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Appendix 1

University of Hawai‘i System Report:
Report on the Feasibility of Establishing a Farm to School Program in Hawai‘i’s Public Schools

UNIVERSITY OF HAWAI'I SYSTEM REPORT



REPORT TO THE 2010 LEGISLATURE

Report on the Feasibility of Establishing a Farm
to School Program in Hawaii's Public Schools

SCR 121 S.D.1 H.D.1 (2009)

December 2009

A Report to the Twenty-Sixth Legislature
In Response to SCR121 SD1 HD1, SLH 2009

Senate Concurrent Resolution No. 121 S.D. 1, H.D. 1, Session Laws of Hawai‘i 2009, requests the University of Hawai‘i College of Tropical Agriculture and Human Resources, in cooperation with the Department of Agriculture, Department of Education, and the Hawai‘i Farm Bureau Federation, to convene a working group of stakeholders to consider the feasibility of establishing a farm-to-school program in Hawai‘i’s public schools.

Contributors to this Report:

College of Tropical Agriculture and Human Resources, University of Hawai‘i at Mānoa
State Department of Agriculture
State Department of Education
State Department of Health
Hawai‘i Farm Bureau Federation
Kokua Hawai‘i Foundation
‘Aina in the Schools
Hawai‘i Farmer’s Union
Malama Kauai
Hawai‘i Ecotourism
MA’O Organic Farm
Punahou School
Slow Food O’ahu
Slow Food Maui
Center for Health Research, Hawai‘i
Punahou School
Hawai‘i Nutrition and Physical Activity Coalition, University of Hawai‘i at Mānoa
Kapiolani Community College Culinary Arts Program
Interested Stakeholders

Editorial Responsibility: Douglas L. Vincent, Department of Human Nutrition, Food and Animal Sciences, CTAHR, (808) 956-8393, vincent@hawaii.edu

Introduction and Background

This report is divided into three sections – the current status of farm-to-school programs in Hawai‘i; the feasibility of farm-to-school programs; and concluding remarks and opportunities for change. Appended to the report are the stakeholder inputs on the feasibility of farm-to-school programs in Hawai‘i (Appendix I) and a listing of existing state-wide farm-to-school programs nationally (Appendix II).

We live in a society where our food system provides us with a vast variety of inexpensive food that too often undermines the health of our own bodies, the communities in which we live, and the natural environment on which we depend. Nowhere else is this more

deeply manifested than in the lives of our children. According to the National Survey of Children's Health for Hawai'i Hawai'i¹, 17.3% and 11.2% of school age children are overweight and obese, respectively. Nationally, only 2% of school-aged children meet the Food Guide Pyramid serving recommendations of all five major food groups and 84% of school-aged children eat too much fat². Just over half (51%) eat less than one serving of fruit a day, and 29% eat less than one serving a day of vegetables that are not fried. One in five students aged 15-18 years skips breakfast. One in every 3 children born in the year 2000 will develop diabetes.

According to the 2003 Food Security Task Report³ over 19% of Hawai'i residents live in food insecure households, and most of those households contain school-aged children.

Food insecurity also contributes to obesity rates. Perhaps, most critically, many children have limited exposure to the wide range of healthy, local foods that are available and frequently have no idea where food comes from or how it is prepared. As a result, they are susceptible to the ubiquitous marketing and easy availability of "junk" food that surround them. In both the classroom and the cafeteria, schools have too often reproduced and reinforced rather than challenged this food environment. School meals are an important way to turn around our nation's burgeoning obesity epidemic.

Hawai'i's farmers face numerous challenges to make a living off the land. The farmer's share of every food dollar has dropped below 19 cents; in Hawai'i it is even less. Farmers struggle to break even, much less make a profit. Although the 2007 Census of Agriculture for Hawai'i indicates that there are more farms than in 2002, the land in agriculture and average farm size has decreased.⁴ More troubling is the average age of farmers in Hawai'i of 58.6 years, higher than the national average of 57 years.

Farm-to-school programs offer solutions that can help alter the course of both of these trends. School meals form a potentially lucrative market, estimated at more than \$10 billion annually nationally. The Hawai'i Department of Education manages the public school system for Hawai'i, the 10th largest school system in the United States, educating 177,871 students in 289 schools (regular, special and charter). The DOE School Food Services serves 24 million meals annually to 80% of all students. Breakfast is available for all students at 96% of the schools. Children from low-income families may qualify for free or reduced price breakfast and lunch. The addition of locally produced fruits and vegetables to school meals could not only help the local farm economy but also bring high quality, local produce to Hawai'i's school children.

Farm-to-school programs can ensure that our children eat the highest quality food that not only nourishes children's bodies immediately, but also knowledge that enhances their educational experience and cultivates long-term healthy habits. According to Center for Food & Justice, operational Farm-to-school programs exist in 43 states, in 2065 school districts. Farm-to-school encompasses many types of programs and school experiences such as planting and tending school gardens, educating children about nutrition, and of course, purchasing fresh, locally-grown farm products. They are a win-win for children, farmers, communities, educators, parents and the environment.

1) **Consider** *“the feasibility of establishing a farm-to-school program in Hawai‘i’s public schools statewide.”* While farm-to-school programs can encompass a variety of school experiences, such as planting and tending school gardens, educating children about nutrition, agriculture and the environment, it was believed that the intent of this legislation was to determine the feasibility of a farm-to-school programs that involve the Department of Education School Food Service Program purchase of locally produced fruits and vegetables under auspices of the National School Lunch Program (NSLP). Without a change of the purchasing practices of the Department of Education, and potentially, legislation, establishing a **state-wide farm-to-school** program that involves **state-wide procurement** of locally produced fruits and vegetables for the entire program **this effort is not feasible**. To be fair to the Department of Education School Food Services Program, the size of the entire system makes this difficult. The federal regulations regarding food subsidies related to free and reduced cost meals as part of the NSLP hamper change. However, with creativity and cooperation, improvements can be made. The U.S. Department of Agriculture Food and Nutrition Service, in its 2005 guide “Eat Smart – Farm Fresh! A guide to buying and serving locally grown produce in school meals⁵”

Potential Distribution Models for Farm-to-School

- **Food service staff buys direct from individual farmers** – Many school food service directors from around the country have initiated purchasing relationships with farmers, and buy directly from those farmers. There are many benefits to this procurement method, as food service staff can: request specific products in the form they need them; work out details and issues without a middle man; become familiar with what the farmer grows, and even request that farmers plant specific items for them. One additional advantage is that buying from individual farmers may exempt the purchase from bidding requirements as the total amount may be below the required bid minimum. The disadvantages of this procurement method become apparent if food service staff is buying from a number of farmers. Buying from individual farmers entails increased administration and paperwork. This can be quite overwhelming for a food service director who has been ordering all or most of their produce from one broker. There would be a transition from making one phone call to order product, to multiple calls, multiple invoices, and coordinating multiple deliveries. In addition, a broker is generally able to provide a greater variety of produce than farmers, who are selling only what, is in season and what they grow. **In Hawai‘i, unless individual schools or school complexes in a particular area are granted purchasing authority to purchase from local farmers in their particular area, then this is not a likely scenario.**
- **School food service works with a farmer cooperative** -- In this model, farmers in a formal cooperative, or informal network, pool their resources to develop a group distribution strategy. While some farmer coops are focused

solely on production, others are also involved in the marketing and distribution of farm products. Buying from a cooperative helps the school food service director reduce the time spent on the administrative tasks involved in ordering, receiving orders, invoicing and payment. In this way, ordering is done through one person representing multiple farmers and in some cases; one delivery is made for multiple farmers. Another advantage is that cooperatives, or informal networks, can generally offer a wider variety of produce and a more consistent supply than one individual farmer. Some farmer cooperatives have also been able to purchase cold storage facilities, a truck for delivery, and processing facilities to produce value-added products. This is a particularly helpful strategy as cafeteria staff greatly appreciates receiving a bag of broccoli florets instead of a whole head of broccoli. Many school district food services do not have the labor or equipment necessary to do this kind of minimal processing. **The biggest disadvantage of this model in Hawai'i is that the number of successful farmer cooperatives in the state is limited to few. Moreover, many of the local cooperatives either deal with high end, high value crops or gather or distribute crops for export. Cooperatives also market to high end customers such as restaurants as opposed to institutions. In addition, some cooperatives may focus on organic or sustainable farms and not wish to mix produce with conventionally grown produce. Legislation to favor the creation of agricultural cooperatives might encourage expansion of cooperatives that focus on school lunch programs.**

- **School food service purchases regional products at the farmers market --** This strategy relies on farmers markets for purchasing locally grown products. In this scenario, the food service staff contact the farmer one or two days in advance of the farmers' market, placing their order by facsimile machine or phone. The farmer then brings that order to the farmers' market, in addition to what he or she plans to sell that day through the market. In most cases, schools use their own truck and driver, and a buyer from the school or district goes to the local farmers' market to pick up the pre-ordered product. Buying directly from a farmer at a farmers' market has the advantage of working face-to-face with growers, who know their competition is at the market as well. It also gives food service staff the opportunity to inspect the product quality, and see first-hand what other products are available. Farmers benefit from this arrangement since they can make two farm deliveries in one location - one to the farmers' market, and one to the school. This can also help to lower the price for the product, as only one trip is needed for both deliveries. However, buying at farmers' markets can also be time consuming, as this kind of shopping involves much more labor than a phone call to a distributor. **Our markets are either for higher priced niche produces or resellers of produce bought from a wholesaler (People's Open Markets on Oahu). In Hawai'i, we do have year round farmers markets but again, the size of our school system prohibits these small scale interactions with local farmers markets. Unless school complexes in a particular area are**

granted the authority to purchase from local farmers at farmers markets, then it is unlikely that is a feasible option. In addition, direct marketing by farmers at farmers markets does represent a problem to school purchasing due the uncertainty of food safety certifications of the farms.

