

HB-1132

Local Food Purchasing Program 2023 Legislative Report

Submitted to:
Education Committee, Rural Affairs
and Agricultural Committee, and
Agriculture and Natural Resources
Committee



COLORADO
Department of Education

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Executive Summary

The Local Food Program (LFP) provides eligible sponsors (schools and school districts), with funding to procure Colorado grown, raised, processed and value-added products to use in Child Nutrition Programs. In the 2022-23 school year, grantees spent program funds on allowable products and fulfilled their grant requirements.

\$500K / 20 SPONSORS

Twenty sponsors received funding, totaling \$500,000. After a competitive application process, sponsors were awarded LFP funding based on a formula of \$0.05 per lunch served in the determining year (2021-22). Basic grant activities included sponsors tracking purchased Colorado grown, raised, processed and value-added processed products, along with the food cost, product type, quantity, vendor, farmer or producer and invoice date.

In addition to funding for child nutrition sponsors, the department's School Nutrition Unit awarded Nourish Colorado, a non-profit organization, with the Technical Assistance and Education Grant for the entirety of the program. This \$150,000 annual grant was awarded through a competitive process and provided technical assistance and training to participating sponsors and Colorado producers, farmers, and food aggregators. According to participating sponsors, Nourish Colorado's work had a positive outcome on the LFP implementation.

During the grant period, 88% of the purchases were for Colorado raw and minimally processed products. Only 12% of the LFP funding was used to procure value-added products such as tortillas and bread. The Colorado grown produce purchased by grantees the most included carrots, apples, lettuce, peaches, tomatoes, cucumbers and melons.

Sponsors procured Colorado raised or processed raw animal proteins as well, including beef, bison, chicken and pork. A diverse range of locally grown, raised, processed, and value-added products were bought using LFP funding.

Five of the participating sponsors spent significantly more than their award amount on Colorado products in 2022-23 and the award only covered a portion of their local purchases. The other 15 sponsors relied on the LFP award to procure Colorado products and the award amount was the main reason they were able to purchase locally.

Using a local food impact calculator created by Colorado economists (see details on page 14), the total estimated impact of LFP funding on the Colorado economy is \$864,001. Food hubs (intermediary sellers) played an integral role in selling and distributing products to sponsors across Colorado and a total of 14% of funding was spent with a food hub.

\$500K SPENT => estimated impact \$864K

Surveys from participating sponsors and producers identified a need for accessible data and tracking and connecting sponsors with willing producers. Each year, the LFP administration and evaluations allows for program growth and process improvement.

With the expansion of the LFP statewide in the 2024-25 school year, this report will be used to inform the implementation and execution of the expanded program.

Definitions

Child Nutrition Programs refers to any of the following federally funded meal programs: National School Lunch Program, School Breakfast Program, Special Milk Program, Afterschool Snack Program, Child and Adult Care Food Program, Summer Food Service Program and the Fresh Fruit and Vegetable Program.

Sponsor refers to a school district, charter school, Board of Cooperative Educational Services that operates a public school, or Residential Child Care Institution that operates any Child Nutrition Program.

Colorado grown or raised products mean all fruits, vegetables, grains, meats and dairy products, except liquid milk, grown or raised in Colorado that meet the standards for the Colorado Proud designation.

Minimally processed products mean raw or frozen fabricated products that retain their inherent character, such as shredded carrots or diced onions and dried products such as beans. It does not include products that are heated, cooked or canned.

Value-added processed products mean products that are altered from their unprocessed or minimally processed state through preservation techniques, including cooking, baking or canning.

Participating Sponsor means a school district, charter school, Board of Cooperative (Educational) Services that operates a public school or Residential Child Care Institution that has been selected by the Colorado Department of Education (CDE) to participate in the Local Food Program.

Grantee refers to a sponsor that received funds to participate in the Local Food Program.

Introduction and Background

In May 2019, the Colorado Legislature passed House Bill 19-1132, The Local School Food Purchasing Program.

Shortened in name to the Local Food Program (LFP), this pilot grant program offers eligible Child Nutrition Programs funding for the purchase of Colorado grown, raised, processed and value-added products. The purpose of this grant program is to encourage child nutrition sponsors to procure local products, while in return fostering nutrition education, bolstering Farm to School activities across the state and supporting Colorado producers, ranchers and farmers. The Colorado Department of Education's School Nutrition Unit was tasked with administering the LFP and is entering into the third pilot year of this program. The pilot program will officially end in January 2024.

The LFP pilot program designated \$500,000 per year to be distributed among selected sponsors. Sponsors apply for funding through a competitive process and agree to all program terms before funding is awarded. The amount of funding is determined by multiplying the number of school lunches served in the prior year by \$0.05. The one-time grant payment accrues directly to the sponsor's nonprofit school food account, which can then be used for procurement of appropriate Colorado food. Participating sponsors may only use the funding for the purchase of Colorado grown, raised, processed and value-added products. The funding's sole restriction is that value-added processed products can only account for up to 25% of the awarded funds. This emphasizes the purchase of Colorado raw fruits, vegetables, dairy, and meat and minimally processed products.

