

Purchasing Local Food

Guidelines for Montana School Food Service Programs



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Montana
Office of Public Instruction
Denise Juneau, State Superintendent

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Recently, there has been increased interest and news regarding farm to school programs, local foods, community-based food systems and the like. Due to this growing interest and the recognition that knowing “Where My Food Comes From” is a good strategy for helping children eat healthfully, many food service directors are addressing the new challenge of procuring food from local sources. This document, ***Purchasing Local Foods: Guidelines for School Food Service Programs***, will be helpful in setting up a system of local food procurement that works for you. The four sections of this document are:

- What is farm to school and how does it work
- General considerations for purchasing local foods
- Understanding the regulations that guide purchasing local food
- Procurement resources for farm fresh products

The Montana Team Nutrition Program and the Montana Office of Public Instruction School Nutrition Programs are dedicated to providing guidance to school food service programs as they establish school or district protocols for enhancing their ability to procure healthy, local food products. Should you need any information that is not answered within this document, please do not hesitate to contact the following individual for further assistance:

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What is Farm to School and How Does It Work?

Farm to School is a general term for programs and strategies through which:

- Schools buy and feature locally produced, farm-fresh foods such as fruits and vegetables, eggs, milk, breads, meat, and beans on their menus.
- School-age children participate in nutrition and agricultural education opportunities that connect them to the sources of their food. Farm field trips, school gardens, recycling programs and classroom-based nutrition and agricultural lessons can all be part of a farm to school curriculum.
- The local community and local farmers benefit from food dollars being spent locally.
- The food does not need to travel very far between its point of production and its point of consumption, thus minimizing the amount of energy used in transportation and allowing for fresher tastier foods being served in schools.

For more information on Farm to School visit the following Web sites:

National Farm to School Network

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

Farm to School Programs in Montana: Frequently Asked Questions

<http://www.opi.mt.gov/Pdf/SchoolFood/FarmToSchool/FarmToSchoolFAQs.pdf>

Benefits of Farm to School Programs:

Benefits to Students:

- Research shows that students who participate in Farm to School programs show an increased willingness to try new fruits and vegetables. Kids that have easy access to a variety of high quality fruits and vegetables eat more of them. By combining increased access to local, and fresh, fruits and vegetables with Farm to School educational activities, children demonstrate healthier nutrition behaviors.

Benefits to local farmers and their communities:

- Farm to School programs create a new market opportunity for farmers within their own communities. By establishing a “forward contract” with a school district, farmers can plan

out their crop plantings and volume knowing that they have a committed buyer for their fresh harvest.

- Farm to School programs create more security for local farmers, allowing them to continue farming on their land preserving the agricultural heritage of our communities.

Benefits to school foodservice program:

- Farm to School is a marketing “win”! These programs can enhance student and staff participation in school meal programs by offering fresh and delicious foods.
- Farm to School programs present a natural connection between the school foodservice program and the curriculum. The cafeteria becomes part of the learning environment for the students.
- Farm to School programs provide a wonderful opportunity for the school foodservice staff to connect with the food producers in their community and become important stakeholders in improving their community’s ability to feed itself with healthy, delicious foods.



General Considerations for Purchasing Local Foods

Overview of Procurement Considerations

It is important to be aware of procurement regulations that are required by law. In Montana the general rules are:

- For purchases less than \$5,000: No bidding process is required but follow prudent purchasing practices and receive competitive bids.
- For purchases between \$5,001 - \$25,000 follow Limited Solicitation procedure.
- For purchases greater than \$25,000: A formal Bid or proposal is required.

For more guidance on procurement rules and procedures go to the *General Division Services Policy Manual* link found at the following Web site:

<http://gsd.mt.gov/ProcurementServices/montanaprourementlaw.mcp>

Check out the *Procurement Tools* document addressing correct purchasing procedures found at the Office of Public Instruction, School Nutrition Programs Web site under the *Cooperative Purchase Program* link:

http://www.opi.mt.gov/Programs/SchoolPrograms/School_Nutrition/index.html

Please note: Geographic Preference may be applied in the bidding process. Please see Appendix A at the end of this document to learn more about how to use this Geographic Preference option.

Three Easy Steps to Ensuring Food Safety When Purchasing Farm Fresh Food

Including farm fresh products in your school food service programs is a wonderful way to connect children with healthy foods and raise their awareness of where their food comes from. Yet, if you haven't purchased directly from local farms in the past, you may be unsure about how to do recordkeeping to track food safety practices from the farm to your cafeteria.

1. Record keeping is important for tracing a product back to its source should a food safety problem arise. Make sure you keep records from the vendors on the products so you can identify the source of the product (often called traceability). Use the vendor's invoice or receipt similar to the one below.