- **School food service orders locally grown food through a traditional wholesaler --** In this scenario, food service works with a distributor who purchases from local farms. Since food service directors already purchase from brokers or distributors, this allows them to maintain an existing relationship, as well as purchase other items that farmers are not able to provide. This method also allows for centralized billing, delivery and payment - but cuts farmers out of the communication loop with the food service director. The major disadvantage of buying through a distributor is that it is difficult to know how diligent the distributor is being in attempting to source local product. Buying from local farmers may or may not be a top priority for a distributor who tries to fill an order with the least expensive product available. Unless the distributor is already aware of local farms, he or she may not be willing to make the additional effort to find them. In some instances, wholesalers have worked very well with local farmers. One step food service can take is to request access to the buying records of the broker, showing the origins of the product. This can also be a requirement written into an agreement with the broker. In this model it is still important that food service staff familiarize themselves with the availability and seasonality of the products in their region in order to make reasonable requests of the wholesaler who may be responsible for sourcing the products. **In Hawai‘i, due to the size of the existing school food system, the majority of the purchasing is done through local wholesalers, who strive to provide the freshest produce at the least cost. Some work with local farmers but the main focus of these wholesalers is to fill orders, often not considering the source of the product. Providing incentives to wholesalers/distributors through purchasing agreements with local farmers or cooperatives might encourage wholesalers to buy local produce and distribute it to the school system.**
- **School food service purchases through DoD Fresh Program --**The Department of Defense’s (DoD) Produce Business Unit provides fresh fruits and vegetables worldwide to federal and military institutions. To capitalize on DoD’s large-scale buying power, USDA FNS entered into an agreement with DoD in 1994 to buy and distribute fresh fruits and vegetables to schools in eight states. The produce was paid for with commodity entitlement funds, and enabled schools to take advantage of DoD’s expertise in food procurement and distribution at a nominal cost. In recent years, DoD has worked with states to establish farm-to-school programs. Utilizing existing DoD Fresh networks, DoD establishes farm-to-school partnerships between local producers/producer organizations, state Departments of Agriculture and Education, and school food service personnel, as appropriate. **In Hawai‘i, the**

Department of Education Office of Child Nutrition Programs operates the Department of Defense Fresh Fruit and Vegetables programs in cooperation with the military commissaries. The military commissaries in Hawai'i do purchase \$122 million annually of food and goods from Hawai'i businesses. Of that \$7 million was locally produced. However, for raw produce, the DoD has a contract with [Coast Produce](#) (from Los Angeles, CA) to provide fruits and vegetables to the Hawai'i commissaries. Coast Produce has alliances with Southern California growers and imports produce from Asia through its Seoul, Korea gateway; it is uncertain whether local producers contribute to the supply chain. Encouraging the DoD to purchase more Hawai'i local agricultural products might help Hawai'i farmers to participate in this fresh fruit and vegetable program.

Alternative Farm-to-School Programs

If the goal is to provide outlets to get additional locally produced fruits and vegetables into school food programs, there are other programs besides the NSLP that might permit purchasing local produce. This would take the farm-to-school program out of the lunchroom. These also may be opportunities with creativity to develop educational programs to improve nutrition and health of children. Other programs, managed through the [Department of Education Child Nutrition Program](#) that might provide opportunities for purchasing of local produce, such as the following:

- [Summer Food Service Program \(SFSP\)](#). The SFSP is the single largest Federal resource available for local organizations that want to combine a feeding program with local organizations with a summer activity program with schools.
- [Child and Adult Care Food Program \(CACFP\)](#) is a Federal program that provides healthy meals and snacks to children and adults receiving day care. It plays a vital role in improving the quality of day care and making it more affordable for many low-income families. CACFP reimburses participating centers and day care homes for their meal costs. It is administered at the Federal level by the Food and Nutrition Service (FNS), an agency of the U.S. Department of Agriculture. The State education or health department administers CACFP, in most States. Independent centers and sponsoring organizations enter into agreements with their State agencies to operate the program.
- [School Breakfast Program \(SBP\)](#) provides cash assistance to States to operate nonprofit breakfast programs in schools and residential childcare institutions. The program is administered at the Federal level by FNS. State education agencies administer the SBP at the State level, and local school food authorities operate it in schools.
- [Afternoon Snack Programs](#) are provided by the Child and Adult Care Food Program, the National School Lunch Program and the Summer Food Service Program.

Other Alternative Farm-to-School Programs

In spite of the challenges faced by creating a statewide farm-to-school program within the Department of Education, alternative farm-to-school programs exist in Hawai'i. These programs involve and rely upon strong support from local school administrators, food service managers, teachers, parents and students. They may also rely upon external support from non-profit organizations. Some examples follow:

- [‘AINA IS: Actively Integrating Nutrition & Agriculture in Schools](#) is a farm-to-school program dedicated to connecting children to their land, waters and food in order to grow a healthier future for Hawai'i. ‘AINA IS is currently running farm-to-school pilot programs in ten (10) O'ahu elementary schools: Aikahi, Waialeale, Wheeler, Makaha, Ahuimanu, Samuel Kamakau PC, Waikiki, Ala Wai, Sunset Beach, and Waialua. The goals of the program, sponsored by [Kokua Hawai'i Foundation](#), are to:
 - Address childhood health issues like obesity/overweight by fostering health eating habits
 - Encourage environmental stewardship by connecting children to the land that sustains them
 - Create an institutional market for Hawai'i farmers and their produce
- Moanalua Elementary School – the Moanalua Elementary School not only feeds its students but also Moanalua Intermediate and High School. Its school food program was featured in the national “[Cooks for Kids](#)” via the National Food Service Management Institute at the University of Mississippi. Its creative cafeteria manager, Bobby Chinaka of the Department of Education uses local foods. Students and teachers have developed a school garden and incorporated this as part of their learning.
- [MA'O Organic Farms](#) is an organic farm located in Waianae, Oahu. MA'O has two farm-to-school projects cooperating with [Waianae Intermediate and High Schools](#). MA'O in cooperation with Waianae High School staff created a half-acre on-campus organic garden and is the first Hawai'i public school to have a certified organic garden. The students have developed creative entrepreneurial ways to share their veggies with students, teachers and families and regularly sell produce at the Waianae farmers market.
- [The Kohala Center](#), through its [Hawai'i Island School Garden Network \(HISGN\)](#) and since 2007, works with over 45 public, charter and private schools on the Hawai'i Island. The goal is to help island schools build gardening and agricultural programs that will significantly contribute to the increased consumption of locally produced foods by involving students, their school communities and their family networks in food production. The programs of HISGN creates hands-on living laboratories for students to deepen their understanding of the sciences and nutrition, incorporating social studies, language arts and math into meaningful learning activities in an outdoor setting.

Consider: “Student Preference and Nutritional Requirements.”

While the current DOE school lunch program has appropriate nutritional requirements and follow federal guidelines as defined by the USDA⁶, there are no local data available on student preferences and plate waste. Nationally, studies have found that NSLP participation continues to be associated with over-consumption of fat, saturated fat, and sodium⁷⁸, with less than a single serving of fruit/juice (0.60) and non-high fat vegetable (0.47) per meal.⁹ There is evidence, however, that participation in farm-to-school programs, in particular salad bars, does increase fruit and vegetable consumption.

- A 2003 study by the USDA Economic Research Service¹⁰ found that there are several strategies for increasing the appeal of school meals to children, such as increasing choices and student input into food service decisions. For example, **in Oregon, as fruit and vegetable choices were increased to 6 items per day, food waste decreased by as much as 36%**). Increased use of **local produce increases school meal participation** and consumption of salad and other vegetables.
- In a study¹¹² published in 2001, a team of researchers from UCLA evaluated fourteen low-income schools in the Los Angeles Unified School District and found a high percentage of overweight and obese students and a small amount of fruits and vegetables consumed each day. Two years later, the UCLA team evaluated a group of students from three of the fourteen schools that had participated in the original study. The three schools had, in the previous year, developed farm-to-school salad bar programs as part of the intervention related to the study. This study showed a **significant increase in consumption of fruits and vegetables servings from an average of 2.8 to 4.2 per day**. A majority of children interviewed (56%) ate from the salad bar everyday or on most days. Calories (kcal) from fat as well as cholesterol intake decreased.
- A University of California-Davis study¹³ of children's food choices after a farm-to-school salad bar program was initiated found that **salad bars raised fruit and vegetable consumption**. Children took more than the USDA minimum servings and chose more variety than from the regular lunch line (hot lunch). When many kinds of fruits and vegetables are offered, children take them, especially when options are fresh.
- In a pilot program¹⁴ conducted in 9 elementary schools and 2 middle schools in Santa Monica – Malibu, CA, it was found on average, more than three times the number of children **selected the farmers market salad bar option** than in the previous year when the produce used was pre-cut and purchased through a produce broker. At the same time the **unit cost of the farmers market salad bar meal was less** than the hot meal option as well as the previous years non farmers market salad bar items.

While there is strong evidence that farm-to-school program provision of fresh fruits and vegetables through salad bars does increase fruit and vegetable consumption, fitting salad bars into the five week DOE school menu can present problems for a statewide program.

Consider: “Infrastructure needs and costs of implementing the farm-to-school program statewide.”

It was impossible to assess the infrastructure needs and costs of implementing the farm-to-school program statewide. If the farm-to-school program includes the establishment of a salad bar, costs for individual salad bar set ups are estimated to be \$550 each per salad bar cart for and another \$200 each for pans and utensils. An ice machine or ice packs are also required to keep the produce cool. Training of DOE food service personnel is estimated to be \$200,000. Cafeteria preparation of a salad bar purchased from farmers markets should have a full service kitchen, with capacity to storage space for farmers market produce. If whole produce is received, then preparation time is increased for washing and cutting produce. In a report to the Los Angeles United School District about a salad bar pilot program, individual costs for salad bar meals can be comparable to the hot meal.¹⁵ In a pilot program at Waialae Elementary School, the cost per meal, including milk and the other 4 components of the meal averages out to \$1.75. To implement a state farm-to-school program, the costs would have to be established based upon the requirements for each cafeteria. However, if implemented as pilot programs by regional complex or by individual schools, costs could be minimized.

Consider: “Financial aspects of implementing the program including price differentials between locally produced and imported products.”

This represents a serious conundrum to setting up a state-wide farm-to-school program. Many Hawai‘i farmers grow for the high-end, value-added market, and do not necessarily see the economic advantage to serve the school food service market. Certainly, fruits like melons, papayas, bananas and vegetables like tomatoes, cabbage, sweet corn and lettuce are grown in abundance in Hawai‘i and could contribute to the school lunch programs or other school food programs, if farmers could be guaranteed the market and the price. Because of the need to supply the entire school food service system, there hasn’t been sufficient capacity among Hawai‘i farmers to meet this need.¹⁶ If pilot programs or preferential purchasing agreements could be legislated, then regional farmers could be mobilized to supply a regional school complex or individual schools within a community.

Consider: “Rules and potential compliance issues relating to procurement and federal school food programs.”

The DOE is faced with federal requirements established by the National School Lunch Program (7 C.F.R. Part 1250). School lunches must meet Federal nutrition requirements, but decisions about what specific foods to serve and how they are prepared are made the local school food authorities. The Hawai‘i DOE establishes a 5 week menu that rotates among school complexes. Current regulations require schools to meet the Dietary Guidelines for Americans, which recommend that no more than 30 percent of an individual's calories come from fat, and less than 10 percent from saturated fat. Regulations also establish a standard for school meals to provide one-third of the

Recommended Daily Allowances of protein, Vitamin A, Vitamin C, iron, calcium, and calories.

USDA has made a commitment to improve the nutritional quality of all school meals. The Department works with state and local school food authorities through the Nutrition Education and Training Program and Team Nutrition initiative to teach and motivate children to make healthy food choices, and to provide school food service staff with training and technical support. Any child at a participating school may purchase a meal through the National School Lunch Program. Children from families with incomes at or below 130 percent of the poverty level (currently \$21,710 for a family of four) are eligible for free meals. Those between 130 percent and 185 percent of the poverty level (currently \$30,895 for a family of four) are eligible for reduced-price meals, for which students can be charged no more than 40 cents. Children from families with incomes over 185 percent of poverty pay a full price, though their meals are still subsidized to some extent. Local school food authorities set their own prices for full-price meals. Most of what the USDA provides to Hawai‘i schools in the NSLP comes in the form of a cash reimbursement for each meal served. Reimbursement rates for schools that have at least 60% of the students qualify for free and reduced meals are:

| | |
|---------------------|--------|
| Free meals: | \$3.17 |
| Reduced price meals | \$2.77 |
| Paid meals | \$0.32 |

Reimbursements are about 2 cents less per meal, if the school does not meet the 60% threshold. According to the DOE, when wages and other costs are factored in, the actual cost per meal in the school lunch program is \$4.40. For the school year, 2010 – 2011, fully paid school lunches will likely go up to \$2.00 per meal. The state will continue to subsidize meals. In addition to cash reimbursements, schools are entitled by law to receive commodity foods, called entitlement foods, at a value of 15 cents for each meal served. Schools can also get “bonus” commodities as they are available from surplus stocks.

