters is a willingness to procure food ingredients and products from outside current sources. Creation of these new demands makes it imperative that the market is able to respond with growth in the critical areas of supply, distribution and policy.

HOSPITALS ARE IMPLEMENTING NEW PURCHASING PROGRAMS

Hospitals implementing new wellness-based purchasing programs are working to collectively influence supply chain management, sourcing and marketing/education to constituent groups. The Michigan Green Health Care Committee has a stated mission that articulates the recognition of responsible and systemic actions that are implicit in a holistic concept of care. They intend to *"…work to establish a framework for Michigan's healthcare sector to improve the health and well-being of the state's ecology and its citizens."*[73] An innovative program, the A-Z Environmental Purchasing Campaign, sets up a framework for participants to purchase and market Michigan food products starting at the beginning of the alphabet. The first purchasing initiative, starting with "A" for apples, focused on this healthy fruit in part because Michigan is the third largest apple producer in the United States. The "Michigan Apples in Michigan Hospitals" campaign launched at seven sites – St. John Hospital and Medical Center,

[72] *Health Care Without Harm. Retrieved from www.noharm.org*
[73] *Michigan Health and Hospital Association. Retrieved from www.mha.org/mha_app/public_site/mghc.jsp*

NORTHSTAR Health System, Bronson Methodist Hospital, Sturgis Hospital, Detroit Medical Center, Mid-Michigan Medical Center, (Clare), and Beaumont Hospital, (Troy) – has resulted in positive outcomes for state apple growers and purchasing institutions. Michigan apple shippers moved nearly 990,000 cases of fresh-packed Michigan apples in September 2009 – the most movement during this month since 1999.[74] The Ecology Center in Ann Arbor has collected additional data,[75] which provide further evidence of this program gaining traction in the healthcare sector. An accompanying Michigan Apple Toolkit[76] that offers guidance in purchasing, education and marketing assistance can be replicated for subsequent product campaigns.

Business and Operational Challenges in Changing Food Service Operations

In the context of heightened business pressures, Michigan hospitals face several challenges to implementing local food purchasing initiatives and scaling up changes in food service operations. First, local purchasing must be adopted as a business imperative. Senior business leaders lack knowledge about food service strategies that can effectively involve local sourcing possibilities. Lack of buy-in from senior leadership and key decision makers for local sourcing possibilities can delay or derail participation in a local purchasing initiative. Purchasing departments often make sourcing decisions with autonomy. They may view purchasing through a singular lens of existing efficiencies and systems without regard to larger initiatives unless they are directed to do so by senior leaders.[77] Once a commitment is made to local sourcing, current product aggregation and distribution methods make it difficult to identify and ensure product source or geographic origin. Over time, this can lead to disincentives for participation in local purchasing initiatives and/or weaken the effectiveness of these initiatives. The elimination of the Select Michigan program, which provided a means of identification and marketing for state growers, has further exacerbated this issue.

Next, operational changes are required to accommodate local sourcing, both within institutions and among local suppliers. For example, inadequate or inappropriate infrastructure for storage and preparation, labor budget and/or staff skills may preclude efficient use of whole, fresh products at a significant scale. For growers, a lack of understanding and infrastructure for cleaning, weighing and packing can create a competitive disadvantage.[78]

Lack of metrics for tracking specific product category purchases makes quantifying the economic indicators for local agriculture difficult. Without adequate data, incentives for transition to local food purchases cannot be effectively promoted to stakeholders. Documentation of the existing volume of these purchases is needed to demonstrate the economic potential of incremental increases of local food procurement.

Standards for food safety, safe food practices and product certification are inconsistent and unclear. This can be expensive and disadvantageous for small farms and producers and create compliance concerns among large organizations. For hospitals interested in sourcing locally, as well as for those considering on-site community-supported agriculture (CSA) programs or growing food for use in their own operations, these ambiguities can relate to liability issues in purchasing and serving.