The following may be utilized as a receipt from the grower:

Date: _____
Received by: _____
Donated: _____ Purchased: _____ Purchase price: _____
Description and volume of product purchased: _____

Date harvested: _____
Harvest location: _____ Lot # if available _____
Name of grower: _____
Address: _____
Phone: _____ Email: _____

2. Utilize the information and resources in this guide to help you procure local foods.
3. Consult with your local health inspector or sanitarian, as they can provide assistance if needed to ensure food safety from the farm to the plate

Identifying Sources of Local Food

Connecting with local farmers, ranchers and food businesses may seem like a challenging endeavor, but there are several strategies to get you started.

1. Go to your local Farmers Market and start talking with area farmers. Find out who is interested in working with your school/district to provide food. For a list of Montana Farmers Markets', go to:
<http://agr.mt.gov/farmersmarkets/FarmersMarketsMontana2010.pdf>
2. View the Montana Department of Agriculture's Food and Agricultural Products Directory at: <http://agr.mt.gov/business/foodbev/FBindex.asp>
3. View the Abundant Montana Directory (compiled by AERO – Alternative Energy Resources Organization) at: <http://www.aeromt.org/abundant/>
4. Pose a question to other Montana food service managers on the Montana Lunchline listserv. This group has a wealth of information on sourcing local products. For more information or to be added to this list, contact Katie Bark for more information at (406) 994-5641 or kbark@mt.gov.
5. Check with your distributor (SYSCO or FSA) for a list of Montana products that they stock on a regular basis.

Communicate Your Procurement Needs to the Producer

Keep in mind local producers will not know exactly what your food service program needs from them unless you tell them. You should take some time to think about and develop specifications for what you need, considering the categories listed here:

- Product Pricing, Quantity, and Frequency of Delivered Product
 - It is very important to communicate this information early in your conversations with local food producers.
- Condition of Delivered Product
 - You may end up with carrots that have the greens still attached to them if you don't indicate that you would like the greens removed. Do you require specific packaging for your product (cardboard boxes or sanitized re-useable totes)? Be specific.

- Product Delivery Schedule
 - The last thing a food service manager needs is for a delivery truck to show up in the middle of the school lunch period. Be specific about what days/times work for you in terms of delivery.
- Payment Schedule
 - Do you need school board or central office approval in order to make payment for goods received? If so, plan for this process and communicate this to your vendors.
- Regular Communication on Available Products
 - Ask your local farmers/co-ops/vendors to send you regular communication on what they have available for sale, including:
 - Products available
 - Size of items
 - Quality
 - Quantity available
 - Price [Note re: price—Many food service managers have seen less waste in the kitchen and on the trays due to the quality and flavor of local, farm-fresh food. A higher price may not correspond to a higher overall cost. In some schools food costs have actually gone down. A truly higher cost item can also be served less frequently or in smaller portions, e.g., beef.]

Market Your Local Products – Reward Your Extra Efforts with Customer Recognition of Local Products

Purchasing local products takes some extra effort, so don't let that effort go unrecognized. There are many ways to feature the Farm to School aspects of your foodservice program as a means of marketing your overall program. Consider the following:

- Point of service menu item labeling. Parents, staff and community members may value your efforts to buy locally so be sure to utilize it as a marketing tool.
- Identify local items on the weekly menu that goes in the school newsletter or, on the school Web site, or in the local newspaper.
- Create a Farm to School Bulletin Board in your cafeteria. Each month feature a different local farmer who is providing food to your program.
- Do some "taste-test" events with new local products.
- Work in collaboration with teachers and school administrators to set up field trips to farms that are providing products to your program. Remember to call on those teachers and individuals who are already engaged in these activities such as the

school's agriculture teacher or the Future Farmers of America club advisor and student members.

Reference: Information in this section has been adapted from "Local Food Connections: Foodservice Considerations", Iowa State University Extension. May 2008.

Understanding the Regulations that Guide Purchasing Local Food

First thing, engage in conversation with your local (county) health inspector/sanitarian. They can help you understand the regulatory requirements for purchasing farm fresh food and can help you put in place a good system of documentation and traceability for all products purchased from local producers.

If we consider the different categories of food purchased in school food service operations, the basic guidelines for purchasing from local sources are:

Produce (Fruit and Vegetables)

No formal inspections or regulatory oversight are required of fresh, whole uncut, raw produce. Processed items (including minimally processed such as sliced, chopped or peeled) must follow food safety and licensure requirements established by the Montana Department of Public Health and Human Services and the local Board of Health. Sanitarians do **not** establish requirements, they only enforce them]. The basic question to ask if you are purchasing any processed products is, "Are you a licensed food manufacturer?"