USDA does not require schools to serve or not serve any particular foods. School meals must meet Federal nutrition requirements, but decisions about what foods to serve and how they are prepared are made by local school food authorities.

Impact of Act 175 on farm-to-school programs. The revision of the Hawai‘i Act 175 that permits a 15% preference for class II agricultural products for state purchasing is a challenge to potential farm-to-school programs. When Hawai‘i Island Farm Bureau members were surveyed in 2009, only one of 650 indicated that they sell to the State. That farmers have not actively sought participation in this market presents an impediment to farm-to-school programs. Moreover, a concern was raised that while local food wholesalers can and do sell to the State, there is no incentive for the wholesalers to purchase local produce.

Concluding Remarks

While Farm-to-School programs are a “Win-Win” for improving the nutrition and health of local school children and by providing new markets for local farmers, the structural impediments cluster around three central concerns: **costs** (i.e., schools are under budgetary strictures to provide meals to children at a reasonable cost; the potentially higher costs involved in growing local produce and the competition from large mainland produce sellers represent a challenge to the DOE). The second impediment is **procurement** (i.e., the centralized school system, the greater ease and preference of purchasing from a few vendors maximizes the efficiency of ordering and delivery). The third impediment is **supply** (i.e., farmers need to provide sufficient volumes of product consistently over the school year in ready-to-use form; many Hawai‘i farmers do not consider growing for the school food service market. It begs the question whether farmers have been actively recruited to serve this market. A peripheral concern is that, while not required by regulation, more farmers need to be food-safety GAP certified to provide assurance to purchasers of the product. This provides additional cost to farmers of about \$250/year for the audit. In spite of changes in Act 175, some farmers do not necessarily see the incentive to grow for this market, but the opportunity has not been widely promulgated.

Opportunities for Change

Decentralize DOE Food Services - to provide opportunities for individual school complexes or communities to work with farmers in their local community. This would allow local farmers to work closely with local area schools and build relationships. This could expand beyond food service procurement through farm tours, field trips and addition of curricular materials.

Encourage cooperation among farmers growing for this market through tax incentives, preferences or to form local cooperatives or through centralized gathering and processing facilities. Take the burden off the school cafeterias by funding centralized food processing facilities/certified kitchens to process produce for delivery to local schools.

Farm-to-School programs can **go beyond the lunchroom** – by incorporating local produce through providing healthy snacks or in the after school programs. Restrictions are not as onerous for these programs. Children are often hungry at times **other than the lunch period and that hunger renders them receptive to trying new or unaccustomed foods** and developing new healthy habits. The FFV snack programs, the after school programs can provide an opportunity to develop effective ways of incorporating local produce without the burden of dealing with the centralized food service system. This might create conflicts in using cafeterias or centralized facilities to prepare local produce. While “linking the land to the lunchroom” is laudable – it may not be feasible, given our state-wide centralized school system.

Providing opportunities for school gardens and mechanisms to recover costs provide important educational opportunities. Discussions need to be held on developing standards for school gardens, and support for development of curricular materials at

appropriate grade levels that would incorporate farm-to-school programs as part of the curriculum.

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¹⁴ Gottlieb, R. and M. Mascarenhas. 2000. The Farmers Market Salad Bar: Assessing the First Three Years of the Santa Monica-Malibu United School District Program. Center for Food and Justice, Urban and Environmental Policy Institute, Occidental College: Available:

<http://departments.oxy.edu/uepi/cfj/publications/SantaMonicaSaladBarsReport.pdf>

¹⁵ Slusser, W., C. Neumann, and L. Lange. 2002. How to Develop a Salad Bar for School Lunch Menu Program. School of Public Health, University of California, Los Angeles. Available: [http://socialmarketing-](http://socialmarketing-nutrition.ucdavis.edu/Downloads/SaladBarDev.PDF)

[nutrition.ucdavis.edu/Downloads/SaladBarDev.PDF](http://socialmarketing-nutrition.ucdavis.edu/Downloads/SaladBarDev.PDF)

¹⁶ Glenna Owens, Department of Education, personal communication, November 16, 2009.

Appendix I: Hawai‘i Farm-to-School Feasibility Study Stakeholder Inputs

On November 16 and 23, 2009, stakeholders were invited to present stakeholder input on the feasibility of establishing a state-wide farm-to-school program. The meetings were held on the UH-Manoa campus with inputs from the neighbor islands received by Polycom (Maui and Hawai‘i Island) and by conference call. A SWOT (strengths, weaknesses, opportunities, threats) analysis was conducted. The following are the comments provided in the stakeholder meetings.

Strengths

November 16, 2009

| |
|--|
| Reducing oil consumption |
| reconnecting youth with culinary heritage and cultural heritage of Hawai‘i |
| raises children's immunity |
| creates job opportunities |
| nutrition- teach youth where food comes from |
| sustainability- education venues and school gardens |
| revitalize local agriculture and economy |
| minimize carbon footprint |
| keep money in state |
| build stronger community |
| food security |
| improve children's health |
| reduce waste |
| improve consciousness of relationship with land |
| fresh seasonal food |
| empower rural communities |
| creation of food distribution service |
| preservation of Ag land |

November 23, 2009

| |
|---|
| providing local, healthy options |
| high quality |
| short distance makes fresh foods |
| exposing children to how food grows and tastes |
| create connection between schools, children and agriculture |
| decrease in health costs |
| very high interest among schools and families |
| good timing and high profile issue currently |

| |
|---|
| reduce introduction of invasive species if using local |
| more palatable food for children |
| physical activity from garden work by students |
| potential to enhance curriculum and recruit young farmers |
| reduced reliance on importation associated with negative environmental impact (i.e.. Carbon footprint) |
| food security for the state of HI |
| improved nutritional status and security |
| support environmentally responsible local farming |
| building relationships between farmers and community |
| year round growing and harvesting seasons |
| willingness of farmers to grow to meet demand |
| protect Hawai'i agricultural lands |
| assurance to farmers that produce will be used |
| stimulates local economy by creating jobs, revenue, etc |
| reduce reliance on imported food |
| creating revenue streams for local farmers |
| children's pride in eating real food |
| multi-ethnic eating patterns offers creativity |
| increase opportunities for self-reliance in at-risk communities |
| opportunity to share multi-culturalism through foods |
| long growing season=year round food |
| strengthening local economy |

Weaknesses

November 16, 2009

| |
|--|
| food safety issues both farm and cafeteria |
| training to deal with food |
| not enough farms/farmers |
| Logistics |
| understanding USDA procurement requirements |
| lack of labor to process |
| preferred contracts |
| nutrition guidelines I.e. canned corn=fresh corn |
| lack of certified kitchens |
| increase labor costs |
| lack of processing facilities |
| farmland highly speculated for development |
| weather conditions/natural disaster |

| |
|---|
| cost to middleman |
| production harvest time and school in session |
| contamination soil and water |
| equipment cost added |
| lack of composting |
| lack of infrastructure to meet demand |
| DOE institutional obstacles |
| cost |
| lack of communication between farms and distribution services |
| vested interest in status quo |
| children's familiarity with local food |
| lack of requirements to have certain foods in cafeteria |
| labor issues with cafeteria staff |
| implement federal subsidy |
| lack of long term leases |

November 23, 2009

| |
|---|
| food safety issues for in-school gardens/food systems |
| centralized procurement of food products for school system and distribution |
| not enough funding from state and federal |
| need for resources available to educators |
| challenge of food processing centralization |
| to make ready for consumption |
| getting produce from farm to school- means to distribute |
| food safety in schools and on farms |
| not enough food safety certified farms |
| culinary training not required for DOE food service workers and supervisors |
| requirement of centralized menu planning |
| not enough farmers |
| understanding procurement rules |
| unionized work force |
| lack of parent support and education |
| quality grade requirements (of food) |
| school farms are time-consuming |
| water source availability |
| designated Ag land |
| product availability list needs to be made |
| lack of inter-island transport system |
| attractive nuisance law-liability issues for school gardens |
| alignment of purchasing between schools and farms |

| |
|--|
| lack of Hawai'i large scale F2S model |
| limited products at this time- cannot meet demands |
| adapting best practices |
| cafeterias not equipped |

Opportunities

November 16, 2009

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| reduce waste of produce |
| educate students on local food production and eating right |
| lower future healthcare cost |
| ground theory of food security in practice |
| increase preferences for fresh foods |
| expand economy beyond tourism |
| increase opportunities to learn outside classroom |
| increase opportunities for recent migrant community to eat traditional diets |
| reduce brain drain through job opportunities |
| conserve water |
| opportunity to fulfill goals of Hawai'i 2050 |
| job creation and security for prison inmates |
| partner with USDA and know your farmer program grants |
| increase organic farming |
| utilize existing organizations |
| partner with national/international orgs |
| set example for US |
| creation of new farms w/ contractual agreement w/DOE |
| utilize fertile lands |
| increase students' ability to learn in classroom |
| increase in physical activities in school farms |
| trickle down of info to parents about nutrition and food growth |
| work with youth to restore culture in agricultural |
| employment opportunities for displaced agricultural workers |
| conserve more prime agricultural lands |
| increase interest in students entering agricultural |
| increase support of families of wellness |
| encourage families to grow at home |
| opportunity to start co-op |
| opportunity for value added industries |
| centralize place for leftovers to homeless and animals |
| to create holistic and interdependent economy |

| |
|--|
| enhance food security for Hawai'i overall |
| train youth for agricultural job |
| professional develop for cafeteria workers |