Introduction and Background, cont.

School Nutrition worked with CDE's Office of Competitive Grants to release a Request for Applications for Child Nutrition Sponsors each spring of the pilot years (2021-23). Per legislation, sponsors are ineligible to participate in the pilot program if, in the prior year, more than 2,150,000 lunches were served. The criteria for a sponsor to be eligible to participate in the LFP included the following:

- A commitment to local purchasing or food and agricultural education.
- A kitchen with the ability to store, prepare and serve local food products.

Priority and additional scoring points were given to sponsors that:

- Had a district wide population with more than 25% of its students eligible for free or reduced-price meals.
- Served fewer than 1,250,000 lunches in the determining school year.

In March of 2022, 20 sponsors were selected through a competitive process to receive funding for the 2022-23 school year. Grantees included twelve returning sponsors

from the previous year and eight sponsors new to the program. The entirety of the allocated \$500,000 was distributed in October 2022 to the awarded sponsors based on their previous year's lunch counts. Award allocations were disseminated in sequential order, starting from the highest scoring application, until funding was depleted. As a result, one sponsor, Pueblo City, did not receive the entirety of the award amount for which they qualified.

With the implementation of Healthy School Meals for All, a state ballot initiative passed in 2022, the LFP will expand to an opt-in, statewide program. Starting in the 2024-25 school year, any sponsor participating in HSMA will be able to receive \$0.25 per lunch served in the prior year for the procurement of Colorado products. The LFP will no longer be competitive, and more sponsors will be funded at a higher rate. The expansion of this program will significantly increase access to Colorado foods served to students across the state. This report focuses on the outcomes, successes and areas of opportunity discovered during the pilot program and will be used to inform the implementation and execution of the expanded program.



Field of flowering potato plants, San Luis Valley, in the south-central part of Colorado

Grant Implementation

The required reporting by participating sponsors consists of tracking purchased Colorado grown, raised, processed and value-added processed products, along with the food cost, product type, quantity, vendor, farmer or producer and invoice date. A reporting tracker was developed and reviewed monthly by CDE's School Nutrition Unit. The food items purchased for the LFP were served in the School Breakfast Program, National School Lunch Program and Afterschool Snack Program.

Participating sponsors spent the entirety of the allocated funding for the 2022-23 school year. Hundreds of qualifying items were purchased for Child Nutrition Programs including hydroponic salad mix, Western Slope stone fruits, San Luis Valley potatoes, bison from the plains, Rocky Ford melons and carrots from northern Colorado.

Below are the twenty SY 2022-23 grant recipients and their allotted award amounts:

SPONSOR	AWARD AMOUNT
Bayfield School District 10JT-R	\$4,193.10
Boulder Valley School District RE-2	\$68,701.40
Calhan School District RJ-1	\$1,350.05
Colorado Springs School District 11	\$101,243.40
Creede School District	\$403.35
Durango School District 9-R	\$15,563.95
Englewood School District 1	\$9,221.40
Greeley-Evans School District 6	\$81,406.30
Gunnison Watershed School District RE-1J	\$4,488.95
Lake County School District R-1	\$4,650.90
Mancos School District RE-6	\$2,058.40
Mapleton School District 1	\$29,893.15
Pueblo City School District 60	\$25,333.55
Sangre de Cristo School District RE-22J	\$1,377.25
South Routt School District RE-3	\$1,487.50
St. Vrain Valley School District RE-1J	\$96,123.20
Swink School District 33	\$1,424.50
Thompson School District R2-J	\$49,632.10
Vilas School District RE-5	\$296.85
West End School District RE-2	\$1,150.70



Technical Assistance and Education Grant

In addition to funding for child nutrition sponsors, HB-1132 created the Local School Food Purchasing Technical Assistance and Education Grant Program. This portion of the LFP offers funding to one non-profit organization to assist with program promotion and offer technical assistance to participating sponsors and Colorado producers, farmers and food aggregators. The selected non-profit organization receives \$150,000 each program year. The funding can be used to offer training, technical assistance and physical infrastructure to sponsors and partners, support the development and sustainability of local and regional food systems, offer chef and culinary training and/or help partners implement farm and food safety planning. The selected non-profit organization was awarded the Technical Assistance and Education grant for the entire pilot program.

Nourish Colorado was awarded the Technical Assistance and Education Grant for the entirety of the LFP pilot, starting in 2019. Nourish, formerly known as Livewell Colorado, is a statewide non-profit founded in 2009 that focuses on “strengthening connections with and between farms, ranches and communities so that all Coloradans have equitable access to fresh, nutritious foods.”¹ The organization has been working to leverage the procurement power of schools and to build healthy food in institutions since 2010. Over the past three program years, Nourish¹ has focused on providing participating sponsors targeted Technical Assistance to ensure the success of the LFP.