The "Local Produce Procurement Checklist" on pages 10-11 of this document serves to guide your procurement conversations with local farmers and provides a formal mechanism for tracking your local purchases. It is recommended that you complete this checklist for each farmer from whom you purchase produce and keep a copy of this checklist within your records as part of your food safety plan documentation.

Note: Some farmers may be GAP Certified. GAP stands for Good Agricultural Practices and it is a certification program that many farms that sell to larger food distributors participate in. GAP Certification is not a requirement for farms to sell their products to schools. However, if a farm you are purchasing product from is GAP Certified, you probably do not need to go to the additional effort to fill out your own food safety checklist. Many small farmers may not be GAP Certified—audits are expensive and there is no federal or state GAP mandate for small farmers—but they may have an on-farm food safety plan that specifies the Good Agricultural Practices they use. You might ask your farmer vendors if they have implemented a GAP plan, and if so for a copy of it. If they don't have a written plan, you may request they develop one, but give them several weeks to complete it.

Meat

Red meat animals raised in Montana and offered for sale within Montana must be slaughtered and processed in either an official state Department of Livestock-inspected or a USDA-inspected facility. If that meat is bought or sold across state lines, it must be processed in a federal USDA- inspected facility. Animals slaughtered and processed in a “custom-exempt” plant may not be sold; that meat is for consumption by the owner(s) of the animal. See page 12 of this document “Guidelines for Serving Local Meat in School Food Service Programs” for additional information.

Poultry

Poultry raised in Montana and offered for sale within the state must be slaughtered and processed in a state Department of Livestock-inspected plant, a USDA-inspected plant, or by a grower licensed by the state under USDA’s federal 20,000-bird poultry grower exemption. Poultry processed in a state-inspected plant or under the federal poultry exemption may be sold into any in-state market, but as with red meat, only that processed in a USDA-inspected plant may be sold or bought across state lines.

Dairy Products

Dairy products used in school food service programs must be pasteurized.

Eggs

Grade B or better eggs are required to be used in food service establishments, including school food service programs. Fresh shell eggs (Grade B or better) may be purchased from local farmers if the farmer holds an egg-grader license from the Montana Department of Livestock.

Reference: Montana Food Code:



Local Produce Procurement Checklist

*The following is a list of questions for you to ask of your farmer/vendor when purchasing farm fresh produce.
Keep these forms in a three-ring binder as part of your farm to school record-keeping.*

Name of Producer/Farm: _____
 Address: _____ City: _____ Zip _____
 Telephone: _____ E-mail: _____
 Products to be purchased: _____

Production and Handling Practices	Yes	No	N/A
What is irrigation source? <input type="checkbox"/> Well <input type="checkbox"/> Stream <input type="checkbox"/> District canal <input type="checkbox"/> Pond <input type="checkbox"/> Municipal <input type="checkbox"/> Other			
If well water is used, is well protected from contamination?			
Is manure applied at least 120 days prior to harvest? If compost produced according to USDA standards is used, is it applied at least 90 days prior to harvest? [These are the USDA NOP rules, which have been recently adopted in the new GAP standards. Compost that wasn't made according to these standards is considered "manure."]			
Is land use history available to determine risk of product contamination?			
Is the field protected from potential run-off from animal confinement or grazing areas?			
If portable toilets are used for workers, are they situated in a way that prevents field contamination from waste-water?			
Is dirt, mud, or other debris removed from the product before packing?			
Is rinse (potable) water source tested at least once a year and results kept on file?			
Are food product contact surfaces washed, rinsed and sanitized before using?			
Are harvesting baskets, totes, or other containers kept covered and cleaned (with potable water) and sanitized before using?			
Is storage facility well maintained and clean, with designated areas for food products and non-food items?			
Is transport vehicle well maintained and clean, with designated areas for food products and non-food items?			
Are products kept cool during storage and transport? If ice is used is it from a potable water source?			
Are workers trained in safe food handling practices?			

Are workers instructed not to work if they exhibit signs of infection (e.g., fever, diarrhea, etc.)?			
Ordering Procedures			
How far in advance will producer inform you of product availability?			
How should orders be placed? (phone, fax, or e-mail)			
What are procedures if producer cannot fulfill requested order – (due to lack of volume or quality of product)?			
Has the price and unit of costing been negotiated?			
Delivery Procedures			
Timing of delivery			
Frequency of delivery			
Volume of delivery			
Product Specifications			
Desired quality or size?			
Other desired specifications?			
What substitutes are acceptable?			
What is inappropriate in terms of packaging and/or product condition?			
Payment Procedures			
Amount of lead time required by accounting office in order to add vendor?			
What is timing for payment of invoices?			