November 23, 2009

| |
|--|
| mandating procurement percentage from local sources |
| Ag careers |
| healthy children better learners |
| increase breakfast participation |
| increase test scores |
| dialog with other F2S programs nationwide |
| allocation of funding to support F2S initiatives |
| third party processing, purchasing and distributing entity |
| pilot phase- collaborations |
| more involvement of non-health professionals too |
| ex. Economists to create a compelling case to support increase money needed |
| means of communication between stakeholders across the islands |
| evaluate economic/health/ educational impact |
| disseminate findings to stakeholders |
| create training programs for food service personnel |
| education of consumers |
| increase child awareness of food systems via in-school gardens and other programs |
| integration of school gardens with academic programs and curriculum |
| HI school nutrition help coordinate |
| eliminating/recuing sugar from breakfast programs |
| find equivalents...how our foods fit into nutritional requirement exchange programs |
| USDA-know your farmer initiative |
| marketing and PR for being a model for mainland |
| model develop to address intersession issues |
| inclusion of low maintenance crops-citrus tree crops |
| direct link b/t farms and schools -fewer middlemen |
| public awareness of funding opportunities |
| evaluation of school existing policies that will work now (loopholes) |
| legislators introduce legislation to modify school lunch program procurements |
| find weaknesses from other programs |
| target other 47 school authorities (in state of HI) |
| good partnering b/t kids and farmers-like M'AO's-provide healthy educational opportunities |
| look beyond fruits and vegetables to seafood, others? |
| private funding |

| |
|--|
| opportunity to educate farmers from school farm studies |
| make user-friendly |
| change school lunch environment |
| farmers to food bank opportunities |
| networking among all programs |
| increase funding for cafeteria workers |
| expand procurement from existing fresh fruit and vegetables |
| healthier, happier children |
| education of families |
| create coordinating group to establish connections b/t schools and farmers |
| for groups like Slow Food to get involved |
| coalition of groups to address issues |
| developing curriculum models and connecting to higher education |
| math, science and technology |

Threats

November 16, 2009

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| district size |
| pre-existing contractual obligation and labor concerns |
| increase runoff of pest. Herbicides |
| political will and organizational capacity |
| lack of infrastructure |
| moving too quickly |
| students won't eat |
| loss of USDA reimbursement due to inconsistency |
| lack of supply/quality |
| food service needs new training |
| DOD lose contracts |
| increased energy costs |
| lack of labor |
| fear of change |
| inadequate funding to do the job |
| students get sick |
| supply can't meet demand |
| security of Ag land |
| lack of cooperative |
| disparity of access |
| threats from shipping industry |

| |
|---|
| centralization of DOE might require system wide implementation vs. little at a time |
| poorly designed process to bring farmers |
| threats from Ag industry of mainland |
| competing financial priorities |
| working with existing school menu |
| lead time on crops |
| resocialize to vegetables |
| price point of produce |
| lead time for organic farms |

November 23, 2009

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| no-can- attitude |
| not enough Ag land, water or talent |
| resistance to change by cafeteria staff |
| bureaucracy |
| potential increase to families of school lunch costs |
| palatability, familiarity |
| actual participation in the program |
| extremists deterring or distracting from the mission |
| market perceptions or will it be government run? |
| potential food borne illness |
| lack of funding from legislature |
| fitting into federal guidelines-being unique |
| impact on individual cafeteria staff workers |
| perception that food grown in the ground is dirty |
| misinformation to legislators and publics |
| not having a well-thought out and well-presented case for F2S |
| reverse food security (if we are self sufficient and natural disaster strikes) |
| ensure stable quantity of food product based on local availability |
| need for transition plan |
| can we start with part of meal |
| food preparation training-safe handling |
| reaction by current food system (importers) |
| stretching existing food managers and staff 'thin' |
| children have little time to consume food in the cafeteria |
| ourselves- too many restrictions and regulations that scare supporters away |

Appendix II. Farm-to-School Programs Elsewhere

The following are brief summaries and resource information about other farm-to-school programs across the country.

California: Farm to School programs are popping up all across the state. These programs connect schools with local farms with the objectives of serving healthy meals in school cafeterias, improving student nutrition, providing health and nutrition education opportunities that will last a lifetime, and supporting California's farmers.

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

Florida: The Florida "Farm to School" program is an initiative seeking to bring nutritious, fresh food from local farms to schools including K-12, colleges and universities. The Florida Department of Agriculture and Consumer Services will work with the schools and the growers to make sure each side is aware of mutual business opportunities available through this program. This web site is intended to provide information about: the availability of fresh Florida produce; the fruit and vegetable needs of schools; and contact information for both the schools and growers.

<http://www.florida-agriculture.com/farmtoschool/>

Georgia: Working through Georgia Organics, the Atlanta School District obtains produce through its farm-to-school program.

http://www.georgiaorganics.org/living/farm_to_school.php

Idaho: Idaho Farm-to-School. The State Department of Education, Child Nutrition Programs and the Idaho Department of Agriculture supports Farm to School Programs in the State of Idaho. Farm to School Programs are growing in Idaho, several schools throughout the state participate in this program. These programs connect schools with local farms with the objectives of serving healthy meals in school cafeterias, improving student nutrition, providing health and nutrition education opportunities that will last a lifetime, and supporting local small farmers.

<http://www.sde.idaho.gov/site/cnp/nutritionResources/farmSchool.htm>

Iowa: Iowa Farm-to-School Program. In 2007, Iowa lawmakers passed Farm-to-School legislation to establish a program that would link elementary, secondary, public and private schools with Iowa Farmers; provide schools with fresh and minimally processed Iowa grown food for inclusion in school meals and snacks, and to encourage children to develop healthy eating habits and provide them with hands-on learning opportunities such as farm visits, cooking demonstrations and school gardening and composting programs.

<http://www.agriculture.state.ia.us/AgDiversification/farmToSchoolProgram.asp>

Louisiana: New Orleans Food and Farm Network includes farm-to-school programs linking Louisiana farmers with New Orleans schools. <http://www.noffn.org/>

Maryland: A new program being developed by the Maryland Department of Agriculture and the Maryland State Board of Education will bring more Maryland-grown products to school lunches and help educate students about where their food comes, how it is produced, and the benefits of a healthy diet. The Jane Lawton Farm to School Program, so named in honor of the late Maryland House of Delegates member Jane Lawton of District 18, Montgomery County, was created during the 2008 Session of the Maryland General Assembly when *SB 158 Farm-to-School Program - Activities and Promotional Events*, sponsored by Senator Jamie Raskin, was signed into law by the Governor in May. In addition to facilitating the procurement of local Maryland produce for school menus, the bill also creates a Maryland Homegrown School Lunch Week to promote Maryland agriculture through school meal and classroom programs and interaction between students and local farmers.

<http://www.mda.state.md.us/mdfarmtoschool/index.php>

Massachusetts: From kindergarten to college, interest in serving locally grown foods in cafeterias is increasing in Massachusetts and throughout the northeast U.S. Feeding locally grown foods to students can be a good way for food service directors to improve the nutritional value and taste of school meals, while supporting the local economy. Selling local products to schools can be profitable for Massachusetts growers who are looking for a new way to connect with local consumers.

http://www.mass.gov/agr/markets/Farm_to_school/index.htm

Michigan: "Farm to school" applies to a variety of initiatives in Michigan, including efforts to offer local foods in school cafeterias, school garden programs, fundraisers that take advantage of local products, farmer visits to school classrooms and cafeterias, and field trips to nearby farms. Michigan Farm to School is a portal for information and a venue for sharing ideas, tools, and resources to support these and other efforts to link schools with local agriculture in Michigan.

<http://www.mifarmtoschool.msu.edu/>

Minnesota: Farm-to-School Minnesota Toolkit for Food Service: Getting food grown by farmers in your community onto your students' lunch trays. <http://www.mn-farmtoschool.umn.edu/default.htm>

New Hampshire: The NH Farm to School (NHFTS) Program is a project to connect NH farms and schools by integrating agricultural production, school food procurement and school curriculum. The vision of NHFTS is to develop a healthy, community-based, community-supported school food system.

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

New Jersey: To support farm to school efforts in New Jersey by facilitating communication and resource sharing, promoting new and existing programs, organizing educational events and by advocating for policy that increases healthy food in schools.

<http://www.njfarmtoschool.org/index.html>

New York: In New York and Northeast, a 2007 Farm-to-School Tool Kit has been produced through Cornell University Cooperative Extension.

http://farmtoschool.cce.cornell.edu/files/all/fts_toolkit_oct07_print_version_new_1.pdf

Oklahoma: Farm to School aims at getting Oklahoma-grown food on the cafeteria trays of school children. It encourages farmers to sell produce to schools and encourages schools to buy part of their fresh fruit and vegetable needs from Oklahoma farmers along with local healthy farm products.

<http://www.okfarmtoschool.com/index.htm>

Oregon: Oregon Farm to School and School Garden Program. Why Farm to School and School Garden programs? These programs connect schools with local farms with the objectives of serving healthy meals in school cafeterias, improving student nutrition, providing health and nutrition education opportunities that will last a lifetime, and supporting local small farmers (from farmtoschool.org). How do school gardens fit in? School gardens are outdoor classrooms where children explore nature and grow their own food. Gardens provide an opportunity to integrate lessons in science, math, reading, environmental studies, nutrition, and health. Children who grow fruits and vegetables are more likely to eat those fruits and vegetables.

<http://www.ode.state.or.us/search/page/?id=2648>

Rhode Island: Rhode Island's Kids First program in the Department of Education incorporates farm-to-school programs. <http://www.kidsfirstri.org/>

Vermont: Vermont Feed works with schools and communities to raise awareness about healthy food, the role of Vermont farms and farmers, and good nutrition. We act as a catalyst for rebuilding healthy food systems, and to cultivate links between the classrooms, cafeterias, local farms, and communities.

<http://www.vtfeed.org/index.html>

Virginia: The Farm-to-School Program is an initiative seeking to bring nutritious fresh food from local farms to schools including K-12, colleges and universities. Virginia schools currently spend more than \$6 million annually on fresh produce. The Farm-to-School Program in Virginia will open the door for more of those dollars to stay within the state and support Virginia farmers by promoting opportunities for schools, distributors and growers to work together to increase the volume of locally grown product served in school cafeterias and dining halls.

<http://www.vdacs.virginia.gov/marketing/farm.shtml>

Washington: The WSDA Farm-to-School Program is dedicated to fostering relationships between schools and agricultural producers in Washington State. Our goal is to support expanding economic opportunities for farmers while educating students about the connections between food, farming, health, and the environment. The program provides information, inspiration, assistance, and policy solutions for those working to

supply healthy Washington-grown food and related education to youth in our State.
<http://agr.wa.gov/Marketing/Farmtoschool/>

Wisconsin: Wisconsin Home Grown Lunch is a grassroots initiative whose goal is to enhance Wisconsin schools' existing meal programs by introducing fresh, nutritious, local and sustainably grown food to children. The program, like similar "farm-to-school" programs around the country, provide opportunities for children to reconnect with their natural world, strengthen links between the classroom and the lunchroom, and help establish a stable market for local farmers and processors.

<http://www.reapfoodgroup.org/Programs-Events/farm-to-school.html>

Summaries of Farm-to-School State-wide Policies including Legislation can be found at the Farm-to-School web site: <http://www.farmtoschool.org/policies.php>

Appendix 2

Richard B. Russell National School Lunch Act
Subtitle C

1 **Subtitle C—Child Nutrition and**
2 **Related Programs**

3 **SEC. 4301. STATE PERFORMANCE ON ENROLLING CHIL-**
4 **DREN RECEIVING PROGRAM BENEFITS FOR**
5 **FREE SCHOOL MEALS.**

6 (a) IN GENERAL.—Not later than December 31,
7 2008 and June 30 of each year thereafter, the Secretary
8 shall submit to the Committees on Agriculture and Edu-
9 cation and Labor of the House of Representatives and the
10 Committee on Agriculture, Nutrition, and Forestry of the
11 Senate a report that assesses the effectiveness of each
12 State in enrolling school-aged children in households re-
13 ceiving program benefits under the Food and Nutrition
14 Act of 2008 (7 U.S.C. 2011 et seq.) (referred to in this
15 section as “program benefits”) for free school meals using
16 direct certification.

