

WENDY WEIDEN



SUSTAINABLE FOOD PRODUCTS



STRATEGIES



SYSTEMS

The (surprisingly strong!) economic case
for local procurement in school meals

04.17.14

Imagine A Word Filled With This:



Rather Than This:



And With These:



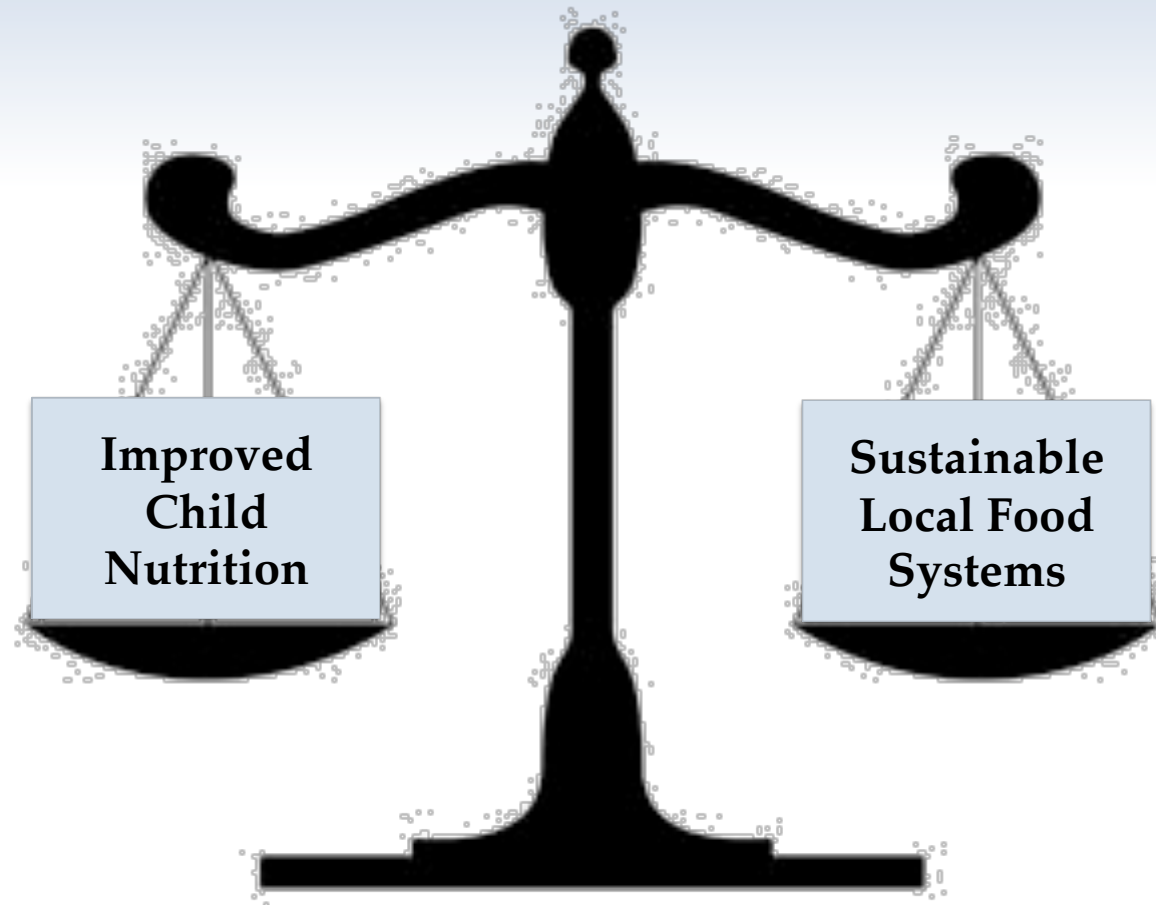
Rather Than These:



How Do We Get From...



Dual Benefits of Local Procurement:



Leveraging Successful Precedents

Riverside USD

- **~\$1MM** in produce from **8 local farmers** in **3 years**
- Revenue **↑ 70%**