The following may be utilized as a receipt from the grower:

Date: _____
 Received by: _____
 Donated: _____ Purchased: _____ Purchase price: _____
 Description and amount of product purchased: _____

 Date harvested: _____
 Harvest location: _____ Lot # if available _____
 Name of grower: _____
 Address: _____
 Phone: _____ E-mail: _____

Reference: Iowa State University Extension, **Checklist for Retail Purchasing of Local Produce**
<http://www.extension.iastate.edu/Publications/PM2046A.pdf>

Guidelines for Procuring Local Meat and Poultry in School Food Service Programs

Poultry and livestock producers who wish to sell their products to consumers, grocery stores, restaurants, schools and other markets, must meet certain requirements relating to food safety prior to sale. **Livestock must be slaughtered and processed in an official establishment* that is licensed and inspected by the Montana Department of Livestock (for in-state markets only)(or the U.S. Department of Agriculture (any markets)). The same is true for poultry, except that:**

- Poultry slaughtered and processed under the federal 20,000-bird poultry grower exemption may be purchased by schools and other outlets within the state only. (Note: These birds are slaughtered and processed in inspected facilities by the Montana Dept. of Livestock).
- No poultry or meat processed in a state “custom exempt” plant may be purchased by any buyer. In this case the poultry/meat is designated for use by the owner(s) of the live animal and is clearly labeled “Not for Sale”.

Labeling of poultry and meat products:

All products offered for sale that are processed by an “official” state or federally inspected meat or poultry facility, including mobile units, or by a state-licensed poultry-exempt grower must bear an approved label. This label must have:

1. True name of the product.
2. Product ingredients, if applicable.
3. Name and address of the processor or distributor.
4. Net weight of the product.
5. The inspection legend (except exempt poultry products).
6. One of the following statements or a similar perishable warning statement: "Keep Refrigerated," "Perishable," "Keep Under Refrigeration," or "Keep Frozen" if the product is perishable.
7. Safe Handling Labels for raw meat and poultry products.

**In Montana, the term “official establishment” includes a mobile slaughter unit.*

Appendix A: Applying Geographic Preference in the Bidding Process

In February 2011, the USDA released a memo (SP_18-2011) to help provide guidance to School Food Authorities in how to apply geographic preference in the bidding process to the purchase of unprocessed locally grown or locally raised agricultural products. To view the memo, go to: http://www.fns.usda.gov/cnd/Governance/Policy-Memos/2011/SP18-2011_os.pdf.

The following information is an adaptation of the USDA memo, developed by the National Farm to School Network (www.farmtoschool.org). It provides the highlights of the memo.

HOW TO APPLY A GEOGRAPHIC PREFERENCE [Under the USDA Memo]

What is the Definition of Local or the Defined Geographic Area?

It is the purview of the school district or the School Food Authority (SFA), or purchasing institution to

define what is “local.” USDA does not make this determination.

Which USDA Programs May Apply for a Geographic Preference?

The programs include: the National School Lunch Program, the School Breakfast Program, the Fresh Fruit & Vegetable Program, the Special Milk Program, the Child and Adult Care Food Program, and the Summer Food Service Program. Also included is the Department of Defense Fresh Program, noted in a previous memo, dated November 13, 2009, SP 08-2010 CACFP 05-2010 SFSP 06-2010 and available here: www.fns.usda.gov/.../Memos/.../SP_08_CACFP_05_SFSP_06-2010_os.pdf

Is there a requirement to purchase local products?

No, a SFA cannot include language such as “we will only accept locally grown products.” This would be considered a requirement and not a preference. Applying geographic preference is optional.

If the bidder or supplier is incorporated outside of the state, but doing business in the state, can they be included in a geographic preference option?

Yes. A grower [are other types of vendors allowed?] may be producing within state boundaries, but their business may be incorporated outside of state boundaries or in another state. As long as the agricultural products are grown or raised within the specified location, applying a geographic preference is an option.

How can a SFA use a geographic preference option when issuing an Invitation for Bid (IFB)?

With an IFB, the contract is generally given to the bidder who meets the specifications and has the lowest price. As part of an IFB, the SFA could write specifications that include, for example, picked within one day of delivery, harvested within a certain time period, or traveled less than XX miles or hours. Although the IFB process doesn’t generally utilize the point system, the essence of the point system could be incorporated into the price equation. For example, if a bidder meets the geographic preference, they may have 10 cents (instead of points) deducted from their price. (Refer to the USDA memo cited in the first paragraph, then see **Question 5** for a specific example.)