17 (b) SPECIFIC MEASURES.—The assessment of the
18 Secretary of the performance of each State shall include—

19 (1) an estimate of the number of school-aged
20 children, by State, who were members of a house-
21 hold receiving program benefits at any time in July,
22 August, or September of the prior year;

23 (2) an estimate of the number of school-aged
24 children, by State, who were directly certified as eli-
25 gible for free lunches under the Richard B. Russell

1 National School Lunch Act (42 U.S.C. 1751 et
2 seq.), based on receipt of program benefits, as of Oc-
3 tober 1 of the prior year; and

4 (3) an estimate of the number of school-aged
5 children, by State, who were members of a house-
6 hold receiving program benefits at any time in July,
7 August, or September of the prior year who were not
8 candidates for direct certification because on Octo-
9 ber 1 of the prior year the children attended a
10 school operating under the special assistance provi-
11 sions of section 11(a)(1) of the Richard B. Russell
12 National School Lunch Act (42 U.S.C. 1759a(a)(1))
13 that is not operating in a base year.

14 (c) PERFORMANCE INNOVATIONS.—The report of the
15 Secretary shall describe best practices from States with
16 the best performance or the most improved performance
17 from the previous year.

18 **SEC. 4302. PURCHASES OF LOCALLY PRODUCED FOODS.**

19 Section 9(j) of the Richard B. Russell National
20 School Lunch Act (42 U.S.C. 1758(j)) is amended to read
21 as follows:

22 “(j) PURCHASES OF LOCALLY PRODUCED FOODS.—
23 The Secretary shall—

24 “(1) encourage institutions receiving funds
25 under this Act and the Child Nutrition Act of 1966

1 (42 U.S.C. 1771 et seq.) to purchase unprocessed
2 agricultural products, both locally grown and locally
3 raised, to the maximum extent practicable and ap-
4 propriate;

5 “(2) advise institutions participating in a pro-
6 gram described in paragraph (1) of the policy de-
7 scribed in that paragraph and paragraph (3) and
8 post information concerning the policy on the
9 website maintained by the Secretary; and

10 “(3) allow institutions receiving funds under
11 this Act and the Child Nutrition Act of 1966 (42
12 U.S.C. 1771 et seq.), including the Department of
13 Defense Fresh Fruit and Vegetable Program, to use
14 a geographic preference for the procurement of un-
15 processed agricultural products, both locally grown
16 and locally raised.”.

17 **SEC. 4303. HEALTHY FOOD EDUCATION AND PROGRAM**
18 **REPLICABILITY.**

19 Section 18(h) of the Richard B. Russell National
20 School Lunch Act (42 U.S.C. 1769(h)) is amended—

21 (1) in paragraph (1)(C), by inserting “promotes
22 healthy food education in the school curriculum
23 and” before “incorporates”;

24 (2) by redesignating paragraph (2) as para-
25 graph (4); and

1 (3) by inserting after paragraph (1) the fol-
2 lowing:

3 “(2) ADMINISTRATION.—In providing grants
4 under paragraph (1), the Secretary shall give pri-
5 ority to projects that can be replicated in schools.

6 “(3) PILOT PROGRAM FOR HIGH-POVERTY
7 SCHOOLS.—

8 “(A) DEFINITIONS.—In this paragraph:

9 “(i) ELIGIBLE PROGRAM.—The term
10 ‘eligible program’ means—

11 “(I) a school-based program with
12 hands-on vegetable gardening and nu-
13 trition education that is incorporated
14 into the curriculum for 1 or more
15 grades at 2 or more eligible schools;
16 or

17 “(II) a community-based summer
18 program with hands-on vegetable gar-
19 dening and nutrition education that is
20 part of, or coordinated with, a sum-
21 mer enrichment program at 2 or more
22 eligible schools.

23 “(ii) ELIGIBLE SCHOOL.—The term
24 ‘eligible school’ means a public school, at
25 least 50 percent of the students of which

1 are eligible for free or reduced price meals
2 under this Act.

3 “(B) ESTABLISHMENT.—The Secretary
4 shall carry out a pilot program under which the
5 Secretary shall provide to nonprofit organiza-
6 tions or public entities in not more than 5
7 States grants to develop and run, through eligi-
8 ble programs, community gardens at eligible
9 schools in the States that would—

10 “(i) be planted, cared for, and har-
11 vested by students at the eligible schools;
12 and

13 “(ii) teach the students participating
14 in the community gardens about agri-
15 culture production practices and diet.

16 “(C) PRIORITY STATES.—Of the States in
17 which grantees under this paragraph are lo-
18 cated—

19 “(i) at least 1 State shall be among
20 the 15 largest States, as determined by the
21 Secretary;

22 “(ii) at least 1 State shall be among
23 the 16th to 30th largest States, as deter-
24 mined by the Secretary; and

1 “(iii) at least 1 State shall be a State
2 that is not described in clause (i) or (ii).

3 “(D) USE OF PRODUCE.—Produce from a
4 community garden provided a grant under this
5 paragraph may be—

6 “(i) used to supplement food provided
7 at the eligible school;

8 “(ii) distributed to students to bring
9 home to the families of the students; or

10 “(iii) donated to a local food bank or
11 senior center nutrition program.

12 “(E) NO COST-SHARING REQUIREMENT.—
13 A nonprofit organization or public entity that
14 receives a grant under this paragraph shall not
15 be required to share the cost of carrying out the
16 activities assisted under this paragraph.

17 “(F) EVALUATION.—A nonprofit organiza-
18 tion or public entity that receives a grant under
19 this paragraph shall be required to cooperate in
20 an evaluation in accordance with paragraph
21 (1)(H).”.

22 **SEC. 4304. FRESH FRUIT AND VEGETABLE PROGRAM.**

23 (a) PROGRAM.—

1 (1) IN GENERAL.—The Richard B. Russell Na-
2 tional School Lunch Act is amended by inserting
3 after section 18 (42 U.S.C. 1769) the following:

4 **“SEC. 19. FRESH FRUIT AND VEGETABLE PROGRAM.**

5 “(a) IN GENERAL.—For the school year beginning
6 July 2008 and each subsequent school year, the Secretary
7 shall provide grants to States to carry out a program to
8 make free fresh fruits and vegetables available in elemen-
9 tary schools (referred to in this section as the ‘program’).

10 “(b) PROGRAM.—A school participating in the pro-
11 gram shall make free fresh fruits and vegetables available
12 to students throughout the school day (or at such other
13 times as are considered appropriate by the Secretary) in
14 1 or more areas designated by the school.

15 “(c) FUNDING TO STATES.—

16 “(1) MINIMUM GRANT.—Except as provided in
17 subsection (i)(2), the Secretary shall provide to each
18 of the 50 States and the District of Columbia an an-
19 nual grant in an amount equal to 1 percent of the
20 funds made available for a year to carry out the pro-
21 gram.

22 “(2) ADDITIONAL FUNDING.—Of the funds re-
23 maining after grants are made under paragraph (1),
24 the Secretary shall allocate additional funds to each

1 State that is operating a school lunch program
2 under section 4 based on the proportion that—

3 “(A) the population of the State; bears to

4 “(B) the population of the United States.

5 “(d) SELECTION OF SCHOOLS.—

6 “(1) IN GENERAL.—Except as provided in para-
7 graph (2) of this subsection and section 4304(a)(2)
8 of the Food, Conservation, and Energy Act of 2008,
9 each year, in selecting schools to participate in the
10 program, each State shall—

11 “(A) ensure that each school chosen to
12 participate in the program is a school—

13 “(i) in which not less than 50 percent
14 of the students are eligible for free or re-
15 duced price meals under this Act; and

16 “(ii) that submits an application in
17 accordance with subparagraph (D);

18 “(B) to the maximum extent practicable,
19 give the highest priority to schools with the
20 highest proportion of children who are eligible
21 for free or reduced price meals under this Act;

22 “(C) ensure that each school selected is an
23 elementary school (as defined in section 9101 of
24 the Elementary and Secondary Education Act
25 of 1965 (20 U.S.C. 7801));

1 “(D) solicit applications from interested
2 schools that include—

3 “(i) information pertaining to the per-
4 centage of students enrolled in the school
5 submitting the application who are eligible
6 for free or reduced price school lunches
7 under this Act;

8 “(ii) a certification of support for par-
9 ticipation in the program signed by the
10 school food manager, the school principal,
11 and the district superintendent (or equiva-
12 lent positions, as determined by the
13 school);

14 “(iii) a plan for implementation of the
15 program, including efforts to integrate ac-
16 tivities carried out under this section with
17 other efforts to promote sound health and
18 nutrition, reduce overweight and obesity,
19 or promote physical activity; and

20 “(iv) such other information as may
21 be requested by the Secretary; and

22 “(E) encourage applicants to submit a
23 plan for implementation of the program that in-
24 cludes a partnership with 1 or more entities
25 that will provide non-Federal resources (includ-

1 ing entities representing the fruit and vegetable
2 industry).

3 “(2) EXCEPTION.—Clause (i) of paragraph
4 (1)(A) shall not apply to a State if all schools that
5 meet the requirements of that clause have been se-
6 lected and the State does not have a sufficient num-
7 ber of additional schools that meet the requirement
8 of that clause.

9 “(3) OUTREACH TO LOW-INCOME SCHOOLS.—

10 “(A) IN GENERAL.—Prior to making deci-
11 sions regarding school participation in the pro-
12 gram, a State agency shall inform the schools
13 within the State with the highest proportion of
14 free and reduced price meal eligibility, including
15 Native American schools, of the eligibility of the
16 schools for the program with respect to priority
17 granted to schools with the highest proportion
18 of free and reduced price eligibility under para-
19 graph (1)(B).

20 “(B) REQUIREMENT.—In providing infor-
21 mation to schools in accordance with subpara-
22 graph (A), a State agency shall inform the
23 schools that would likely be chosen to partici-
24 pate in the program under paragraph (1)(B).

1 “(e) NOTICE OF AVAILABILITY.—If selected to par-
2 ticipate in the program, a school shall widely publicize
3 within the school the availability of free fresh fruits and
4 vegetables under the program.

5 “(f) PER-STUDENT GRANT.—The per-student grant
6 provided to a school under this section shall be—

7 “(1) determined by a State agency; and

8 “(2) not less than \$50, nor more than \$75.

9 “(g) LIMITATION.—To the maximum extent prac-
10 ticable, each State agency shall ensure that in making the
11 fruits and vegetables provided under this section available
12 to students, schools offer the fruits and vegetables sepa-
13 rately from meals otherwise provided at the school under
14 this Act or the Child Nutrition Act of 1966 (42 U.S.C.
15 1771 et seq.).