Health Sector Opportunities to Advance Local Food Initiatives

Despite many challenges, several compelling opportunities exist to expand the integration of local food purchasing into Michigan's hospital and healthcare sector. These opportunities relate to fostering the state's economic development, health and well-being. The influence of this sector is significant. The state has 144 community hospitals, which provided well over 5 million days of inpatient care in 2008, and patient meals are part of this care. There is not an industry standard cost per bed per meal, but based on the approximately $1.60 per meal per bed spent at Acute facilities[79], even one meal per day for inpatient feeding would result in more than $8 million that could be spent for Michigan agricultural products. Additionally, healthcare is Michigan's largest private sector employer, providing more than 900,000 combined direct and indirectly related jobs.[80]

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[74] *Michigan Green Health Care Committee. (2009) "Recap 2009." Retrieved from www.mha.org/mha/documents/mghc/mghc_2009recap_020310.pdf*
[75] *Interview and correspondence, Hillary Bisnett, Ecology Center, December 2009-February 2010*
[76] *Michigan Health and Hospital Association. Retrieved from www.mha.org/mha_app/public_site/mghc.jsp*
[77] *Interview and correspondence, Hillary Bisnett, Ecology Center, December 2009-February 2010.*
[78] *Interview and correspondence, Eric Hahn, Locavore Food Distributors, December 2009-February 2010.*
[79] *Correspondence, Kevin Crampton, Senior Director of Business Development and Contracting, Hospital Purchasing Service, January 26, 2010.*
[80] *Michigan Health & Hospital Association. (2010) "2010 Michigan's Community Hospitals: A Healthy Dose of the Facts." Retrieved from http://www.mha.org/mha_app/public_site/newsroom/publications.jsp*

CONTRIBUTING TO MICHIGAN'S ECONOMY

The significant purchasing power of healthcare institutions could expand to become a more powerful agricultural economic driver. Within a food budget of just under $3 million, Bronson Methodist Hospital hopes to purchase $600,000 of local and/or sustainable food in 2010 and hopes to eventually purchase 50 percent of their food (approximately $1.5 million) from local vendors.[81] For hospital groups supplied by Sysco Detroit that are doing between $4 million and $4.5 million in volume, over $520,000 for each of these groups is spent on produce purchases; smaller independent units are buying $130,000 each on average.[82] This example clearly indicates that an alignment of goals that will encourage and ease preferences for locally sourced products and ease current constraints will result in significant economic benefit for the state.

BUILDING ON THE STRENGTH OF CURRENT MICHIGAN LOCAL FOOD INITIATIVES

The strength of Michigan's grass-roots local food initiatives creates particular opportunities to accelerate and expand the scope and uptake of local food purchasing among healthcare institutions. Distribution channels have already begun responding to market demand for locally sourced products. This ripens the opportunity to make the case to corporate and political leaders that local food initiatives make sense and should be pursued. An examination of the National Good Food Network/Sysco partnership case study illustrates this positive response. Recognizing that customers across all market segments were beginning to change their purchasing requisites and values, Sysco entered into a partnership with the Wallace Center in 2008 to "research and develop ways in which the company could transition from its traditional food supply chain model to a new values-based supply chain, or value chain, approach to sourcing, selling and distributing food."[83]

Sysco Grand Rapids has been one of the first locations to adopt this initiative. According to Denis Jennisch, the Produce Category Manager for Sysco and leading figure behind the initiative, the demonstration project had numerous positive outcomes that benefited various local stakeholders. These included distinguishing Michigan products that they were already buying, enabling customers to use existing ordering systems to specify Michigan-grown items and facilitating the purchase of local value-added products (Sysco inputs raw Michigan farm products, value-added processors buy these from Sysco, then sell the finished product back to Sysco).[84] Results from the project were measured in incremental sales from current and new suppliers. The project contributed 10 percent to the total volume of sales in 2008, or 5,354 incremental cases and a $92,000 increase in incremental sales. Specific successes included a 45 percent growth in the volume of alfalfa sprouts from a Michigan supplier. The project also introduced local pesticide-free hydroponic leafy greens into the Sysco Grand Rapids warehouse, as well as 20 producers and 100 items from Michigan suppliers. The operating company also added six new farm suppliers and 18 products.[85]

Other particular initiatives active within Michigan healthcare and hospital settings can be expanded and accelerated:

- Enlisting more hospitals to sign the Healthy Food in Health Care pledge.
- Increasing participation of hospitals on food policy councils.
- Setting new benchmarks for hospital operating systems and marketing that focus on holistic care.
- Integrating wellness concepts in patient menu planning/tracking that will include local food sourcing.
- Building awareness of health and economic benefits of local food purchasing through on-site hospital farmers' markets.
- Using models such as the Michigan Hospital Association apple campaign to organize purchasing efforts with new paradigms for sourcing and marketing.