Can a geographic preference be given in terms of a price percentage?

Yes, a geographic preference may be used in terms of points or percentages. For example, a product qualifying for a geographic preference could be 10% higher in price than the lowest bid. **Is there a limit on the price percentage or points allocated in this manner?** No, there is no limit, but the SFA cannot unnecessarily restrict free and open competition.

Can a SFA split up large purchases into smaller amounts and thereby fall under the small purchase threshold?

No. However, there may be situations where particular items may be separated from overall food purchases. For example, produce, or specific produce items, may have a limited shelf life when compared with other products. Bread and milk are typically set aside from large overall food purchases because of their shorter shelf life and durability. Fresh produce may fall into this category as well, and be separated from other items being purchased.

Can a SFA utilize the small purchase threshold when purchasing directly from the farmer?

Yes. The federal small purchase threshold is \$100,000, which means purchases under this amount are not required to go through the formal bid process. This threshold may be lower, as states and schools/school districts can set this amount. When purchasing under the small purchase threshold, it is recommended that three quotes be recorded from eligible sources. The quality, number or volume, and

type of product should be put in writing before contacting potential growers. If possible, at least three bids should be obtained. If it is difficult to find three sources with the desired product, it is essential to document this situation. Documentation should be thorough whenever this purchasing option is used.

Can a state mandate, or require SFAs to apply a geographic preference?

No. However, a state can require that SFAs exercise a geographic preference when feasible. Feasibility may take into account a variety of factors such as price, quality, and seasonal availability.

What agricultural products qualify for the use of a geographic preference?

To qualify for this option, agricultural products must maintain their inherent character. Specifically, this includes: ground beef and other ground products that do not contain additives or preservatives; frozen vegetables, including a combination of local products, such as carrots, broccoli and cauliflower; and portion sized or single-serving bags, such as apples or carrots. Canned products do not maintain their inherent character and therefore are not included in the geographic preference option.

Montana Law Also Allows for Geographic Preference

Montana law allows public institutions the option to prioritize “local” over “lowest bid” by taking advantage of an optional exemption from the Montana Procurement Act in the purchasing of Montana-produced food. This optional exemption, enacted in 2007, gives public institutions more flexibility to buy Montana-produced food, unless the purchases are made using federal dollars. The law requires that food purchasers stay within their current budgets. What this means is that an institution may pay more for Montana-produced food items as long as the extra cost can be made up on other less expensive items or substitutions. “Montana-produced” is defined broadly in the law to mean products that were “planted, cultivated, grown, harvested, raised, collected, or manufactured” in Montana.

Additional Resources on Farm to School and Purchasing Local Food

Montana Office of Public Instruction – School Nutrition Programs: Farm to School
http://opi.mt.gov/programs/schoolprograms/school_nutrition/#gpm1_3

National Farm to School Network www.farmtoschool.org

US Department of Agriculture: Farm to School <http://www.fns.usda.gov/cnd/f2s/>

Montana Department of Agriculture: <http://agr.mt.gov/agr/Producer/>

Washington State Department of Agriculture – Farm to School Toolkit
<http://www.wafarmtoschool.org/>

Michigan Local Foods Procurement Guide – Michigan
http://www.mifarmtoschool.msu.edu/assets/farmToSchool/docs/MIFTS_Purchasing_Guide.pdf

Montana Harvest Calendar



- Potatoes, Carrots, Apples
- Jerusalem Artichoke
- Shallots, Onions, Garlic
- Winter Squash

January – March



- Asparagus
- Lettuce Salad Mix
- Potatoes
- Baby Spinach

April - May



- Cherries
- Huckleberries
- Melon
- Peaches
- Pears
- Plums
- Raspberries
- Strawberries
- Beans
- Beets
- Broccoli
- Cabbage
- Carrots
- Cauliflower
- Chard

June - August



Available All Year:

Dairy & Eggs

Meats

Dry Legumes and Grains

- Collard Greens
- Sweet Corn
- Cucumber
- Eggplant
- Flowers
- Garlic
- Salad Greens
- Green Onion
- Peas
- Peppers
- Radish
- Spinach
- Squash
- Tomatoes



- Apples
- Huckleberries
- Pears
- Peaches
- Beets
- Broccoli
- Cabbage
- Carrots
- Cauliflower
- Celeriac
- Chard
- Collard Greens
- Corn
- Eggplant

- Garlic
- Jerusalem Artichoke
- Onions
- Parsnips
- Peppers
- Potatoes
- Pumpkins
- Rutabaga
- Shallots
- Spinach
- Squash
- Tomatoes
- Turnips

September - December