16 “(h) EVALUATION AND REPORTS.—

17 “(1) IN GENERAL.—The Secretary shall con-
18 duct an evaluation of the program, including a de-
19 termination as to whether children experienced, as a
20 result of participating in the program—

21 “(A) increased consumption of fruits and
22 vegetables;

23 “(B) other dietary changes, such as de-
24 creased consumption of less nutritious foods;
25 and

1 “(C) such other outcomes as are consid-
2 ered appropriate by the Secretary.

3 “(2) REPORT.—Not later than September 30,
4 2011, the Secretary shall submit to the Committee
5 on Education and Labor of the House of Represent-
6 atives and the Committee on Agriculture, Nutrition,
7 and Forestry of the Senate a report that describes
8 the results of the evaluation under paragraph (1).

9 “(i) FUNDING.—

10 “(1) IN GENERAL.—Out of the funds made
11 available under subsection (b)(2)(A) of section
12 14222 of the Food, Conservation, and Energy Act of
13 2008, the Secretary shall use the following amounts
14 to carry out this section:

15 “(A) On October 1, 2008, \$40,000,000.

16 “(B) On July 1, 2009, \$65,000,000.

17 “(C) On July 1, 2010, \$101,000,000.

18 “(D) On July 1, 2011, \$150,000,000.

19 “(E) On July 1, 2012, and each July 1
20 thereafter, the amount made available for the
21 preceding fiscal year, as adjusted to reflect
22 changes for the 12-month period ending the
23 preceding April 30 in the Consumer Price Index
24 for All Urban Consumers published by the Bu-

1 reau of Labor Statistics of the Department of
2 Labor, for items other than food.

3 “(2) MAINTENANCE OF EXISTING FUNDING.—
4 In allocating funding made available under para-
5 graph (1) among the States in accordance with sub-
6 section (c), the Secretary shall ensure that each
7 State that received funding under section 18(f) on
8 the day before the date of enactment of the Food,
9 Conservation, and Energy Act of 2008 shall con-
10 tinue to receive sufficient funding under this section
11 to maintain the caseload level of the State under
12 that section as in effect on that date.

13 “(3) EVALUATION FUNDING.—On October 1,
14 2008, out of any funds made available under sub-
15 section (b)(2)(A) of section 14222 of the Food, Con-
16 servation, and Energy Act of 2008, the Secretary
17 shall use to carry out the evaluation required under
18 subsection (h), \$3,000,000, to remain available for
19 obligation until September 30, 2010.

20 “(4) RECEIPT AND ACCEPTANCE.—The Sec-
21 retary shall be entitled to receive, shall accept, and
22 shall use to carry out this section any funds trans-
23 ferred for that purpose, without further appropria-
24 tion.

1 “(5) AUTHORIZATION OF APPROPRIATIONS.—In
2 addition to any other amounts made available to
3 carry out this section, there are authorized to be ap-
4 propriated such sums as are necessary to expand the
5 program established under this section.

6 “(6) ADMINISTRATIVE COSTS.—

7 “(A) IN GENERAL.—Of funds made avail-
8 able to carry out this section for a fiscal year,
9 the Secretary may use not more than \$500,000
10 for the administrative costs of carrying out the
11 program.

12 “(B) RESERVATION OF FUNDS.—The Sec-
13 retary shall allow each State to reserve such
14 funding as the Secretary determines to be nec-
15 essary to administer the program in the State
16 (with adjustments for the size of the State and
17 the grant amount), but not to exceed the
18 amount required to pay the costs of 1 full-time
19 coordinator for the program in the State.

20 “(7) REALLOCATION.—

21 “(A) AMONG STATES.—The Secretary may
22 reallocate any amounts made available to carry
23 out this section that are not obligated or ex-
24 pended by a date determined by the Secretary.

1 “(B) WITHIN STATES.—A State that re-
2 ceives a grant under this section may reallocate
3 any amounts made available under the grant
4 that are not obligated or expended by a date de-
5 termined by the Secretary.”.

6 (2) TRANSITION OF EXISTING SCHOOLS.—

7 (A) EXISTING SECONDARY SCHOOLS.—Sec-
8 tion 19(d)(1)(C) of the Richard B. Russell Na-
9 tional School Lunch Act (as amended by para-
10 graph (1)) may be waived by a State until July
11 1, 2010, for each secondary school in the State
12 that has been awarded funding under section
13 18(f) of that Act (42 U.S.C. 1769(f)) for the
14 school year beginning July 1, 2008.

15 (B) SCHOOL YEAR BEGINNING JULY 1,
16 2008.—To facilitate transition from the program
17 authorized under section 18(f) of the Richard
18 B. Russell National School Lunch Act (42
19 U.S.C. 1769(f)) (as in effect on the day before
20 the date of enactment of this Act) to the pro-
21 gram established under section 19 of that Act
22 (as amended by paragraph (1))—

23 (i) for the school year beginning July
24 1, 2008, the Secretary may permit any
25 school selected for participation under sec-

1 tion 18(f) of that Act (42 U.S.C. 1769(f))
2 for that school year to continue to partici-
3 pate under section 19 of that Act until the
4 end of that school year; and

5 (ii) funds made available under that
6 Act for fiscal year 2009 may be used to
7 support the participation of any schools se-
8 lected to participate in the program au-
9 thorized under section 18(f) of that Act
10 (42 U.S.C. 1769(f)) (as in effect on the
11 day before the date of enactment of this
12 Act).

13 (b) **CONFORMING AMENDMENTS.**—Section 18 of the
14 Richard B. Russell National School Lunch Act (42 U.S.C.
15 1769) is amended—

16 (1) by striking subsection (f); and

17 (2) by redesignating subsections (g) through (j)
18 as subsections (f) through (i), respectively.

19 **SEC. 4305. WHOLE GRAIN PRODUCTS.**

20 (a) **PURPOSE.**—The purpose of this section is to en-
21 courage greater awareness and interest in the number and
22 variety of whole grain products available to schoolchildren,
23 as recommended by the 2005 Dietary Guidelines for
24 Americans.

1 (b) DEFINITION OF ELIGIBLE WHOLE GRAINS AND
2 WHOLE GRAIN PRODUCTS.—In this section, the terms
3 “whole grains” and “whole grain products” have the
4 meaning given the terms by the Food and Nutrition Serv-
5 ice in the HealthierUS School Challenge.

6 (c) PURCHASE OF WHOLE GRAINS AND WHOLE
7 GRAIN PRODUCTS.—In addition to the commodities deliv-
8 ered under section 6 of the Richard B. Russell National
9 School Lunch Act (42 U.S.C. 1755), the Secretary shall
10 purchase whole grains and whole grain products for use
11 in—

12 (1) the school lunch program established under
13 the Richard B. Russell National School Lunch Act
14 (42 U.S.C. 1751 et seq.); and

15 (2) the school breakfast program established by
16 section 4 of the Child Nutrition Act of 1966 (42
17 U.S.C. 1773).

18 (d) EVALUATION.—Not later than September 30,
19 2011, the Secretary shall conduct an evaluation of the ac-
20 tivities conducted under subsection (c) that includes—

21 (1) an evaluation of whether children partici-
22 pating in the school lunch and breakfast programs
23 increased their consumption of whole grains;

1 (2) an evaluation of which whole grains and
2 whole grain products are most acceptable for use in
3 the school lunch and breakfast programs;

4 (3) any recommendations of the Secretary re-
5 garding the integration of whole grain products in
6 the school lunch and breakfast programs; and

7 (4) an evaluation of any other outcomes deter-
8 mined to be appropriate by the Secretary.

9 (e) REPORT.—As soon as practicable after the com-
10 pletion of the evaluation under subsection (d), the Sec-
11 retary shall submit to the Committee on Agriculture, Nu-
12 trition, and Forestry of the Senate and the Committee on
13 Education and Labor of the House of Representative a
14 report describing the results of the evaluation.

15 **SEC. 4306. BUY AMERICAN REQUIREMENTS.**

16 (a) FINDINGS.—The Congress finds the following:

17 (1) Federal law requires that commodities and
18 products purchased with Federal funds be, to the ex-
19 tent practicable, of domestic origin.

20 (2) Federal Buy American statutory require-
21 ments seek to ensure that purchases made with Fed-
22 eral funds benefit domestic producers.

23 (3) The Richard B. Russell National School
24 Lunch Act (42 U.S.C. 1751 et seq.) requires the use
25 of domestic food products for all meals served under

1 the program, including food products purchased with
2 local funds.

3 (b) BUY AMERICAN STATUTORY REQUIREMENTS.—
4 The Department of Agriculture should undertake training,
5 guidance, and enforcement of the various current Buy
6 American statutory requirements and regulations, includ-
7 ing those of the Richard B. Russell National School Lunch
8 Act (42 U.S.C. 1751 et seq.).

9 **SEC. 4307. SURVEY OF FOODS PURCHASED BY SCHOOL**
10 **FOOD AUTHORITIES.**

11 (a) IN GENERAL.—For fiscal year 2009, the Sec-
12 retary shall carry out a nationally representative survey
13 of the foods purchased during the most recent school year
14 for which data is available by school authorities partici-
15 pating in the school lunch program established under the
16 Richard B. Russell National School Lunch Act (42 U.S.C.
17 1751 et seq.).

18 (b) REPORT.—

19 (1) IN GENERAL.—On completion of the survey,
20 the Secretary shall submit to the Committees on Ag-
21 riculture and Education and Labor of the House of
22 Representatives and the Committee on Agriculture,
23 Nutrition, and Forestry of the Senate a report that
24 describes the results of the survey.

1 (2) INTERIM REQUIREMENT.—If the initial re-
2 port required under paragraph (1) is not submitted
3 to the Committees referred to in that paragraph by
4 June 30, 2009, the Secretary shall submit to the
5 Committees an interim report that describes the rel-
6 evant survey data, or a sample of such data, avail-
7 able to the Secretary as of that date.

8 (c) FUNDING.—Of the funds of the Commodity Cred-
9 it Corporation, the Secretary shall use to carry out this
10 section not more than \$3,000,000.

Appendix 3

Fresh Fruit and Vegetable Program
Allocation of Funds for School year 2011/12



United States
Department of
Agriculture

Food and
Nutrition
Service

3101 Park
Center Drive
Alexandria, VA
22302-1500

DATE: March 22, 2011

MEMO CODE: SP 24-2011

SUBJECT: Fresh Fruit and Vegetable Program (FFVP): Allocation of Funds for School Year (SY) 2011/12

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
School Nutrition Programs
All States

The *Fresh Fruit and Vegetable Program*, under Section 19 of the Richard B. Russell National School Lunch Act (NSLA), has been a nationwide program since 2008 and operates in selected elementary schools in the 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands. For School Year 2011/2012, the NSLA provides \$150 million in funding. Beginning SY 2012/2013 and after, FFVP funding will reflect annual changes in the Consumer Price Index.

The purpose of this memorandum is to provide funding allocation amounts for all State agencies (SAs) for SY 2011/2012; to provide information on funding requirements and deadlines; and to serve as a reminder of important program requirements.

Allocation of Funds to SAs

As in the previous year, allocations of FFVP funds are made on a school year basis, and funds will be provided on a fiscal year basis through two distributions: on or about July 1 and October 1, 2011. For SY 2011/2012, FNS expects to allocate to States a total of \$158 million, comprised of the \$150 million referred to above (less \$500,000 for federal administration)¹ and an estimated \$8.5 million in prior year funds available for reallocation.