Support to Sponsors

In the 2022-23 school year, Nourish worked directly with all 20 participating sponsors, a higher number of districts than the previous school year of 16 grantees. Through collaboration and in-depth interviews with the sponsors, Nourish crafted technical assistance plans, connected food service directors with producers, and planned on-site visits with cafeteria staff. A training in Pueblo D60 included a presentation

to an auditorium of 120 food service staff. Another in-person training at Thompson School District provided 35 participants with specific training in the implementation of the LFP. In combination with 11 other sponsors receiving on-site training, the technical assistance increased sponsors ability across the state to implement the LFP. Training topics included local food processing, scratch cooking, knife skills, menu planning, procurement regulations, marketing and momentum building and networking. Over the course of the program year, Nourish reported that:

- 100% of sponsors requested more training on Farm to School efforts and local procurement.
- Thirteen of the 20 sponsors received on-site Technical Assistance or a customized workshop.



¹ <https://nourishcolorado.org/about/>

Technical Assistance and Education Grant, cont.

Subcontracting & Collaboration with Producer Associations, Farmer Organizations, Partners, etc.

\$30,000 of the \$150,000 funding went to collaborating with and learning from experts within the food systems and farming communities. Nourish hired three consultants to build relationships with school districts, food hubs, and rural producers. They attended monthly calls and worked closely with Nourish and CDE to identify the key challenges producers and districts experience in the Colorado food system. Utilizing this expertise, resources were developed to help sponsors and producers understand the LFP and the needs of each group. Resources collaboratively created by Nourish include:

- K-12 Purchasing Planning Worksheet
- Getting Started in Farm to School (For Farmers)
- Farmer Checklist: Meeting with a Food Service Director
- Product Availability & Pricing Template
- Traceability Log
- Farm Availability Template
- CO Agricultural Calendar
- Farm to Institution Template “Where Does Your Food Come From?”
- Local Produce Half Sheet (Flyers)
- Local Produce Poster and Local Food Program Poster
- Local Food Program Flow Chart and Info
- Press Releases, Newsletters, and Social Media Samples

While the program logistics are made possible by CDE School Nutrition, the collaboration with Nourish Colorado had a positive impact on the LFP. According to sponsor surveys, 19 of 20 sponsors reported that the Technical Assistance provided by Nourish better helped them implement the LFP.

WHAT IS THE LOCAL FOOD PROGRAM?

The Local Food Program offers Colorado's youth access to high quality and nutritious local foods so they can excel academically.

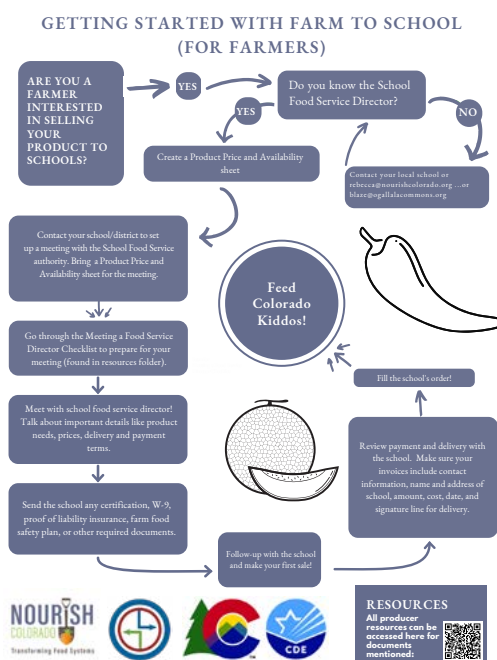
- School Districts across Colorado are choosing to participate in the Local Food Program!
- Our School District is part of this amazing group of districts!
- The program aims to support Colorado's agricultural producers by bringing more local foods into school meal programs

How does it help your school?

- Provides students easy access to fruits, vegetables, proteins, grains, and other local foods through their school meal program!
- Offers opportunities for nutrition and agricultural education, including hands-on educational experiences!

What else does the Local Food Program do?

- The program provides school districts with additional funding to purchase local products for school meal programs, receive
- The program also creates important financial opportunities for farmers, ranchers, food processors, and local food businesses by connecting them



Sponsor Demographics

The table below shows the sponsor demographics, including the total number of students impacted by the program, the free and reduced-price percentage, the total number of meals served and their designation of either a rural or small rural district. Success in program implementation is seen at the smallest, most rural level, all the way up to the larger, metro region sponsors. All sponsors spent their funding on allowable products during the grant time frame.