[81] Interview and correspondence, Michael Rowe, Director of Food, Nutrition and Retail Services at Bronson Methodist Hospital. November 5, 2010.
[82] Interview and correspondence, Diana Bott, Sysco-Detroit, December 2009-February 2010
[83] Cantrell, P. (2009) "Sysco's Journey from Supply Chain to Value Chain: Results and Lessons Learned from the 2008 National Good Food Network/Sysco Corporation Pilot Project to Source and Sell Good Food." Wallace Center at Winrock International.

Structural Barriers in the Food System

Barriers to local food purchasing initiatives for hospitals and other institutions are apparent and significant. These cut across all sectors of the food system.

There are supply issues within the current food system. An abbreviated growing season, combined with growing demand, leads to demand outpacing supply. Current programs that educate, fund or otherwise create incentives for new farmers to begin farming or to enable farms to expand food production or their growing season with capital investment are inadequate.

In many instances, small growers and producers can be effectively shut out of the marketplace by supply chain forces and regulations that favor larger food businesses. These smaller businesses that have an interest in pursuing the competitive bidding process cannot compete with the large businesses offering volume discounts and rebates. Furthermore, smaller businesses may not even know how to place a bid. Institutional purchasing contracts are sometimes generic and have to be rewritten to pertain specifically to food.[86]

Because of the centralized nature of some facets of the supply chain, hospitals belonging to multistate or national corporations can lack the autonomy to specify local food purchases. Lack of governmental mandates or tax incentives for geographic purchasing may create insurmountable disadvantages for local producers.

Currently, legislative approaches can be regressive or disadvantageous to food-based initiatives. A recent IRS decision has disallowed community-building and community-based prevention investments as measures to be counted as community-benefit spending on non-profit hospital IRS 990 filings. A healthy diet is the most cost-effective form of healthcare available. Heart disease, strokes, diabetes and cancer, all of which are related to diet, cost millions of dollars a year in medical bills and lost productivity. Healthcare systems are challenged to sustain the burden of expensive treatments of preventable diseases. To protect Michigan's healthcare system, especially as the population ages and chronic diseases peak, diet and nutrition need to be treated as a first line of defense.[87]

Agribusiness has powerful influence over legislators and regulatory agencies. They influence standards on the basis of the needs of huge business concerns, and this can disadvantage smaller, less powerful growers and producers.

Summary

Clearly, Michigan hospitals and healthcare providers are beginning to coalesce as a growing force to influence change in the food system. By recognizing and acting on shifting paradigms of care and community, they have the ability to leverage health industry trends to drive agricultural economic development and the policies and practices that benefit the citizenry of our state. Leading institutions and cutting-edge initiatives that are models for purchasing by hospitals can be applied to other institutions and can inform policymakers and other stakeholders about options that can be broadly applied. Continuing to shift food purchasing dollars to local and in-state producers and facilitating local purchasing processes for all stakeholders will produce win-win outcomes for our overall social and economic health and prosperity.

Positive next steps should include conversations with Michigan health sector leaders and representatives of other state institutions and industry to help formulate and support policy recommendations and options for moving them forward.

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[84] *Source: Interview and correspondence, Denis Jennisch, Sysco-Grand Rapids, December 2009-February 2010*

[85] *Cantrell, P. (2009) "Sysco's Journey from Supply Chain to Value Chain: Results and Lessons Learned from the 2008 National Good Food Network/Sysco Corporation Pilot Project to Source and Sell Good Food." Wallace Center at Winrock International. Retrieved April 15, 2010 from http://www.ngfn.org/resources/research-1/innovative-models/NGFN%20Case%20Study_Syscos%20Journey%20From%20Supply%20Chain%20to%20Value%20Chain.pdf.*

[86] *Interview and correspondence, Sandy Brewer, Todosciuk Farms, December 2009-February 2010*

[87] *Interview and correspondence, Hillary Bisnett, Ecology Center, December 2009-February 2010*

Institutional Purchasing Goals

Clearly, interest in local foods at Michigan's institutions is considerable and is growing. Though no baseline data are available on institutional food purchasing, anecdotal evidence suggests that significant market potential exists for Michigan's farmers and food businesses to capitalize on this interest. We propose the following goals as targets for making good food available at Michigan's institutions:

- Increase local food purchases at Michigan's institutions, including K-12 schools, colleges/universities, hospitals and correctional facilities, to 5 percent of the total food budgets by 2012, 10 percent by 2015 and 20 percent by 2020.
- Increase local food distribution to institutions through all distribution channels – broadline, produce, specialty, regionally based and farm direct – to 5 percent of the total products distributed by 2012, 10 percent by 2015 and 20 percent by 2020.
- Increase Michigan processors' purchase and use of Michigan-grown and Michigan-raised ingredients to 5 percent of total processor ingredients by 2012, 10 percent by 2015 and 20 percent by 2020.