Per Section 19, the funding formula is as follows: (1) all 50 States and the District of Columbia will receive an annual grant equal to one percent of the funds made available; and (2) FNS will allocate the remaining funds to each State based on the proportion of the State population to the U.S. population. All funds are allocated using this formula. Please refer to the Attachment for the total of FFVP funds available for each State. The attachment also includes each State's maximum July allocation.

July Allocation

In an effort to help SAs effectively administer the FFVP, FNS is asking each SA to determine the amount of funding needed to initiate and operate its FFVP during the first quarter of SY 2011/2012; this amount will be the SA's July allocation and will be

¹ Per Section 19 of the NSLA, FNS may retain up to \$500,000 for the administrative costs of carrying out the FFVP.

available for obligations made from July 1 through September 30, 2011. We anticipate that providing each SA the flexibility to estimate the amount of funds it needs during the first quarter of the school year will reduce the amount of unobligated funds at the end of the fiscal year.

Therefore, each SA must notify its respective FNS Regional Office (RO) by June 1, 2011 of the amount of its total July allocation it wishes to receive on or about July 1, 2011. ROs must report SAs' July allocation requests to HQ-FM by June 8, 2011. A request for more than 25 percent of the State's total grant award for the first quarter of SY 2011/2012 will require written justification and subsequent approval from FNS.

Here are a few considerations for SAs when deciding their July allocation request:

- All participating schools, including new schools, should be operational when classes resume for the school year. Therefore, the estimate should include all necessary expenses for schools to initiate the FFVP; i.e., ordering produce for delivery in August and September and any equipment to support program operations.
- SAs may want to consider including a portion of their administrative funds in their first quarter estimate.

To ensure that States are provided every opportunity to expend their allocation, and as allowed in the previous school year, if a State returns unobligated FY 2011 FFVP funds from the July allocation to FNS-HQ prior to the end of September, those returned funds will be added to the FY 2012 October allocation the State will receive on or about October 1, 2011. A SA can only receive its unobligated funds from its July allocation. Unobligated funds that are not returned to FNS-HQ prior to September 30, 2011, will be recovered by FNS during normal closeout activities and made available for future program operations. This early recovery and return process does not apply to the October allocation.

RO-FM staff should be able to track the transactions by Program Cost Account (PCA) at the regional level. Since regional FM personnel handle letter of credit (LOC) transactions with States, SAs should notify their FM contacts in the regions of any balances to be returned. States may also want to consider copying regional program staff and HQ staff for continuity. States must provide their balances to be returned to RO-FM no later than September 21, 2011, and the RO in turn must provide this information to HQ-FM no later than September 23, 2011. These deadlines will allow sufficient time for each SA's return to be processed so that it may be included in the October allocation.

October Allocation

The second allocation will be made on or about October 1, 2011. Schools can obligate the October funds through June 30, 2012. SAs may continue to obligate these funds for State administrative costs through September 30, 2012.

The October allocation will be the remainder of the SA's total grant for the school year, including any unobligated funds from the July allocation that a State returned prior to the end of the fiscal year. The October allocation will not include any funds recovered by FNS from the July allocation; those funds will be available for future program operations.

Funds for State Administrative Costs

Section 19 permits SAs to retain a portion of their total FFVP grant allocation for State administrative costs. The amount of funds retained for State administrative costs is the lesser of: (1) five percent of the SA's total grant for the year; or (2) the amount required to pay the costs of one full-time coordinator for the FFVP in the SA. Each SA should identify the appropriate level and resulting salary for a FFVP coordinator within the SA personnel structure. As a reminder, this provision serves to assist SAs in determining the FFVP administrative funds they can retain from their total grant and does not require SAs to employ a coordinator for the FFVP.

The amount retained for State administrative costs must be determined up-front, since SAs must subtract funds used for State administrative costs prior to making school selections and determining school allocations. State administrative funds are subject to the same cost accountability and management principles applied to State Administrative Expense funds.

SAs can determine from which of the two allocations and how much, if any, of the funds they will retain for administrative expenses. SAs taking the entire portion of administrative funds in the July allocation must obligate these funds by September 30, 2011.

General Program Reminders

- The requirements in the law for school selection are very prescriptive and require that schools with the highest level of free and reduced price enrollment receive priority in selection. For more detailed information regarding school targeting, outreach to needy schools and the application process, please refer to FNS memorandum dated December 1, 2009, SP-10-2010, titled *Fresh Fruit and Vegetable Program (FFVP) Targeted School Selection and Outreach Process*.
- As stated in Section 19 of the NSLA, starting SY 2010/2011 only elementary schools are eligible to participate in the FFVP. Secondary schools are no longer allowed to participate.
- Total enrollment of all schools selected by the SA must result in a per-student allocation of \$50 to \$75 per year.
- The application process must be conducted yearly, however returning schools do not have to submit a new application each year; instead they are permitted to update their application on file, at the discretion of the SA.

- As stated earlier, all schools should be operating the FFVP as soon as the new school year begins. Therefore, SAs are strongly encouraged to select their schools before the current school year ends.

The following table provides some key FFVP dates.

| Key Dates to Remember | |
|-----------------------------|--|
| No later than June 30, 2011 | SAs select all SY 2011/2012 FFVP participating schools (recommended) |
| June 1, 2011 | SAs report July 2011 funding requirement to RO-FM |
| June 8, 2011 | ROs report SA funding requirements to HQ-FM |
| July 1, 2011 | SAs receive 1 st allocation for SY 2011/2012; schools can no longer obligate funds received in October 2010 allocation for SY 2010/2011 |
| Sept. 21, 2011 | States must notify RO-FM of any July allocation balances to be returned as part of their October allocation |
| Sept. 23, 2011 | RO must provide July allocation return totals to HQ-FM |
| Sept. 30, 2011 | Last day on which July allocation funds can be obligated (any unobligated funds will be recovered during closeout) |
| Oct. 1, 2011 | SAs receive 2 nd allocation for SY 2011/2012 |
| Dec. 31, 2011 | Closeout for FY 2011 funds; SAs submit final SF-425 via FPRS |
| June 30, 2012 | Schools can obligate all 2 nd allocation funds up to this date |
| Sept. 30, 2012 | SAs can obligate all 2 nd allocation funds up to this date |

SAs with questions regarding FFVP should contact their respective Regional Offices.

Original Signed

Cynthia Long
 Director
 Child Nutrition Division

Attachment

| State | Proposed FFVP per state allocation for SY11-12 based on approximately \$158 million available | Maximum July Allocation (25% of total) |
|----------------------|--|---|
| Alabama | \$2,763,159 | \$690,790 |
| Alaska | \$1,755,808 | \$438,952 |
| Arizona | \$3,162,258 | \$790,564 |
| Arkansas | \$2,301,796 | \$575,449 |
| California | \$10,801,714 | \$2,700,429 |
| Colorado | \$2,824,910 | \$706,227 |
| Connecticut | \$2,464,720 | \$616,180 |
| Delaware | \$1,802,271 | \$450,568 |
| District of Columbia | \$1,728,948 | \$432,237 |
| Florida | \$6,234,011 | \$1,558,503 |
| Georgia | \$3,978,048 | \$994,512 |
| Hawaii | \$1,916,724 | \$479,181 |
| Idaho | \$1,968,034 | \$492,008 |
| Illinois | \$4,756,050 | \$1,189,012 |
| Indiana | \$3,184,978 | \$796,244 |
| Iowa | \$2,334,084 | \$583,521 |
| Kansas | \$2,286,251 | \$571,563 |
| Kentucky | \$2,654,152 | \$663,538 |
| Louisiana | \$2,702,175 | \$675,544 |
| Maine | \$1,908,818 | \$477,204 |
| Maryland | \$3,009,165 | \$752,291 |
| Massachusetts | \$3,200,777 | \$800,194 |
| Michigan | \$4,026,562 | \$1,006,640 |

| | | |
|----------------|-------------|-------------|
| Minnesota | \$2,892,915 | \$723,229 |
| Mississippi | \$2,314,514 | \$578,629 |
| Missouri | \$3,062,478 | \$765,620 |
| Montana | \$1,824,916 | \$456,229 |
| Nebraska | \$2,032,086 | \$508,022 |
| Nevada | \$2,248,485 | \$562,121 |
| New Hampshire | \$1,905,874 | \$476,469 |
| New Jersey | \$3,756,315 | \$939,079 |
| New Mexico | \$2,089,722 | \$522,430 |
| New York | \$6,376,788 | \$1,594,497 |
| North Carolina | \$3,940,380 | \$985,095 |
| North Dakota | \$1,746,491 | \$436,623 |
| Ohio | \$4,435,706 | \$1,108,926 |
| Oklahoma | \$2,508,596 | \$627,149 |
| Oregon | \$2,528,331 | \$632,083 |
| Pennsylvania | \$4,724,303 | \$1,181,076 |
| Rhode Island | \$1,840,549 | \$460,137 |
| South Carolina | \$2,724,946 | \$681,237 |
| South Dakota | \$1,781,539 | \$445,385 |
| Tennessee | \$3,150,893 | \$787,723 |
| Texas | \$7,804,444 | \$1,951,111 |
| Utah | \$2,264,162 | \$566,041 |
| Vermont | \$1,734,894 | \$433,723 |
| Virginia | \$3,560,546 | \$890,136 |
| Washington | \$3,244,569 | \$811,142 |
| West Virginia | \$2,038,684 | \$509,671 |

| | | |
|----------------|-------------|-----------|
| Wisconsin | \$2,987,737 | \$746,934 |
| Wyoming | \$1,719,518 | \$429,880 |
| Puerto Rico | \$922,269 | \$230,567 |
| Guam | \$44,771 | \$11,193 |
| Virgin Islands | \$27,167 | \$6,792 |

Appendix 4

USDA Farm Service Agency: Geographically Disadvantaged Farmers and Rancher Program
Reimbursement of Transportation Cost payment Program

USDA FARM SERVICE AGENCY Reimbursement of Transportation Cost Payment Program
(Geographically Disadvantaged Farmers and Rancher Program) January 2011

Overview of the Program:

- Hawaii Farm Bureau Federation and other agricultural stakeholders in Hawaii and Alaska requested federal financial to support island producers faced with higher transportation costs than producers within the continental U.S.
- U.S. Senators Daniel Inouye and Ted Stevens (formerly Alaska's Senator) championed the cause and included in the 2008 Farm Bill the Reimbursement of Transportation Cost Payment Program, frequently referred to as the Geographically Disadvantaged Farmers and Rancher Program. The legislation also made the program available to the U.S. territories and holdings of American Samoa, Guam, Commonwealth of the Northern Marianas Islands, Republic of Palau, Federated States of Micronesia, Marshall Islands, Puerto Rico and the Virgin Islands.
- Overall the program is designed to benefit a wide range of producers and make a significant financial impact on operations.
- The Senators and their colleagues were able to garner support for a \$2.6 million appropriation for federal fiscal year (FY) 2010.
- Subsequent funding is pending annual budget appropriations for FY 2011; however, it is speculated by Senator Inouye that overall Congressional support for funding is uncertain.

