

## FOOD AND AGRICULTURE

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## INSTITUTIONAL PROCUREMENT AND RESILIENT FOOD SYSTEMS

### Business Nexus

As America's Farm to Fork Capital, Sacramento's vibrant agricultural economy generates billions of dollars in economic impact each year, and the demand for locally sourced food is growing year over year. We urge the United States Department of Agriculture (USDA) to extend to school districts the option of selecting Cash in Lieu of Commodities for use in the National School Lunch Program, just as this option is available in other federal child nutrition programs. This would expand local purchasing and build the foundation to support a resilient food system in the region.

### Requested Actions

- Increase flexibilities of USDA National School Lunch Program's procurement regulations so local school districts can receive Cash in Lieu of Commodities -- where school districts could use funds to purchase local goods -- thereby expanding local purchasing and supporting local farmers and food producers. Districts would document all local food purchases, savings and systems improvements that could be replicated in other school districts.
- Support development of food system infrastructure such as food hubs, central kitchens and other facilities and equipment to increase opportunities for farm to institution procurement and increase economic benefit to local growers and the food and ag economy.
- Address SNAP eligibility requirements for college students (especially food insecure students) at University of California, Davis and California State University, Sacramento and Community Colleges throughout the region.

Institutions such as schools and hospitals which have purchasing power that has been greatly underestimated, are also working to increase their purchasing power of locally grown foods. Purchasing policies, regulatory constraints, limited budgets, lack of capacity, and lack of adequate infrastructure, such as food hubs to aggregate and deliver crops from farm to institution, and on-site facilities for storing and preparing fresh produce, are some of the long-standing barriers to local

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procurement. With great dedication, several institutions in the region are paving the way, providing economic benefit to both their operations and local growers while improving the quality and healthiness of food served, including to many of our most vulnerable students.

Sacramento City Unified School District (SCUSD), which prepares 45,000 meals a day (and upwards of 65,000 meals a day during the height of the pandemic), has made great progress in local procurement, but requires greater flexibility from USDA in its use of “entitlement” dollars - \$1.9 million in 2019-2020 - used to purchase commodities. This would enable the District to increase its purchasing from local growers and through direct bidding instead of purchasing commodities from out of state using USDA entitlement dollars. This would allow the District to increase its Farm to School efforts and procure local chicken from within 150 miles. Savings could then be spent on offering more locally grown, higher quality and healthier foods for students in this diverse, large urban district in which 74% of students qualify for the federally subsidized school meal program. Removing barriers to increased institutional purchasing of locally grown food and value-added products will greatly benefit the region and provide a valuable model for others to implement and expand local procurement efforts across the industry. It will provide an important new market channel for local growers, producers, and distributors as they seek to recover from the disruption of the pandemic, contributing to future food system resiliency.

Farm to Fork efforts tend to focus on local food purchasing by households, restaurants, retail stores and other establishments, while overlooking the impact of local and regional food systems of institutional procurements. The last decade has seen improved understanding of institutional procurement as a growing market for local foods that offer many economic, health, community, and environmental benefits. Several USDA programs related to child nutrition programs have helped greatly to support and expand Farm to School programs. According to a report published by the Federal Reserve of St. Louis, in partnership with USDA, several studies have found positive economic results from farm to institution activities, including a 2017 University of California, Davis study that found that for every dollar of produce local school districts purchased from Yolo County growers, \$1.82 of economic activity was generated.<sup>i</sup>

USDA supports and invests in Farm to School programs, stating that “Farm to School works to stimulate local and regional economies; improve children’s health, nutrition and academic performance; and create widespread school and community benefits.”<sup>ii</sup> However, other procurement policies and procedures such as the USDA Foods (commodities purchasing) program hinder the ability of districts to procure locally grown and processed foods in the most effective and locally driven way.

Capital region institutions like Sacramento City Unified School District and UC Davis Health (with the addition of its new 25-acre health and life sciences innovation Center Aggie Square) are paving the way to bring “farm to every fork” to thousands of residents every day in schools, hospitals, food banks and other venues across the region.

Sacramento City Unified School District (SCUSD) has developed a strong self-sustaining Farm to School program that served 9 million meals in 2019-2020 - an increase of 38% due to the pandemic. Through innovative strategies and planning, buying direct from food manufacturers and distributing out of the District’s own warehouse with its own fleet of refrigerated trucks, The District has generated

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huge cost savings which is reinvested into the food programs, expanding the ability to source higher quality proteins, produce and other goods. Some examples of the savings were generated include picking up produce instead of paying additional freight fees, resulting in a cost savings of nearly \$90,000 per year for one produce item. Working with manufacturers of compostable trays to change the way they were packaged enabled more cases per truck load, reducing tray costs by \$.01 per tray, for 4.5 million trays per year. SCUSD was recently awarded the California Farm to School Incubator Grant for the 2020-2021 school year, and \$375,000 in funds to expand its grower network, to include hyper-local farms and increase its farm to school education and activities through the work of a local nonprofit in after school programs at 10 elementary schools. This program also will increase market opportunities for growers struggling with the disruption of the pandemic.

UC Davis Health is going Farm to Fork - "Good Food is Good Medicine." Led by its award-winning chef, the Medical Center's Food and Nutrition Services Department prepares over 6,500 farm to fork meals for patients, visitors, and staff at three locations, shifting toward plant-based and whole food ingredients. Over the past year, the Center has doubled the percentage of its local and sustainable purchases, including seafood, produce, meats and dry goods, to more than 40% of total purchases. The program has reduced greenhouse gas emissions with changes in food procurement practices and won the James Beard Foundation Award for sustainable seafood procurement with its Smart Catch Leader award in 2019.

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