Photo by Kathryn Colasanti.

Photo by Kathryn Colasanti.

The above goals are not mandates but rather guiding principles and targets to aim to achieve. For our purposes here, "local food" means food that is grown, raised and/or processed in Michigan. In some Michigan communities near our borders, local food may also mean food from a neighboring state and/or Canada. The first goal of increasing local food purchases at Michigan's institutions requires the next two corollary goals: increasing local food distribution to facilitate increased institutional purchases; and increasing use of Michigan ingredients in processed products produced in Michigan to ensure that institutional buyers can support Michigan processors and food businesses and Michigan agriculture simultaneously with their purchasing dollars. Incremental improvements in local food infrastructure, agricultural production and local food availability are required to reach the ultimate goal of increasing local food purchasing by institutions to 20 percent by 2020.

Indicators

The following indicators, based on publicly accessible and routinely collected information and data, can demonstrate progress toward the goals stated above:

OVERALL

- Michigan MarketMaker (http://mi.marketmaker.uiuc.edu) is an "interactive mapping system that locates businesses and markets of agricultural products in Michigan, providing an important link between producers and consumers." To date, only a few hundred Michigan farmers are registered on this site, which is set up to facilitate farm-to-institution sales in particular. Additional education is needed to get more users, both farmers and buyers, to sign up on the Web site. Increases in the number of hits to the site, as well as the number of farmers and institutional buyers registered, is an indicator of interest in farm-to-institution sales
- The USDA Census of Agriculture offers additional data that may help track the progress of local food purchasing by Michigan institutions. Because demand for local food at institutions is growing quickly, it is likely that current agricultural production and supply cannot meet these demands. Tracking the changing ratio of agricultural production of commodities such as field corn to that of specialty crops (fruits and vegetables), livestock and dairy will help demonstrate the growing supply of local food products to meet demand from institutions and other markets. In addition, an increase in the number of farms in Michigan will help increase the supply of local food products for local and direct markets.
- As more distributors and institutional food buyers are seeking farmers with USDA Good Agricultural Practices (GAP), Good Handling Practices (GHP) or other certifications, the number of Michigan farms with GAP and/or GHP audits as tracked by the USDA Agricultural Marketing Service will show the number of farmers prepared to supply institutional markets.[88]

K-12 SCHOOLS

- The Michigan Farm to School (www.mifarmtoschool.msu.edu) and National Farm to School (www.national-farmtoschool.org) Web sites both allow practitioners of farm-to-school programs to register programs for listing on these sites. The Michigan Farm to School Web site hosts a program directory that will continue to feed into the Michigan profile page on the National Farm to School Web site. The number of Michigan farm-to-school programs on these sites can demonstrate increases in the number of farm-to-school programs in the state.

[88] *U.S. Department of Agriculture, Agricultural Marketing Service. "Grading, Certification and Verification." Retrieved from http://www.ams.usda.gov/AMSv1.0/ams.fetchTemplateData.do?template=TemplateD&page=FreshFVGAPGHPStateIndex*

COLLEGES AND UNIVERSITIES

- Similarly, the Community Food Security Coalition hosts a national farm-to-college Web site (www.farmtocollege.org), which lists program profiles of those for which completed surveys were submitted. To date, only three Michigan colleges and universities are registered on this site: Kalamazoo College, the University of Michigan and Wayne State University. Additional profiles of Michigan colleges or universities added to this site will demonstrate increased local purchasing in this sector, as well as increased visibility of these programs.

- GreenReportCard.org provides in-depth sustainability profiles of U.S. colleges and universities, including the College Sustainability Report Card, which evaluates the sustainability activities on campuses and through endowments. This report card evaluates the 300 colleges and universities with the largest endowments and other schools that applied to be included. Michigan State University, the University of Michigan, Wayne State University, Kalamazoo College and Western Michigan University are all included and are annually evaluated separately in the categories of administration, climate change and energy, food and recycling, green building, student involvement, transportation, endowment transparency, investment priorities and shareholder engagement. The food and recycling category evaluates dining services policies such as recycling, composting and local food purchasing. Michigan schools that increase local food purchases and other sustainability practices in dining services and recycling will receive higher grades in this category, which can be tracked over time.