Sponsor Name	Award Amount	District Enrollment	F&R%	Meals Served	Rural Designation*
Bayfield School District 10JT-R	\$4,193.10	1,281	33.50	95,833	rural
Boulder Valley School District RE-2	\$68,701.40	28,487	25.40	1,935,263	
Calhan School District RJ-1	\$1,350.05	424	50.50	107,455	small rural
Colorado Springs School District 11	\$101,243.40	22,279	56.40	2,628,875	
Creede School District	\$403.35	86	41.90	5,152	small rural
Durango School District 9-R	\$15,563.95	5,595	31.20	387,727	rural
Englewood School District 1	\$9,221.30	2,441	57.80	259,402	
Greeley 6	\$81,406.30	22,373	64.50	3,219,397	
Gunnison Watershed School District RE-1J	\$4,488.95	2,061	22.20	144,552	rural
Lake County School District R-1	\$4,650.90	982	50.00	138,818	small rural
Mancos School District RE-6	\$2,058.40	509	49.90	53,683	small rural
Mapleton School District 1	\$29,893.15	7,088	66.60	835,271	
Pueblo City School District 60	\$25,333.55	15,007	76.20	3,628,711	
Sangre de Cristo School District RE-22J	\$1,377.25	262	49.60	49,251	small rural
South Routt School District RE-3	\$1,487.50	356	30.90	28,861	small rural
St. Vrain Valley School District RE-1J	\$96,123.20	32,639	31.90	2,675,314	
Swink School District 33	\$1,424.50	314	44.90	70,102	small rural
Thompson School District R2-J	\$49,632.10	15,212	33.60	1,390,288	
Vilas School District RE-5	\$296.85	201	39.30	22,220	small rural
West End School District RE-2	\$1,150.70	260	57.30	24,757	small rural
	Total award Amount	Total # of students impacted	Average F&R Percentage	Total Meals Served	60% of sponsors met rural designation
	\$500,000.00	157,857	45.68	17,700,932	

* Per definitions set by the department's Field Services Unit, a district is determined to be rural by its size, its distance from the nearest large urban/urbanized area, and its student enrollment of 6,500 students or less. Small rural districts are those districts meeting these same criteria and having a student population of 1,000 student or less.

CDE Staffing

HB-1132 budgeted a 0.4 Full Time Equivalent for the program pilot year. School Nutrition designated one employee to oversee and manage the LFP. Approximately 40% of the employee's payroll was covered by the LFP during Fiscal Year 2022-23. Employee duties included releasing the competitive application, coordinating with other CDE units, providing program training and technical assistance, oversight of tracking allowable expenditures and overall program management.

With federal funding specific to these program areas, School Nutrition hired a full-time Farm to School Coordinator, who will help with overall statewide strategic direction, partnership building and LFP program implementation. With two dedicated staff members, School Nutrition will focus on process improvement and support of the LFP in the 2024-25 school year.

Grant Outcomes

Dollar Amount Spent and Product Categories

The sponsors completed trackers, developed by School Nutrition, to collect data by invoice date, vendor, secondary sources (producer or farm), item/product, quantity, unit, food cost and product identification. Each sponsor shared online access to a spreadsheet, where the data input lived in real time. Below is a picture of the example tracker without any data.

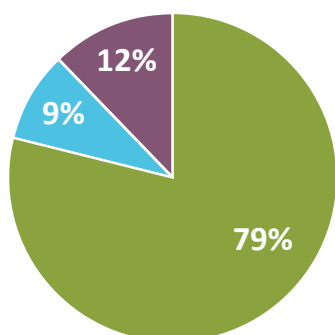
Local Food Program Tracker SY 22-23										
Sponsor Name:	Apple School District	Colorado grown, raised, or processed products means all raw fruits, raw vegetables, raw meat, and raw dairy that are grown or raised in Colorado (peaches, carrots, eggs, chicken breast, ground beef) LIQUID MILK IS NOT ALLOWABLE								
Award Amount:	\$50,000.00	Minimally processed products means all fabricated raw or frozen products that retain their inherent character and are grown/raised in Colorado (shredded carrots, yogurt, cheese, butter, dried beans, quinoa, flour, diced onions)								
25% limit on value-added products	\$12,500.00	Value-added processed products means all products that are altered through preservation techniques including heating, cooking, baking, or canning (tortillas, sauces, breads, cured sausages, tamales) Must meet Colorado Proud standards								
Total Spent on Colorado Grown & Minimally Processed Products	\$0.00									
Total Spent on Value-added Products	\$0.00									
Grand Total Spent	\$0.00									
*notes a required field										
Invoice Date* (MM/DD/YYYY)	Vendor (Who you're paying on the Invoice) *	Secondary source (farm or producer)	Item/Product *	Quantity *	Unit *	Unit Price*	Total Food Cost	Delivery Cost	Total Cost*	How does this item qualify?*
							\$ -	\$ -	\$ -	
							\$ -	\$ -	\$ -	
							\$ -	\$ -	\$ -	

Using the tracker is a requirement of the LFP. Aggregated data from participating sponsors has enabled CDE to analyze trends and patterns in Colorado purchasing. The pie graphs below displays expenditures by product category and shows a side-by-side comparison of the same graph from the 2021-22 school year.

