

Transitioning from the Local Food for Schools (LFS) Program

Wisconsin received \$3.4 million from the USDA Agricultural Marketing Service (AMS) for the Local Food for Schools (LFS) Program, which supported the purchase of local, [unprocessed or minimally processed foods](#) (reference Q4.1 in the hyperlink). These funds were issued as sub-awards to schools and small businesses with the goal of building a more resilient local food supply chain. The LFS Program was immensely successful in getting more local product into school meals, benefiting students and local producers. However, now that LFS funds are depleted, how can we keep the momentum building for use of local products in school meals?

Key Point #1: Know what funds are available for local food purchases.

Schools that participate in the National School Lunch Program (NSLP) and/or School Breakfast Program (SBP) are eligible for several sources of funding from the USDA. Some School Nutrition Directors directly manage their food service account while others work through their Business Manager to determine the funds available. USDA funding sources may include:

- **Reimbursement from meals served:** Schools that participate in the NSLP and/or SBP submit a monthly claim for reimbursement to the Department of Public Instruction (DPI). This claim includes the total number of lunch and breakfast meals served over the course of the month. Meals are reimbursed at a paid, reduced, and free rate which is determined by each student's household income. Schools are reimbursed at a higher amount for meals served to children who are eligible for free or reduced-price meals than children who do not qualify for free or reduced-price meals. Reimbursement is the main source of revenue for the non-profit food service account (Fund 50 in public schools). Schools also create revenue from student meal payments, from those students who qualify for paid or reduced-price meals and a la carte sales.

Funds in the non-profit food service account (Fund 50) may be used to make local purchases. However, each school's Fund 50 balance is different depending on the number of meals they serve, a la carte sales, and overall program expenses.

- **USDA Foods Entitlement dollars (formally commodities):** The USDA purchases food to support the American agricultural market and to remove surplus. These food products are called USDA Foods. USDA Foods are offered to recipients of different government supported programs, such as the schools that participate in the NSLP. Each school that participates in the USDA Foods Program receives an "entitlement" amount which is calculated based on the school's prior year total reimbursable meals served. This entitlement is like a USDA gift card that can only be used on USDA Foods. **Therefore, USDA Foods entitlement cannot be transferred to other vendors for local foods.**
- **Department of Defense (DoD) funds:** USDA and the Department of Defense (DoD) have partnered to increase availability of fresh produce to schools participating in the USDA Foods Program through the NSLP. Schools with access to DoD funds have voluntarily

allocated a portion of their yearly USDA entitlement. Ordering and distribution of allocated entitlement dollars are coordinated through the DoD Fresh Fruit and Vegetable Ordering System (FFAVORS).

Schools do not receive invoices for purchases made in FFAVORS because these invoices are paid by the USDA. Because USDA pays these invoices, only certain approved distributors can receive DoD funds. The only produce company that is currently a DoD-contracted vendor in Wisconsin is AJ Wholesale Produce in Sheboygan. DoD produce must be domestic (grown in the US) but there is no requirement that this product must be local. **DoD funds can only be used in the FFAVORS ordering system. These funds cannot be transferred to other vendors for the purchase of local products.**

- **Fresh Fruit and Vegetable Program (FFVP) funds:** The Fresh Fruit and Vegetable Program (FFVP) is a grant program that provides fresh fruit and vegetable *snacks* to children free of charge. Elementary schools with a free and reduced-priced eligibility of 50% or more, or Community Eligibility Provision (CEP) equivalent, may apply for this grant opportunity each year. Schools must apply and be awarded the grant to utilize these funds. Applications for the program open in March for funds for the following school year.

As the name suggested, schools may only purchase fresh fruit and vegetables in their natural state – not canned, dried, or frozen. These items may *not* be used as part of the reimbursable breakfast or lunch meal. Service can be anytime during the school day, besides breakfast or lunch. **Schools who are awarded FFVP funds may use these funds to purchase fresh, local produce from local grocery stores, farmers' markets, aggregators, or directly from local growers.**

- **USDA Supply Chain Assistance (SCA) funds:** USDA SCA funds were provided to schools to help alleviate supply chain challenges and food price increases post-pandemic. SCA funds can only be used to purchase unprocessed or minimally processed, domestic (USA grown and produced) food products served in the NSLP, SBP, and Afterschool Snack (ASP) Programs. USDA suggests that these funds are used as quickly as practicable but there is not a formal deadline for use.