- The Association for the Advancement of Sustainability in Higher Education has recently released a Sustainability Tracking, Assessment and Rating System (STARS), which "is a transparent, self-reporting framework for colleges and universities to gauge relative progress toward sustainability."[89] Colleges and universities can register to be part of the program, then report on a variety of sustainability-related issues to earn "credits". They then receive a STARS rating, which will be valid for three years. One of the ways that credits can be earned in the "dining services" section is by purchasing local food. Points are determined on the basis of the percentage of food expenditures going toward local food. The number of points earned by schools in the dining services category can serve as an indicator of local purchasing. Grand Valley State University, Jackson Community College and Michigan State University have already registered to be part of the program, and as other Michigan campuses join, the program will provide a publicly accessible database of information about those schools and sustainable food practices they are using.

- The Real Food Challenge is a nationwide campaign to increase procurement of real food on college and university campuses to 20 percent by 2020. For the purposes of this campaign, "real food" is defined as products that are ethically and humanely produced, environmentally sustainable and healthy; taste good; build community; and have the potential to inspire social change – and this includes local purchasing. To measure this, the Real Food Calculator has been developed. This is a survey tool that can be used at any institution, not just college and university food services. Currently Calvin College, Central Michigan University, Kalamazoo College, Michigan State University and the University of Michigan have all registered with the Real Food Challenge database, and this will provide measurable indicators that will make it possible to compare institutions as well as assess how close they are to achieving the goal of 20 percent real food by 2020.

[89] *Association for the Advancement of Sustainability in Higher Education. (2010) "AASHE Launches STARS 1.0!" Retrieved from http://www.aashe.org/blog/aashe-launches-stars-10*

HOSPITALS

- By signing the Healthy Food in Health Care pledge, an initiative of Health Care Without Harm, a healthcare facility expresses its dedication to local, nutritious and sustainable food. Only nine healthcare facilities in Michigan have signed this pledge to date: Chelsea Community Hospital, Metro Health Hospital, Northern Michigan Regional Health System, Sparrow Health System, Borgess Health, Bronson Methodist Hospital, Henry Ford West Bloomfield Hospital, Immaculate Heart of Mary and St. Joseph Mercy Hospital. By tracking the number of pledges signed by Michigan hospitals over time, we can track hospitals' growing interest in purchasing local, sustainable and nutritious foods[90].
- The Michigan Hospital Association (MHA) A-Z purchasing program encourages local food purchases, beginning with an apple campaign. The number of healthcare facilities that participate in this program and the extent of their local food purchasing through this program are indicators of Michigan hospitals' interest in local food.
- The Green Guide for Healthcare is a sustainable design toolkit that will provide the healthcare sector with a voluntary, self-certifying metric in which credits are earned on the basis of construction and operations. In 2008, a food service section was added. It includes credits for a sustainable food policy and plan as well as purchase of local, sustainably produced food. This could be used in Michigan as a voluntary metric to assess the amount of local food being purchased in hospitals.

[90] *Healthcare Without Harm, Healthy Food Pledge. Retrieved from http://www.noharm.org/us_canada/issues/food/pledge.php*

Recommended Indicators

The indicators above are publicly available and regularly tracked. If additional data collection and tracking of other indicators were also made publicly available, it would help us understand the interest in and extent of local food purchasing at Michigan institutions. We recommend tracking and making data available for the following indicators:

- The quantity of Michigan-grown or Michigan-raised products distributed to Michigan institutions through food distributors and/or processors specializing in local food procurement would show improvements in local food infrastructure that facilitate more purchases by Michigan institutions.
- Similarly, the number of cases of local food that are distributed through broadliners and produce, specialty and/or regionally based food distribution channels would show the availability and accessibility of these foods to local markets, including institutions. Distributors such as Sysco Grand Rapids already track these numbers, and others have the ability to determine these data internally. We ask that these companies share this information publicly to help measure progress toward our goals.
- As more institutions become interested in growing food for themselves as well as purchasing through various supply channels, the number of institutional gardens and farms as well as their production capacity would help gauge local food usage in institutional food service.
- The USDA Census of Agriculture gathers information about agriculture every five years, and in 1997 it began collection of information on direct-to-consumer sales. Currently, direct market sales are defined as agricultural products sold directly to individuals for human consumption.[91] This information includes sales at farmers' markets, community-supported-agriculture operations and pick-your-own operations.[92] We recommend that institutional food purchasing be included in the 2012 Census of Agriculture, either within direct-to-consumer sales or perhaps as a new category of sales.

