

Legislative Analysis



FARM-TO-SCHOOL PROCUREMENT ACT

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 6368

Sponsor: Rep. Jeff Mayes

Committee: Agriculture

Complete to 9-9-08

A SUMMARY OF HOUSE BILL 6368 AS INTRODUCED 8-13-08

The bill would create the "Farm-to-School Procurement Act" to promote the purchase of local farm products by school food programs. The act would be implemented by the Departments of Education and Agriculture under a memorandum of understanding, and the departments could accept funds from any federal, state, or private source for this purpose.

Department of Education's duties. The Department of Education would have to do the following:

- Research procurement methods and tools (such as staying under the small purchase threshold or using multiple or line-item awards within larger food contracts) that school food authorities could use to purchase local farm products while abiding by federal regulations.
- Educate food service directors about appropriate procurement methods and promote using such methods to implement farm-to-school initiatives.
- Train food service staff on how to acquire local and fresh foods.
- Encourage school food directors to take bids from local farmers, processors, and suppliers for farm product purchases falling under the small purchase threshold.
- Encourage all new school construction projects to consider including kitchen facilities for producing fresh and healthy school meals and providing opportunities for hands-on learning.

Department of Agriculture's duties. The Department of Agriculture would have to do the following:

- "House a point person" to coordinate efforts among the Departments of Education, Agriculture, and Community Health. This coordinator would be responsible for (1) identifying local farmers, processors, and suppliers; (2) working with the Department of Education to make that information available to school food service directors; and (3) creating and disseminating information to farmers, processors, and suppliers about the school procurement process.
- Promote job creation through farm-to-school initiatives.
- In cooperation with commodity groups and growers' associations, adopt a voluntary web-based directory of farmers searchable by location (or use an existing web-based tool), and keep the directory updated and usable.

- Investigate opportunities for farmers to supply their products to commercial distributors.

BACKGROUND INFORMATION:

For more information about food-to-school programs, including a section on applicable procurement rules, see *"Eat Smart-Farm Fresh! A Guide to Buying and Serving Locally-Grown Produce in School Meals,"* Working Draft, December 2005, published by the USDA, Food and Nutrition Service, available online at:
http://www.fns.usda.gov/cnd/Guidance/Farm-to-School-Guidance_12-19-2005.pdf.

The federal small purchase threshold for school food authorities is currently \$100,000; that is, purchase orders costing \$100,000 or more must be awarded after formal competitive bidding. Michigan's small purchase threshold is much lower (currently, \$19,650 after adjustments for inflation). Related bills, House Bills 6355 and 6356, propose raising Michigan's small purchase threshold to the federal level of \$100,000 for food purchases by school food authorities.

According to the National Farm to School Program website, the U.S. Secretary of Agriculture has been required since 2002 to encourage schools to purchase from local farmers. However, until recently, schools could purchase from local producers, but were not allowed to specify a "local," or a geographic preference, in their bid. For example, the bid language could not specify "apples grown in Michigan." However, language in the 2008 Farm Bill, effective October 1, 2008, now allows schools to specify preference for the procurement of unprocessed agricultural products, both locally grown and locally raised. The 2008 Farm Bill also requires the Secretary to encourage schools to purchase unprocessed agricultural products "to the maximum extent practicable and appropriate." The Farm Bill language also allows states to pass legislation encouraging, but not mandating, the purchase of local products. For more information, see:

National Farm to School Program Fact Sheet, *"Bid Local--Local Farm Products Allowed in School Bids"*: http://www.farmtoschool.org/files/publications_179.pdf.

USDA Memorandum, July 9, 2008, entitled, *"Applying Geographic Preferences in Procurements for the Child Nutrition Program."*
http://www.farmtoschool.org/files/publications_178.pdf.

FISCAL IMPACT:

A fiscal analysis is in process.

Legislative Analyst: Shannan Kane
Fiscal Analyst: William E. Hamilton

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.