Oakland USD

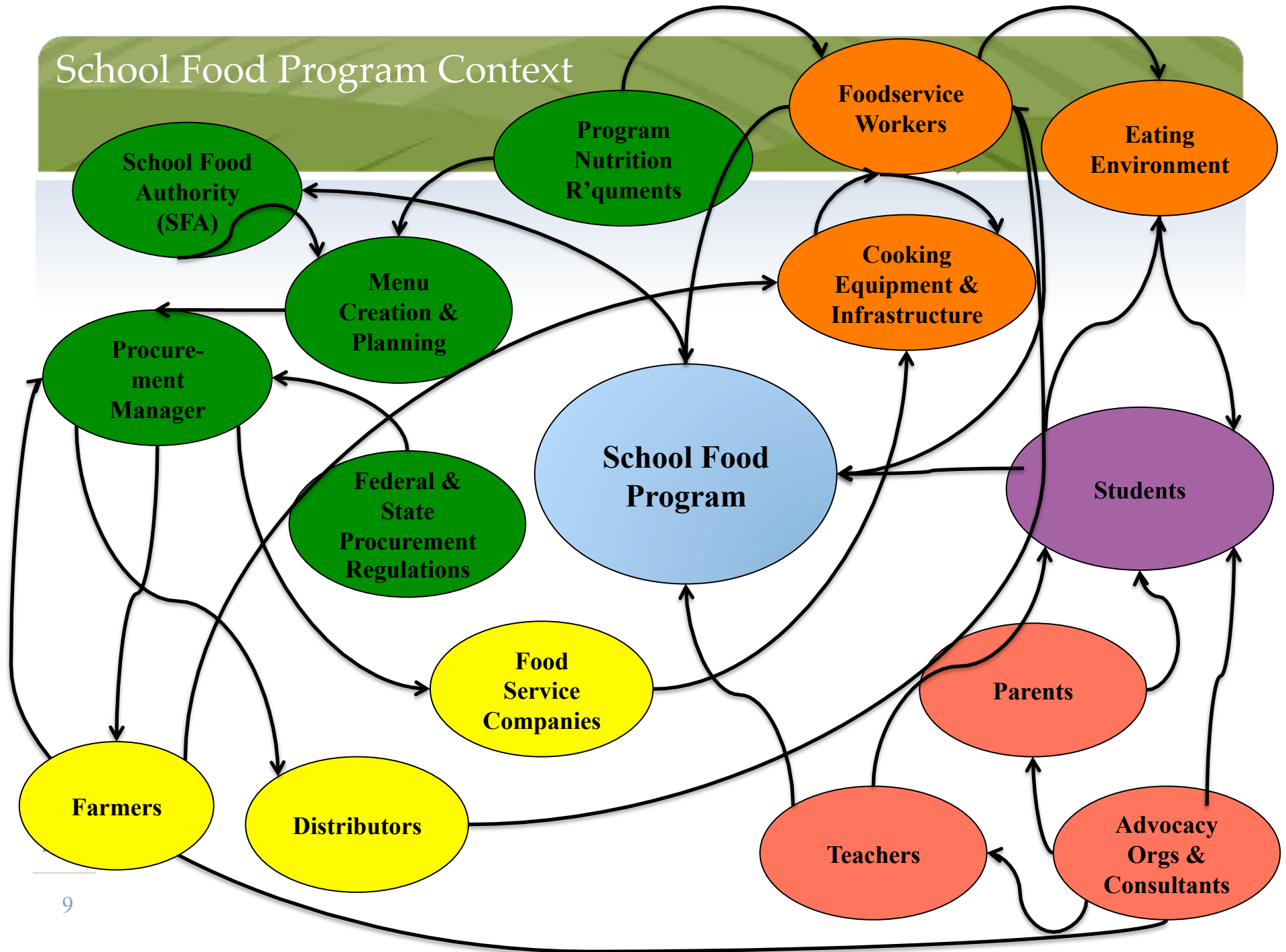
- **37% local produce** (SY2013) totaling **\$621K**
- **\$47M** local bond funding central kitchen construction

Davis JUSD

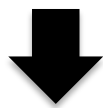
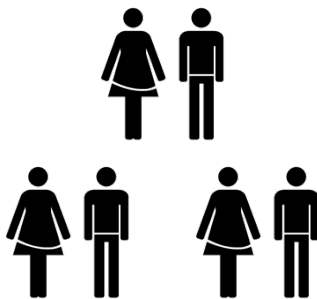
- **>52% local produce** in SY2012, (23% **↑** over SY2011)
- Funded by local parcel tax (twice!)