[91] *Diamond, A. and Soto, R. (2009) "Facts on Direct-to-Consumer Food Marketing." United States Department of Agriculture.*
[92] *Luder, B. (2009) "Direct-to-consumer Farm Marketing Growing Rapidly." The Packer, June 15. Retrieved from http://thepacker.com/Direct-to-consumer-farm-marketing-growing-rapidly/Article.aspx?oid=367393&aid=342&fid=PACKER-TOP-STORIES*

Agenda Priorities

2012 Agenda

We believe that support for the recommendations included here is general and widespread. We recognize, however, that many of these policy prescriptions come with a price tag and often need upfront financial support. We also recognize that, in Michigan's current fiscal situation, our government and state agencies are forced to make difficult choices among numerous important policy needs. That being said, we see an investment in the health of our population and our agricultural economy as critical to our economic and community vitality. Given the state budget constraints, in the short term we should pursue fiscally innovative solutions to these policy recommendations. In the long term, investing in these recommendations will not only improve access to fresh food through more local sourcing but also promote economic health and development within our communities.

Research and Education Strategies

1. *Conduct research to evaluate and improve the usability of the Michigan MarketMaker Web site.*

   Michigan MarketMaker is a statewide interactive mapping Web site designed to link agricultural and food producers with buyers online. There is widespread agreement that the Web site has not been used to its full potential. This means that the need still exists for a user-friendly, comprehensive database of farmers interested in direct marketing and buyers seeking local food, and a venue for them to connect. MarketMaker is designed to serve this role and is already in place, so we should not reinvent the wheel and design another interactive Web site. Instead, research should be conducted to evaluate the usability and functionality of this Web site and develop recommendations to improve the Web site interface, and education and outreach to register more users. Ways to automatically include Michigan institutions by identification codes – for example, a tax identification number – should be explored, as well as best practices and strategies that focus on connecting farmers and vendors to institutional food buyers in an online forum.

2. *Provide training and education to school food service directors on local food procurement,handling and preparation.*

   Michigan school food service directors need additional training and education on proper methods to carry out informal bidding and procurement procedures, which can often be used for local food purchases by schools, and how to handle and prepare those local foods in school kitchens. As part of the Farm to School Procurement Act – Public Act 315, passed in December 2008 – the Michigan Department of Education was tasked with educating "food service directors on the small purchase threshold and other procurement procedures and tools to promote their use for farm-to-school initiatives." In addition to encouraging "school food service directors to include local farmers, processors, and suppliers when taking bids for farm products that fall under the small purchase threshold," MDE was also charged with implementing "food preparation training for food service staff to accommodate sourcing fresh and local foods," and this is still a great need. These education opportunities on informal bidding and procurement procedures and preparation of fresh, local produce could come through regular training at the School Nutrition Association of Michigan annual conference, the largest gathering of school food service directors in Michigan, and online through the agency's Web site.

3. *Continue to provide training to Michigan farmers on food safety plans and audits.*

   Michigan farmers need additional training in preparing and completing on-farm food safety audits, which is quickly becoming a requirement of most retail buyers and is often preferred by institutional buyers. Michigan Food and Farming Systems (MIFFS) has offered a series of GAP/GHP training workshops, and Michigan State University Extension has trained educators to provide assistance to farmers to prepare for food safety audits. Both efforts should be continued because food safety certification is a critical current need.

State-level Policy

4. *Carry out a state-level survey program to collect, manage and analyze local food purchasing data from institutions.*

As local food purchasing programs at institutions grow, it is critical to maintain support and meet needs of these relationships as they arise. To stay current on barriers, challenges and successes, and to meet the needs of institutions, farmers, processors and distributors involved in these programs, we need to regularly track the growth and extent of local food purchasing. To this end, a regular tracking or survey program must be implemented to collect, manage and analyze data from a variety of sectors (K-12 schools, colleges/universities, hospitals and correctional facilities).

Implementation: We recommend that the Michigan Agricultural Experiment Station (MAES) support the development, implementation and annual administration of this data collection program. State agencies could incorporate questions about local purchasing into reporting mechanisms already in use.

5. *Encourage institutions – including schools, hospitals, colleges and universities – to use their collective purchasing power to influence the food supply chain to handle healthier foods and more foods grown, raised and processed in Michigan.*

The buying power of institutions, particularly if harnessed collectively, represents a strong opportunity to utilize the market to drive change in the food system and promote the serving of healthier fresh and processed foods.