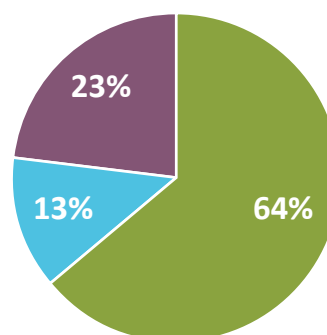
Two of the three defined categories, minimally processed products and Colorado grown products, represent 88% of the funding spent in the 2022-23 school year. Sponsors were limited to a 25% funding cap for value-added processed products and total funding for this category was 12%. This data highlights that sponsors put more emphasis into procuring raw and fresh foods, as opposed to value-added processed products such as baked items and pre-cooked meats. When comparing LFP purchases from the first pilot year to the second, there was an 11% decrease in value-added products purchased. There was a 15% increase in purchases of Colorado raw products, which means sponsors are strengthening their capacity to prepare and serve raw fruits, vegetables and proteins.

Grant Outcomes, cont.

**SY 2022-23
Colorado Purchases by
Product Category**



**SY 2021-22
Colorado Purchases by
Product Category**



The following tables outline three scenarios of how sponsors' local purchasing behavior changed with their LFP funding.

Sponsors were required to submit their 2021-22 school year estimated local food expenditures before participating in the LFP. This allowed CDE to compare with the amount spent on local foods tracked by grantees in 2022-23 as part of their mandatory reporting for the LFP funding, and to estimate how much local food purchases for each sponsor changed when they became LFP grantees. There are three broad cases:

1. LFP funding covered only a portion of total local food spending and sponsors are spending more than their allotted funding on local foods.
2. LFP funding was the primary source of funding for local foods.
3. LFP funding was the primary source of funding for local foods and no previous year data could be provided.

For the five sponsors in the table below, the sponsors' total annual budget for local foods exceeded their award amount in the LFP. The table below outlines the percentage of estimated expenditures for local products that were covered by their LFP funding. Their award amounts covered a percentage of what items the districts were already committed to purchasing locally. These sponsors are committed to values-based procurement and invested beyond their grant amount to intentionally procure Colorado grown, raised, processed and value-added products.

Sponsor Name	Estimated Local Food Expenditures SY 2021-2022	Total Tracked LFP Expenditures SY 2022-2023	Estimated % of local purchases covered by LFP
Bayfield School District 10JT-R	\$5,000.00	\$4,193.10	84%
Boulder Valley School District RE-2	\$1,000,000.00	\$69,746.60	7%
Creede School District	\$2,700.00	\$656.06	24%
Durango School District 9-R	\$75,000.00	\$15,670.70	21%
Greeley 6	\$160,000.00	\$82,888.92	52%
Lake County School District R-1	\$18,000.00	\$6,122.67	34%

Grant Outcomes, cont.

For other sponsors, the LFP award amount is the primary means for them to procure local foods. In the program evaluation, 13 of 20 sponsors noted the LFP funding was the main reason they were able to purchase Colorado products. In the sponsor survey, 17 respondents reported that the LFP funding significantly increased their ability to procure Colorado products.

The table below outlines the sponsors that were able to increase their local purchasing from the 2021-22 to 2022-23 school year. The increase percentages show the LFP funds helped six districts significantly increase their local food purchases.

Sponsor Name	Estimated Local Food Expenditures SY 2021-2022	Total Tracked LFP Expenditures SY 2022-2023	Estimated % of local purchases covered by LFP
Calhan School District RJ-1	\$300.00	\$1,353.06	351.02%
Colorado Springs School District 11	\$100,000.00	\$102,028.32	2.03%
Englewood School District 1	\$3,000.00	\$9,327.47	210.92%
Gunnison Watershed School District	\$2,000.00	\$4,488.87	124.44%
Sangre de Cristo School District RE-22J	\$1,500.00	\$1,675.92	11.73%
South Routt School District RE-3	\$1,500.00	\$1,500.00	0.00%
St. Vrain Valley School District RE-1J	\$22,000.00	\$96,123.20	336.92%
Vilas School District RE-5	\$100.00	\$296.85	196.85%
West End School District RE-2	\$200.00	\$1,153.75	476.87%

Four sponsors including Mancos, Swink, Thompson, and Pueblo D60 reported \$0.00 local food expenditures for the 2021-22 school year. For those sponsors that reported zero local food purchases, they were able to increase their Colorado purchases by their whole award allotment.