Total number applications received for FY 2010:

- Hawaii & Pacific Basin¹ 271
- Puerto Rico 1,076
- Alaska 169
- Virgin Islands 12

Estimated percentage of minority group² applicants:

- Hawaii & Pacific Basin Ranged from 36% to 100% depending upon the county
- Puerto Rico 100%
- Alaska 33%
- Virgin Islands Not Available

1. Pacific Basin includes the U.S. Territories and holdings of American Samoa, Guam, Commonwealth of the Northern Marianas Islands, Republic of Palau, Federated States of Micronesia, and Marshall Islands.
2. Minority Group refers to eligible groups of women and minorities including American Indians or Alaskan Natives, Asians, Blacks or African Americans, Native Hawaiians or other Pacific Islanders and Hispanics.

Projected average dollar award for Hawaii & Pacific Basin:

- \$1-\$100: 18 applicants
- \$101-\$1,000: 85 applicants
- \$1,001-\$5,000: 85 applicants
- \$5,001-\$8,000 or Cap: 83 applicants

Projected overall payments out of \$2.6 million available:

- Est. projected payments \$2.46 million
- Hawaii & Pacific Basin \$873,600
- Puerto Rico \$1.1million
- Alaska \$469,000
- Virgin Islands Not Available

Current 2010 Program Status:

- FSA staff are wrapping-up second-party reviews of applications
- Followed by submission to the National Office for required application of a "National Factor" to address potential shortfall of available funds
- Followed by payments to producers expected to follow.

Assessment:

- There was a shortfall in the anticipated number of producers that could have signed up for the program despite extensive outreach efforts.
- Recognition that it generally takes a few years for producers to engage and take advantage of new Farm Bill programs.
- Some producers lacked records (invoices for purchase of inputs and/or transportation fees), hence were unable to comply with program requirements.
- A survey of participating producers in Hawaii was very positive, with most indicating that the program is highly valued and that they would apply again if the program is available in 2011. Highlights of the survey included:
 - Producers were very pleased with the supplemental income
 - Producers plan to apply in FY 2011 if the program is available
 - Help to overcome the barriers to competing with low-cost imported products
 - More businesses are not struggling to stay in business
 - Enhanced competitiveness by lowering of expenses
 - Important for the local economy
 - Program offered additional support for local food systems
 - Brings down the costs to consumers, through pass down of savings

Appendix 5

Proposed Bill
Amendment of the State Procurement Code

Report Title:

Procurement Code

Description:

Amend section 103D-102 of the Hawaii Public Procurement Code, chapter 103D, Hawaii Revised Statutes, to allow purchase of fresh meats and produce and animals and plants by any governmental body; and delete section 103D-104.5 as subject to chapter 103D.

____.B. NO.____

A BILL FOR AN ACT

RELATING TO THE HAWAII PUBLIC PROCUREMENT CODE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. Section 103D-102, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) Notwithstanding subsection (a), this chapter shall not apply to contracts by governmental bodies:

(1) Solicited or entered into before July 1, 1994, unless the parties agree to its application to a contract solicited or entered into prior to July 1, 1994;

(2) To disburse funds, irrespective of their source:

(A) For grants or subsidies as those terms are defined in section 42F-101, made by the State in accordance with standards provided by law as required by article VII, section 4, of the State Constitution; or by the counties pursuant to their respective charters or ordinances;

- (B) To make payments to or on behalf of public officers and employees for salaries, fringe benefits, professional fees, or reimbursements;
- (C) To satisfy obligations that the State is required to pay by law, including paying fees, permanent settlements, subsidies, or other claims, making refunds, and returning funds held by the State as trustee, custodian, or bailee;
- (D) For entitlement programs, including public assistance, unemployment, and workers' compensation programs, established by state or federal law;
- (E) For dues and fees of organizations of which the State or its officers and employees are members, including the National Association of Governors, the National Association of State and County Governments, and the Multi-State Tax Commission;
- (F) For deposit, investment, or safekeeping, including expenses related to their deposit, investment, or safekeeping;
- (G) To governmental bodies of the State;

- (H) As loans, under loan programs administered by a governmental body; and
 - (I) For contracts awarded in accordance with chapter 103F;
- (3) To procure goods, services, or construction from a governmental body other than the University of Hawaii bookstores, from the federal government, or from another state or its political subdivision;
- (4) To procure the following goods or services which are available from multiple sources but for which procurement by competitive means is either not practicable or not advantageous to the State:
- (A) Services of expert witnesses for potential and actual litigation of legal matters involving the State, its agencies, and its officers and employees, including administrative quasi-judicial proceedings;
 - (B) Works of art for museum or public display;
 - (C) Research reference materials including books, maps, periodicals, and pamphlets, which are published in print, video, audio, magnetic, or electronic form;
 - (D) Meats and foodstuffs for the Kalaupapa settlement, and fresh meat and produce, and

animals and plants for use by any governmental
body;

- (E) Opponents for athletic contests;
- (F) Utility services whose rates or prices are fixed by regulatory processes or agencies;
- (G) Performances, including entertainment, speeches, and cultural and artistic presentations;
- (H) Goods and services for commercial resale by the State;
- (I) Services of printers, rating agencies, support facilities, fiscal and paying agents, and registrars for the issuance and sale of the State's or counties' bonds;
- (J) Services of attorneys employed or retained to advise, represent, or provide any other legal service to the State or any of its agencies, on matters arising under laws of another state or foreign country, or in an action brought in another state, federal, or foreign jurisdiction, when substantially all legal services are expected to be performed outside this State;
- (K) Financing agreements under chapter 37D; and

- (L) Any other goods or services which the policy board determines by rule or the chief procurement officer determines in writing is available from multiple sources but for which procurement by competitive means is either not practicable or not advantageous to the State;
- (5) Which are specific procurements expressly exempt from any or all of the requirements of this chapter by:
 - (A) References in state or federal law to provisions of this chapter or a section of this chapter, or references to a particular requirement of this chapter; and
 - (B) Trade agreements, including the Uruguay Round General Agreement on Tariffs and Trade (GATT) which require certain non-construction and non-software development procurements by the comptroller to be conducted in accordance with its terms; and
- (6) With a bidder or offeror who is a United States General Services Administration-approved sole source vendor, who shall be exempt from complying with section 103D-302, 103D-303, or 103D-304, as applicable, in any procurement funded by state and federal matching funds, if the bidder or

offeror was responsible for obtaining and was the recipient of the federal funds."

SECTION 2. Section 103D-104.5, Hawaii Revised Statutes, is repealed.

~~[§103D-104.5 Agricultural products subject to this chapter. The following agricultural products shall be subject to this chapter:~~

~~(1) Fresh meats and produce; and~~

~~(2) Animals and plants.~~

~~Except for the exemptions under section 103D-102(b), no exemptions under this chapter shall apply to this section.]~~

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2012; provided that amendments made to sections 103D-102(b), Hawaii Revised Statutes, by this Act shall not be repealed when section 103D-102, Hawaii Revised Statutes, is reenacted, pursuant to section 14(1) of Act 175, Session Laws of Hawaii 2009.

INTRODUCED BY: _____

BY REQUEST

Appendix 6

Proposed Bill
Amendment to the Hawaii State Planning Act

DRAFT

Proposed amendment to the policies found in Section 226-7(b)(7) and (13)

§226-7 Objectives and policies for the economy--agriculture.

(a) Planning for the State's economy with regard to agriculture shall be directed towards achievement of the following objectives:

- (1) Viability of Hawaii's sugar and pineapple industries.
- (2) Growth and development of diversified agriculture throughout the State.
- (3) An agriculture industry that continues to constitute a dynamic and essential component of Hawaii's strategic, economic, and social well-being.

(b) To achieve the agriculture objectives, it shall be the policy of this State to:

- (1) Establish a clear direction for Hawaii's agriculture through stakeholder commitment and advocacy.
- (2) Encourage agriculture by making best use of natural resources.
- (3) Provide the governor and the legislature with information and options needed for prudent decision making for the development of agriculture.
- (4) Establish strong relationships between the agricultural and visitor industries for mutual marketing benefits.
- (5) Foster increased public awareness and understanding of the contributions and benefits of agriculture as a major sector of Hawaii's economy.
- (6) Seek the enactment and retention of federal and state legislation that benefits Hawaii's agricultural industries.
- (7) Strengthen diversified agriculture by developing an effective promotion, marketing, and distribution system between Hawaii's producers and consumers in the state, nationally, and internationally. ~~markets locally, on the continental United States, and internationally.~~
- (8) Support research and development activities that strengthen economic productivity in agriculture, stimulate greater efficiency, and enhance the development of new products and agricultural by-products.
- (9) Enhance agricultural growth by providing public incentives and encouraging private initiatives.
- (10) Assure the availability of agriculturally suitable lands with adequate water to accommodate present and future needs.

- (11) Increase the attractiveness and opportunities for an agricultural education and livelihood.
- (12) Expand Hawaii's agricultural base by promoting growth and development of flowers, tropical fruits and plants, livestock, feed grains, forestry, food crops, aquaculture, and other potential enterprises.
- (13) Promote economically competitive activities that increase Hawaii's agricultural self-sufficiency including the increased purchase of Hawaii-grown foods by residents and institutions such as public schools, prisons, hospitals and the military.
- (14) Promote and assist in the establishment of sound financial programs for diversified agriculture.
- (15) Institute and support programs and activities to assist the entry of displaced agricultural workers into alternative agricultural or other employment.
- (16) Facilitate the transition of agricultural lands in economically nonfeasible agricultural production to economically viable agricultural uses. [L 1978, c 100, pt of §2; am L 1986, c 276, §6; am L 1993, c 25, §2; am L 2009, c 167, §3]

Proposed amendment to the priority guidelines that implement the policies, Section 226-103(d)

Addition of new priority guideline

- (d) Priority guidelines to promote the growth and development of diversified agriculture and aquaculture:
- (1) Identify, conserve, and protect agricultural and aquacultural lands of importance and initiate affirmative and comprehensive programs to promote economically productive agricultural and aquacultural uses of such lands.
 - (2) Assist in providing adequate, reasonably priced water for agricultural activities.
 - (3) Encourage public and private investment to increase water supply and to improve transmission, storage, and irrigation facilities in support of diversified agriculture and aquaculture.

- (4) Assist in the formation and operation of production and marketing associations and cooperatives to reduce production and marketing costs.
- (5) Encourage and assist with the development of a waterborne and airborne freight and cargo system capable of meeting the needs of Hawaii's agricultural community.
- (6) Seek favorable freight rates for Hawaii's agricultural products from interisland and overseas transportation operators.
- (7) Encourage the development and expansion of agricultural and aquacultural activities which offer long-term economic growth potential and employment opportunities.
- (8) Continue the development of agricultural parks and other programs to assist small independent farmers in securing agricultural lands and loans.
- (9) Require agricultural uses in agricultural subdivisions and closely monitor the uses in these subdivisions.
- (10) Support the continuation of land currently in use for diversified agriculture.
- (11) Encourage residents and visitors alike to support Hawaii's farmers by purchasing locally-grown products.**