Implementation: Institutional purchasing groups, particularly school purchasing consortia, could survey their member institutions to determine product changes (e.g., flavored milk with low sugar content, whole wheat pasta products, Michigan dried beans) and also new products in high demand (e.g., processed local products such as flash-frozen produce and chopped or sliced fruits and vegetables) by institutional food service directors and buyers. Purchasing groups could then help organize their member institutions to ask for these changes from their suppliers and, in turn, food processors and producers. The collective buying power of multiple institutions will present a significant incentive for distributors, farmers and food processors to adapt practices to supply institutional customers with the foods they want in the forms they need.

6. *Implement a food safety audit cost-share or reimbursement program targeted at small and medium-sized farms.*

Institutional food buyers are following the lead of grocery store chains and distributors in asking all farmers that supply to them to have food safety audits such as USDA Good Agricultural Practices (GAP) or Good Handling Practices (GHP) or other third-party audits. Small and medium-sized farms tend to find it difficult to meet this requirement, primarily because of the costs associated with these audits. To meet the need for food safety assurance, we must encourage farmers to get third-party food safety certification when appropriate or as required by their buyers. As we acknowledge that local food distribution must occur through direct sales as well as broadline, specialty, produce and regionally based distribution, we want small and medium-sized farms to be able to fulfill the requirements of all buyers to contribute to increased availability and accessibility of local foods to institutional as well as direct, retail and wholesale markets.

GAP and GHP audits cost $92/hour, including travel time for auditors to get to farm locations, with total costs in 2009 ranging from about $92 to $1,600. How long an audit takes often depends on how prepared the farmer is for the audit, with his/her food safety, sanitation and farm plans. This points to the need for continued guidance and training opportunities as well as financial assistance.

Implementation: The Michigan Department of Agriculture has established an advisory committee to explore a self-audit assurance process for farmers whose markets do not currently demand third-party food safety assurance certification. It will provide technical guidance for voluntary implementation, recommendations to farmers that will strengthen the guarantee of safe food and guide them toward preparedness for third-party food safety certification if the need arises as they establish new markets or their current market requirements change.

In addition to the work of this committee, we recommend that the Michigan Department of Agriculture (MDA) implement and manage a GAP/GHP or other food safety audit cost-share or reimbursement program for small and medium-sized specialty crop farms. Reimbursements for food safety audits could be provided on a sliding scale, depending on the size or income of a farm operation, or a reimbursement program could operate similarly to the New York State (NYS) Good Agricultural Practices/Good Handling Practices Certification Assistance Program managed by the state Department of Agriculture and Markets, which provides a flat rate reimbursement to offset the costs of food safety audits through USDA Specialty Crop Block Grant funding.[93] MDA support is clearly needed to implement this cost-share/reimbursement program, as well as funds designated through the USDA Specialty Crop Block Grant Program granted to the state. Food safety certification is a critical and present need for Michigan farmers, so we do not expect much resistance to this program to arise.

2015 Agenda

State-level Policy

7. Provide financial incentives or tax breaks for farmers and for the development of local food system infrastructure.

Though institutional demand for local products is growing and offers stable, steady markets, institutional sales often provide smaller profit margins to farmers than other markets. Financial barriers – time, labor, staff training, supplies, etc. – may prohibit farmers from being able to supply the institutional market and may serve as a disincentive to entering it. To encourage participation in farm-to-institution markets and increase both the supply and infrastructure available to institutions, financial incentives or tax breaks are needed. We also recommend the development of a grant or low-interest loan program for farmers currently producing commodity foods who would like to transition their land or a portion of it to provide specialty foods (fruits and vegetables) for institutional markets. This transition often requires a costly change in farm infrastructure, and financial support from this tax incentive/break could help make transitioning a more feasible option. To further develop the infrastructure to get local foods to institutions when, where and how they want them, we recommend providing tax incentives for development of local food system infrastructure such as food storage, processing, packing and distribution facilities. Businesses that could process local food or quick-freeze fresh produce, for example, would fill a current void in the local food system supply chain and potentially serve as an intermediary between farmers and institutions.

Implementation: Through public/private partnerships, financial incentives could be provided to stimulate development of food system infrastructure and encourage farmers' participation in local food purchasing by institutions.