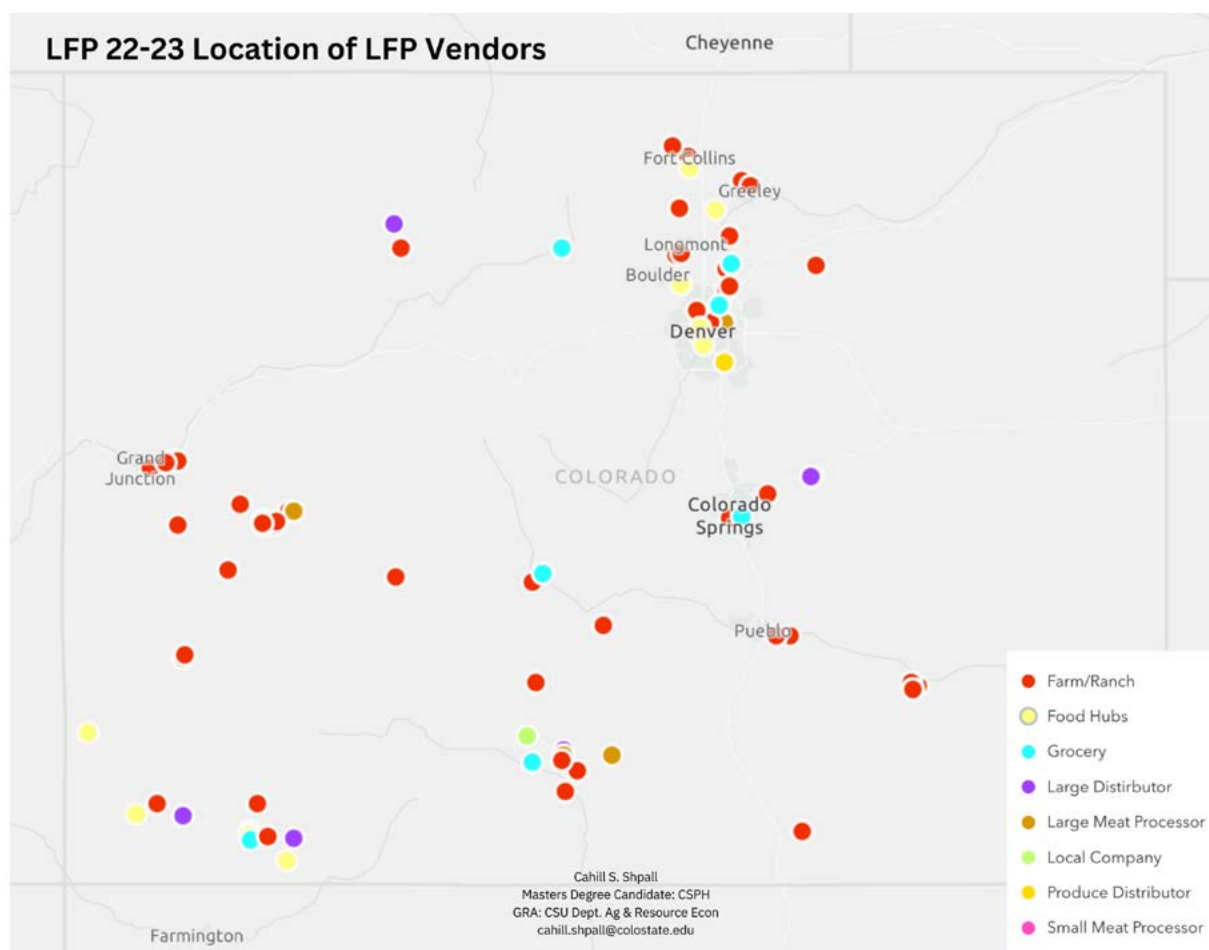
Sponsor Name	Estimated Local Food Expenditures SY 2021-2022	Total Tracked LFP Expenditures SY 2022-2023
Mancos School District RE-6	\$0	\$2,063.94
Pueblo City School District 60	\$0	\$25,351.27
Swink School District 33	\$0	\$2,023.02
Thompson School District R2-J	\$0	\$49,651.55

Grant Outcomes, cont.

Producers and Businesses

Sponsors purchased products from various vendors across the state, such as prime distributors, farmers, producers, manufacturers, and food hubs. If possible, sponsors that were purchasing from an intermediary source, such as a prime distributor or food hub, were required to provide the secondary source if it was available to them. For example, several sponsors procured from a food hub as the primary source but were able to track the farm where the products were aggregated from as the secondary source. As defined by the USDA, a food hub is a centrally located facility with a business management structure facilitating the aggregation, storage, processing, distribution and/or marketing of local/regionally produced food products.”³ In total, sponsors tracked products from over 49 Colorado producers, farmers, distributors and food aggregators as part of the LFP. Approximately \$35,000 or 14% of the funding was spent at a Colorado operated food hub or cooperative. On average, food hubs were working with four to eight districts during the school year.

The map below shows the expenditure breakdowns by vendor type and geographic location. The GIS map represents the location of vendors across the state. Broken out by vendor type, it can be noted that sponsors procured from more individual farmers and producers across the state than large distributors.



