

TOPIC: HOW DO I CONTRACT WITH LOCAL FARMERS AT A COMPETITIVE PRICE FOR BOTH THEM AND ME?



Photograph by Morguefile

Like other school district food managers, Shelly Allen has a limited budget and the obligation to provide the best nutrition at the best price.

Traditionally, she has turned to big distribution houses for her produce. But, with some ingenuity and a little flexibility, Shelly spent the last two years establishing a network of local farmers supplying the school district with fresh foods at fair prices. And while she received a small (\$2500) grant this year for fresh fruits and vegetables, Shelly doesn't rely on outside funds and plans her purchases according to her baseline budget. Here's how this Farm to School pioneer is making it work for the St. Vrain school district.



How Did You Get Your District's Farm to School Program Going?

Shelly started small -- working with Tanaka Farm and Full Circle Farms to establish a system where the school

"In 10 or 15 years, when Farm to School is the mainstream, we're going to say, 'We were part of that'."

-Karen McManus

district would order what was available from the farm. The program was successful, but needed to grow in order to meet the complete needs of the school district. In February 2009, Shelly reached out to a larger group of area farmers and schools to work together on establishing a Farm to School program. This collaboration was also championed by Karen McManus, one of the pioneers of farm to school in the state, and a farmer selling to the school district on behalf of Full Circle Farms in Longmont, CO.

Shelly's still working with farmers to learn who can provide what and to establish procedures that encourage participation. For example, Shelly simplified the bidding process, boiling a 10-page document down to two pages of essentials. The friendlier document netted more bids. "It's been a wonderful learning experience," Shelly said.



How Has Your Sourcing Process Evolved?

When it became clear that the school district needed to look beyond the single source farm, Shelly went with a “share the wealth” strategy of sourcing produce from as many local farmers as possible, but she also established a bidding system to keep the process fair and competitive. She determined how much of each item the schools need and what the district historically paid for that item at different points in the season (these prices were based on contracts with big distributors). She publishes a list of price points and lets farmers (and supply houses) submit bids on the items they can provide. Shelly selects the lowest bidder for each product, which has led to sourcing from many different producers.

Buying Local Is Often Seen As “Cost Prohibitive.” How Do You Make It Work?

Knowledge is key. “School food directors have to know what they can afford and what the market price looks like,” said Shelly. Setting the bid price points helps, and she finds that local farmers support her mission. “They understand that my goal is to feed students fresh fruits and vegetables, and they want to help make that happen,” she said. She also relies on competitiveness created by the bidding process and frequent reassessment of market prices. She reviews prices for produce houses every three months. For local farms, she maintains steady prices during the growing season (July-October) and reassesses for winter.

Creating an open, honest dialogue between farmers and the school district has helped, too. For example, Karen probed to ask whether the schools would accept “seconds” -- produce that may be too blemished for wholesale or farmers market distribution, but that is still useful and often available at a discount. The answer? Yes.

What Have Been the Advantages for the School District?

“Working directly with the farmers, as opposed to the produce houses, has saved us money,” said Shelly. Prices are “neck to neck” between big distributors and local farmers. She also likes the environmental and food safety implications of buying locally when she can. “I like that I don’t have a lot of people touching my food, moving it around the city.”

Karen cites additional advantages for the district. “About 15-20 percent of the St. Vrain students have parents who are working on local farms,” she said. “By buying local, we’re keeping people working in the community. This program builds healthier communities at every level.”

What Have Been the Advantages for Local Farmers?

Like Community Supported Agriculture (CSA) systems, Farm to School has given farmers a reliable, consistent market for their produce. “It’s great for the business, absolutely great for the business,” said Karen. Setting price points helped local farmers decide if they can feasibly deliver the needed quantities at a competitive price. Plus, farmers can now plan future crops and yields according to what the schools will buy. Shelly also enjoys the advantages that come from the varied relationships. “Farmers will tell me what they have available. We can always use fresh vegetables and fruits, so I buy from them when I can.”

How Do You Use the Fresh Produce?

“The priority is feeding the students more fresh food,” said Shelly. “We occasionally use some of the food in our catered events, but 99 percent goes right to the students.” ■

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Models & Resources

Farm to School: Procurement Policy Q&As

USDA Food and Nutrition Service, 2010

http://www.fns.usda.gov/cnd/F2S/procurement_policy_qa.htm

Explains the USDA policies that are in place to address the procurement of local produce for school cafeterias.

Eat Smart- Farm Fresh: A Guide to Buying and Serving Locally-Grown Produce in School Meals

USDA Food and Nutrition Service, 2005

http://www.fns.usda.gov/cnd/guidance/Farm-to-School-Guidance_12-19-2005.pdf

This is a handbook that offers information on procurement, types and examples of Farm to School distribution models, how to find locally grown food and farmers, menu planning considerations, and strategies for success.

Supporting Farm to School Activities

USDA Food and Nutrition Service, 2010

http://www.fns.usda.gov/cnd/F2S/f2s_funding_QA.htm

Links to the various grants and funding opportunities offered by the USDA for Farm to School programs.

A Guide to Purchasing and Serving Local Food in Schools

DC Farm to School, 2010

<http://dcfarmtoschool.org/wp-content/uploads/2010/03/DC-Farm-to-School-Toolkit.pdf>

Excellent step-by-step advice on how to find, connect with, and build a positive financial relationship with local producers. Also includes great advice for working within the school food budget, making Farm to School financially plausible for both the farm and the school.

Farm to School: Minnesota Toolkit for Food Service Purchasing Processes

University of Minnesota, 2007

http://www.mn-farmentoschool.umn.edu/purchasing_process_2.html

A list of tasks for purchasing local food paired with links to purchasing guides and sample bids.

Farm to School: Minnesota Toolkit for Food Service Addressing Challenges

University of Minnesota, 2007

http://www.mn-farmentoschool.umn.edu/meeting_challenges_2.html

Addresses the challenge of cost, procurement, and supply by explaining how others have addressed and overcome these challenges.

Funding Opportunities

Farm to School

<http://www.farmentoschool.org/fundingopps.php>

A list of grants and funding opportunities for Farm to School programs around the nation.