8. Develop a farm-to-institution grant program.

Farm-to-institution programs offer great market potential and the opportunity to contribute to both the economic viability of Michigan farms and economic development in the state while providing local, good food to customers. To support the growth and expansion of these programs in Michigan, we recommend the development of a state-administered Farm to Institution grant program similar to the Rozo McLaughlin Farm to School Grant Program[94] coordinated by the Vermont Agency of Agriculture. Funds would be awarded to all types of institutions (K-12 schools, colleges/universities, hospitals and correctional facilities) with the goal of maximizing the use of locally grown, raised, produced and processed foods in institutional cafeterias. Three grant categories –

[93] *New York State Department of Agriculture and Markets. "NYS Good Agricultural Practices/Good Handling Practices Certification Assistance Program." Retrieved from http://webcache.googleusercontent.com/search?q=cache:Us0LUKT3UgEJ:www.agmkt.state.ny.us/AP/slide/Specialty-Crop.html+NY+state+Good+agricultural+practices&cd=2&hl=en&ct=clnk&gl=us*

[94] *Farm to School Grant Program. Vermont Agency of Agriculture. Accessed February 2010 at http://www.vermontagriculture.com/education/farmtoschool/index.html.*

planning, implementation (which would require previous planning grant funding) and equipment – could be included, with applications reviewed and grants awarded on an annual basis.

Implementation: This would require the creation of a new program administered by the state or a public-private alliance. Philanthropic organizations could also play a role in funding. Grants could be directed to institutions for planning, implementation and equipment for local food purchasing and use in cafeterias.

2020 Agenda

State-level Policy

9. Implement a reimbursement program to provide an additional 10 cents per school meal for the purchase of locally grown fruits and vegetables for school lunch programs.

The biggest constraint for schools to expand local purchasing is often cost, which stems from tight school food budgets. Additional reimbursement funds could ease school food service budget constraints and increase schoolchildren's access to and consumption of locally grown fruits and vegetables. We recommend that an additional 10-cent reimbursement per school lunch meal be provided through a private-public partnership to schools participating in the National School Lunch Program. Most schools spend between 20 and 30 cents on the fruit and/or vegetable portion of a school lunch. A 10-cent match would allow schools to spend a total of 30 to 40 cents on these food products. This would increase the value that Michigan farmers could capture with sales of their farm products to schools and improve the long-term viability of Michigan farm-to-school programs. The cost of a locally grown apple, an affordable product for most schools to purchase for school meals, is about 10 to 18 cents, but the range of local products that schools could purchase would greatly expand with this additional reimbursement. Schools could then afford to buy high-value Michigan foods such as pears, asparagus, and minimally processed fresh products such as chopped onions and tomatoes and, in some cases, allow kids to try new foods for the first time. Other states – California, Washington, Pennsylvania, Indiana, Massachusetts and Wisconsin – offer additional reimbursements ranging between 4 and 13 cents; an additional 10 cents should be high enough to motivate Michigan farmers, processors and distributors to become involved, and help pay for labor and equipment needed to use whole, unprocessed Michigan fruits and vegetables such as butternut squash in school meals programs.

Implementation: Economic development funds could be considered to fund this reimbursement program because the program, if fully funded, would contribute about $14 million to local economies across Michigan. A pilot project would allow us to examine the viability of this reimbursement program and its benefit to school districts before it is implemented statewide.

Conclusion

Evidence for the opportunities for growth in local food purchasing at Michigan institutions is clear. K-12 schools, colleges and universities, hospitals and correctional facilities have all expressed interest in either starting local food purchasing programs or expanding those that are already established. Institutions in Michigan can influence industry trends and drive agricultural and economic development and the policies and practices that benefit the citizens of our state. To realize and capitalize on these opportunities, we are setting a goal to increase local food purchases by Michigan's institutions to 20 percent of food budgets by the year 2020.

Photo by Kathryn Colasanti.

Barriers exist that will make reaching this goal challenging, but practice changes and implementation of new policy can make this overarching goal attainable. It is our hope that the recommendations put forward here are taken up and that they help farmers, producers and processors of Michigan products reach institutional markets, provide incentives for local purchasing and loosen budget constraints at institutions, and increase awareness and education on all levels down to the consumer. We envision a shift in food purchasing dollars to Michigan farmers and suppliers that produces win-win outcomes that contribute overall social and economic health and prosperity of our state.

Photo by Kathryn Colasanti.

INSTITUTIONAL FOOD PURCHASING:

Michigan Good Food Work Group Report Series

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