Map Credit: Cahill S. Shpall, Masters Degree Candidate: The Colorado School of Public Health, Graduate Research Assistant: CSU Dept. Agriculture & Resource Economics

³ <https://www.usda.gov/media/blog/2010/12/14/getting-scale-regional-food-hubs>

Grant Outcomes, cont.

This chart below shows the percentage of funding spent with the top 17 vendors. Colo-Pac and American Produce are statewide produce distributors that source Colorado products for sponsors when possible. Rogers Mesa Fruit and Hoffman Farms are smaller, family operated farms that sell fresh fruits and vegetables directly to sponsors. American Produce and US Foods are nationwide distributors that sometime source regionally. Five of the top six vendors that sponsors purchased from are smaller Colorado companies and food cooperatives.

LFP 2022-23 - Total Spending by Vendor

Vendor	Total Cost	Percent of Total
Colo-Pac	\$76,635.27	15.13%
Rogers Mesa Fruit Co	\$72,227.00	14.26%
American Produce	\$49,707.86	9.82%
Hoffman Farms	\$38,267.60	7.56%
East Denver Food Hub	\$37,432.50	7.39%
Mountain Freshies	\$29,892.00	5.90%
Front Range	\$28,034.00	5.54%
US Foods	\$24,899.53	4.92%
Rock River Ranches	\$18,362.00	3.63%
The Summers House	\$14,373.00	2.84%
Tamales by La Casita	\$13,127.00	2.59%
Colorado Tortilla	\$11,674.00	2.31%
Ranch Foods Direct	\$10,621.29	2.10%
Colorado Native Foods	\$10,442.00	2.06%
Fields to Plate Produce	\$7,237.75	1.43%
Scanga Meat Co	\$6,855.45	1.35%
Creation Gardens	\$6,706.70	1.32%

Credit: Cahill S. Shpall, Masters Degree Candidate: The Colorado School of Public Health, Graduate Research Assistant: CSU Dept. Agriculture & Resource Economics

Grant Outcomes, cont.

Economic Impact

In total, \$500,000 was used for the purchase of Colorado grown, raised, processed and value-added processed products. This award amount was utilized by a Colorado State Extension University researcher and economist, Libby Christenson, to calculate the “Total Impact Valuation,” which is the total economic activity associated with the LFP. By using the Local Food Systems Impact Calculator, a multiplier was applied to the initial award amount and the value generated represents the upper limit of the economic benefit.⁴

The Local Food Systems Impact Calculator (LFSIC) is an online tool created by a team of economists at Colorado State University Extension in partnership with the USDA. The intent of the calculator is to support data collection and a science-based analysis of food systems programs and initiatives. The calculator factors together complex economic impacts and contributions within the supply chain and uses a common multiplier to determine the final valuation. The website for the LFSIC explains in detail how,

“the calculator is built from input-output models, which are tools used by economists to track purchases of inputs between industries. These models estimate the local input purchases needed to produce a given item, and then iterate backwards through the supply chain to determine the local input purchases required to satisfy the demand for inputs at each step in the supply chain.”⁵

The calculator determined an **Impact Valuation for the LFP as:**

\$864,001.38

The valuation statement, while a projection, is a necessary tool in assessing the LFP. The *Journal of Agriculture, Food Systems, and Community Development*, highlighted the use, application and intention of the LFSIC. The author notes the tool “was developed to balance the need for a legitimate and standardized method for estimating economic impacts of local food projects....and [it] seeks to provide a reasonable alternative to economic impact analysis for non-economists.”⁶

Understanding the total impact valuation and how it is determined can help stakeholders understand the overall impact of the LFP. While the impact of feeding students’ local food can ultimately be seen and understood in the cafeteria, utilizing tools like the Local Food Systems Economic Impact Calculator allows for an analysis on the larger impact the LFP has on the Colorado food system.

⁴ <https://calculator.localfoodeconomics.com/>

⁵ <https://calculator.localfoodeconomics.com/>

⁶ Shideler, D., & Watson, P. (2019). Making Change through Local Food Production: Calculating the Economic Impact of Your Local Food Project *Journal of Agriculture, Food Systems, and Community Development*, 8(C), 165–177. <https://doi.org/10.5304/jafscd.2019.08C.011>

Grant Outcomes, cont.

To further understand the economic impact of the LFP, the products purchased were broken down into specific product categories. The table on the right is an breaks down sponsor expenditures on vegetables. Carrots procured for the LFP made up 15% of the funding use. Tomatoes, cucumbers and lettuce each accounted for 3% of the LFP funds.

Raw fruits also represented a significant portion of funding use. Over 16% of the funding was spent on Colorado apples and over eight percent was spent on Colorado peaches.

Sponsors also worked to procure raw proteins such as Colorado beef and bison. More funding was used to procure bison and pre-formed hamburger patties than all the other proteins combined.