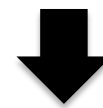
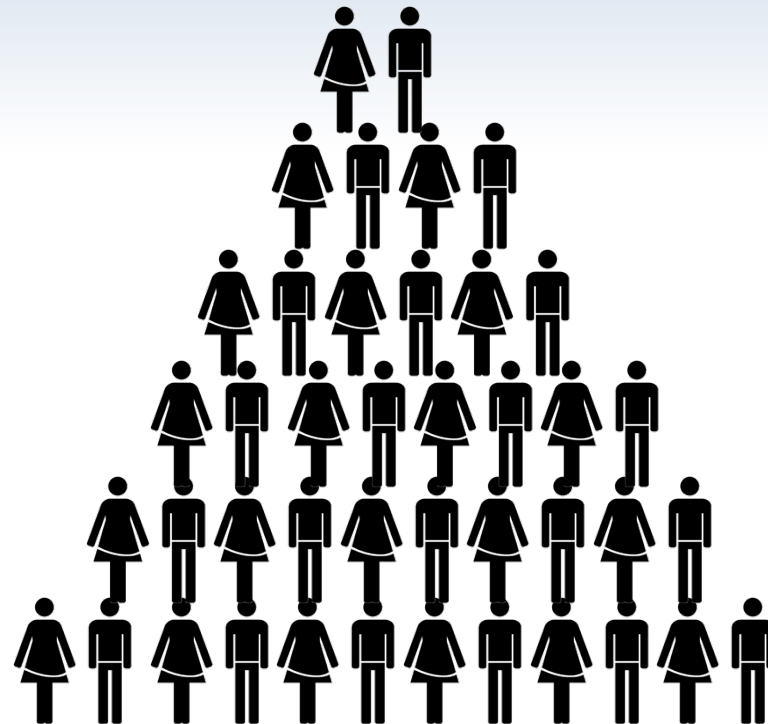
School Food Program Context



Participation Determines Dollars



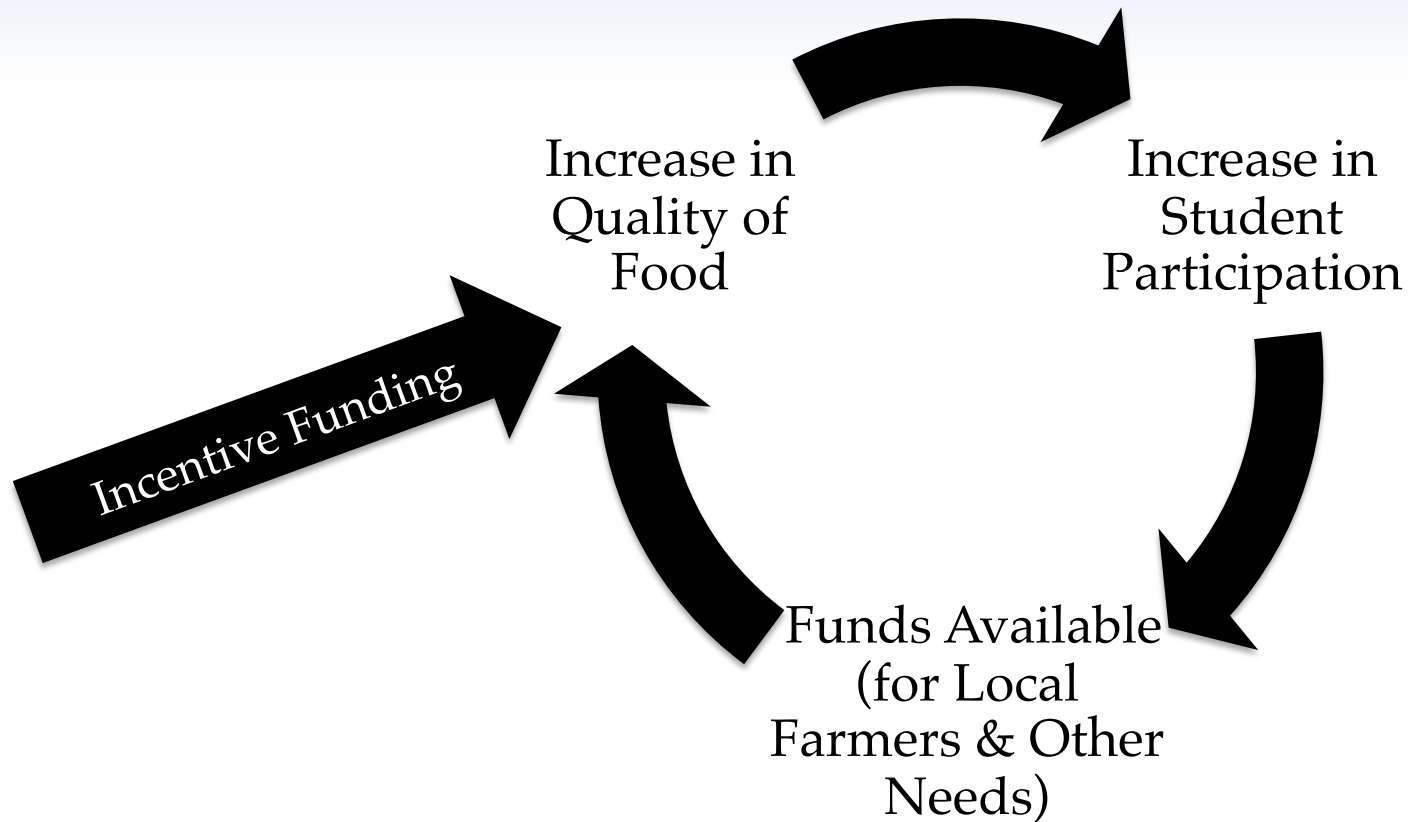
\$



\$



Incentive Funding: A Lever of Change



Incentive Funding: A Lever of Change

Davis JUSD

- **\$70K/year for local food** in school, voted in via parcel tax (first passed in 2007)
- Uses:
 - Procurement
 - Staff training
 - Equipment
 - PR & Marketing
 - Consulting services to aid w/ above