All schools participating in NSLP were eligible for SCA Funds and *most* elected to receive them. Schools received a base payment of \$5,000, and an additional proportional funding amount based on their share of statewide student enrollment. Schools were issued four rounds of SCA funds, beginning in November 2022 with the last round issued in December 2023. **If schools have SCA funds left, these may be used to purchase unprocessed or minimally processed local foods.**

Key Point #2: Understand the procurement regulations.

Schools may deviate from their broadline or prime vendor contract to make local purchases. Most schools utilize *informal procurement* to make local purchases. Before deciding which procurement method to use, schools must *estimate the value of the purchase and have specifications defined*.

- Micro-purchase (non-competitive): Most local purchases fall under the micro-purchase procurement method. Micro-purchase is defined as the purchase of products or services **up to \$10,000 per transaction**. Schools may establish a higher threshold (up to \$50,000) with a self-certification process and approval from the DPI. Micro-purchases can be made without obtaining competitive price quotes if the price is “reasonable”. To determine if a price is “reasonable,” 1) *research* by surveying qualified suppliers in the area; 2) use *experience* and personal knowledge of the item(s) being purchased; 3) and review *purchase history* by comparing previous purchases of similar item(s). To reduce administrative burden, this information does *not* need to be formally documented for DPI review.

Key Point #3: Know where to find reliable local products.

Schools can connect with local producers, ranchers, and farmers through a few different channels. Consider using the [Wisconsin Local Foods Database](#) as a place to begin searching for producers, ranchers, and farmers in your area. Connections can be made by calling, emailing, meeting in person, or if necessary, sending out a written solicitation.

- Food hub, coops, or local aggregators: Food hubs, coops, or local aggregators buy from multiple local farmers and producers to allow institutions, like schools to source a larger quantity of local product. In addition, schools can feel reassured that products meet food safety standards as producers are vetted by the local aggregator. Local aggregators can often provide refrigerated delivery of product, making buying from them advantageous. Wisconsin has a strong network of local aggregators that sell to schools through the LFS program including Chippewa Valley Produce, Seasonal Harvest, and the Wisconsin Food Hub Cooperative.
- Prime vendor, commercial/broadline distributors: Some large vendors/distributors are starting to offer local products, just ask the rep! As with food hubs/local aggregators, quantity, delivery, and food safety requirements are usually not an issue when purchasing local from this source.
- Direct from a farmer, local processor, or farmer’s market: Schools may establish their required food safety requirements when purchasing directly from the source. [Good Agricultural Practices \(GAP\) certification](#) is not required by the DPI, but schools may require at their discretion. Schools may wish to visit the local farmer or local processor to gauge the quality of product and cleanliness of the farm or facility.
- School garden: Schools should follow their Standard Operating Procedure (SOP) for receiving produce from a school garden or hydroponic grow towers. Schools should instruct harvesters to wash hands and tools before harvesting and deliver produce to the kitchen promptly after harvesting (and when food service staff) is present.

Key Point #4: Educate your customers about the value of buying local.

Buying local, especially when a product is in-season may be more cost effective than buying from a large distributor. However, in some cases a local product may cost more than conventionally

grown and distributed items. Work to grow support for local products through promotion to customers (students and staff), school families, and the community. Educate your stakeholders about the pros of buying local (fresher product with less nutrient loss, lessens the carbon footprint, stimulates the local economy) to help with community support and buy-in for your program. Ideas for promotion include:

- Utilize social media to highlight local offerings and incorporate photos of these foods whenever possible. The [Sample Social Media Post Resource](#) includes template social media posts to copy and paste to make this task less time-consuming.
- Incorporate signage, window clings, magnets, etc. to promote use of local foods in the cafeteria. Order FREE, promotional materials with the Wisconsin F2S logo using the [Promotional Items Order Form!](#)
- Ask to speak at board meetings, PTO/PTA events, etc. to get the word out about the importance and value of local foods.

Key Point #5: Know where to find help.

If you need help navigating available funds, procurement requirements, food safety questions, and more please contact DPIF2S@dpi.wi.gov. Let's work together to keep growing support for incorporation of local, fresh, nutritious foods in school meals!