\$63K to local farmers in 1st two years

CA Fresh Start Pilot

- **\$.10/meal** for addtl. produce
- Uses:
 - Only allowable use for purchase of produce
 - Not enough to cover additional costs such as:
 - Labor & training costs
 - Equipment needs
 - Marketing/communication materials



\$4M to CA farmers



It's **still** the economy



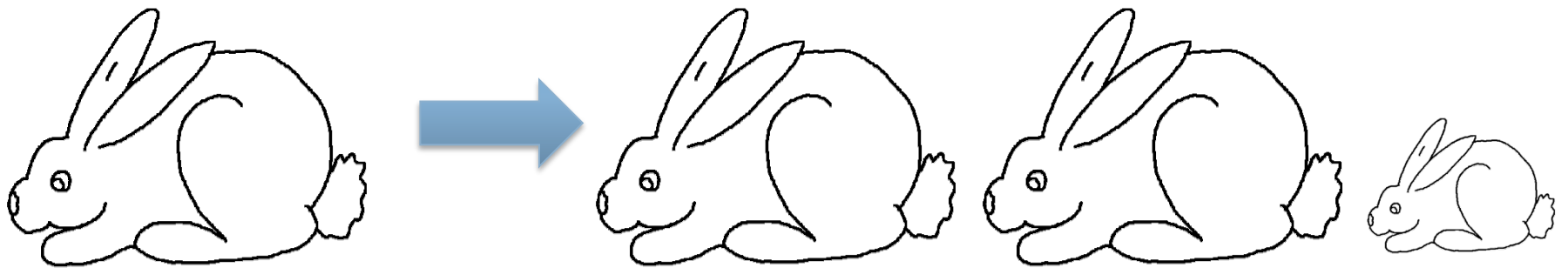
What is an Economic Multiplier?

- A “ripple effect” caused by injection of funds into a given economic sector
 - Each dollar earned within the agricultural sector fuels additional economic activity
 - For example:
 1. I spend \$1 on CA-grown strawberries →
 2. The grower uses \$\$ to buy seeds and equipment →
 3. The retailer uses \$\$ to buy inventory, pay workers →
 4. The worker uses \$\$ to buy food, gas, clothing →
 5. Etc. etc....



California's Agriculture Multiplier

Current estimate of California's value-added agriculture multiplier: **2.27**

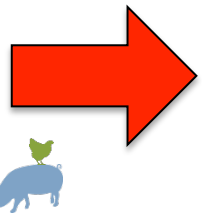


What Could the Multiplier Mean for CA?

California School Nutrition Funding, 2013-14		Value Added Multipliers for Local Food Investment (i.e., total additional value for CA economy based on school food funding input)		
		California (Measure of California Agriculture)	Average of 6-State Midwestern Region (Swenson, 2010)	Oregon (Henderson, 2011)
Recommended funding based on CA Fresh Start Pilot ³	\$ 33,198,866	\$ 75,361,425	\$ 55,774,094	\$ 104,908,415
Equivalent revenue needed to fund the same increase in produce in lunches ⁴	\$ 79,660,698	\$ 180,829,785	\$ 133,829,973	\$ 251,727,806
Total if funding supplied for breakfast and lunch	\$ 112,859,564	\$ 256,191,210	\$ 189,604,067	\$ 356,636,221

³ As the Fresh Start Pilot was for breakfast only, this amount is understated if the policy were to be applied to all meals and snacks. Number has also been adjusted based on the increase in breakfasts served between 2005-06 and 2011-12.

⁴ Calculated based on the ratio of lunches to breakfasts served in 2010-11 (2.53) (CDE, 2012).



Result: \$75M - \$356M in additional revenue in the economy

The Policy Recommendation

- **A \$.15-\$.20 per-meal subsidy** granted to school districts procuring state-grown-grown produce
- **Flexibility** in spending
- Allocated based on **need and interest**
- **Time-limited** policy



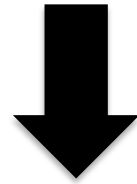
Roadmap to a New Policy

Keys to Successful Passage and Implementation

- 🔑 Meet, Greet, (Eat)
- 🔑 Careful Policy Design
- 🔑 Propose and Develop a Pilot
- 🔑 Secure new policy with sustainable funding source



A Policy We Can All Get Behind



More Vibrant
State Economy