Credit: Cahill S. Shpall, Masters Degree Candidate: The Colorado School of Public Health, Graduate Research Assistant: CSU Dept. Agriculture & Resource Economics

LFP 2022-23 Total Spending

VEGETABLE		
Item	Total Cost	Percent of Vegetables
Carrots	\$78,112.24	43.12%
Tomatoes	\$19,827.30	10.94%
Cucumbers	\$18,512.30	10.22%
Lettuce	\$17,564.65	9.7%
Peppers	\$9,167.05	5.06%

LFP 2022-23 Total Spending

FRUIT	
Item	Percent of Fruit
Apples	16.16%
Peaches	8.58%
Watermelon	2.26%
Pears	2.03%
Cantaloupe	1.32%



LFP 2022-23 Total Spending

Animal Protein Products	
Item	Percent of Animal Products
Beef patty	5.11%
Bison	3.63%
Chicken	2.06%
Raw pork - diced	1.23%
Ground Beef - raw	1.16%



Grant Outcomes, cont.

Over 70% of the funding was utilized for raw fruits and vegetables. Grains and dairy make up less than 1% of LFP purchases.

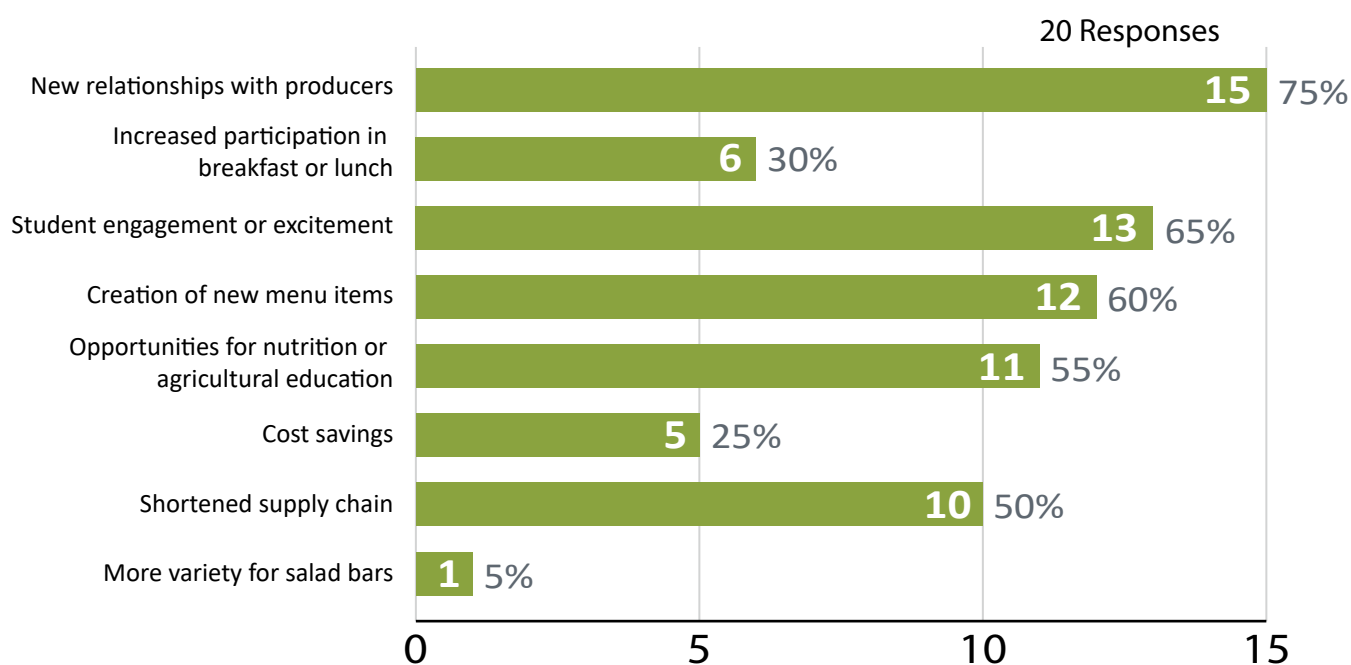
LFP 2022-23 Total Spending

PRODUCT TYPES	
Product Code	Percent of Total
Vegetable	39.58%
Fruit	31.12%
Animal Protein	16.80%
Value Added	11.83%
Grains	0.08%
Dairy	0.04%

Participant and Producer Surveys

As by statute, CDE conducted qualitative surveys from sponsors and producers. The School Nutrition Unit disseminated these surveys in September 2023. All 20 participating sponsors responded to a set of 14 questions. With a high response rate from sponsors, School Nutrition aggregated prevalent successes and challenges from the LFP's second program year. Below is a bar graph that outlines what sponsors reported as their biggest successes within the LFP implementation.

What were the biggest successes you had when procuring Colorado Products? (select all that apply)



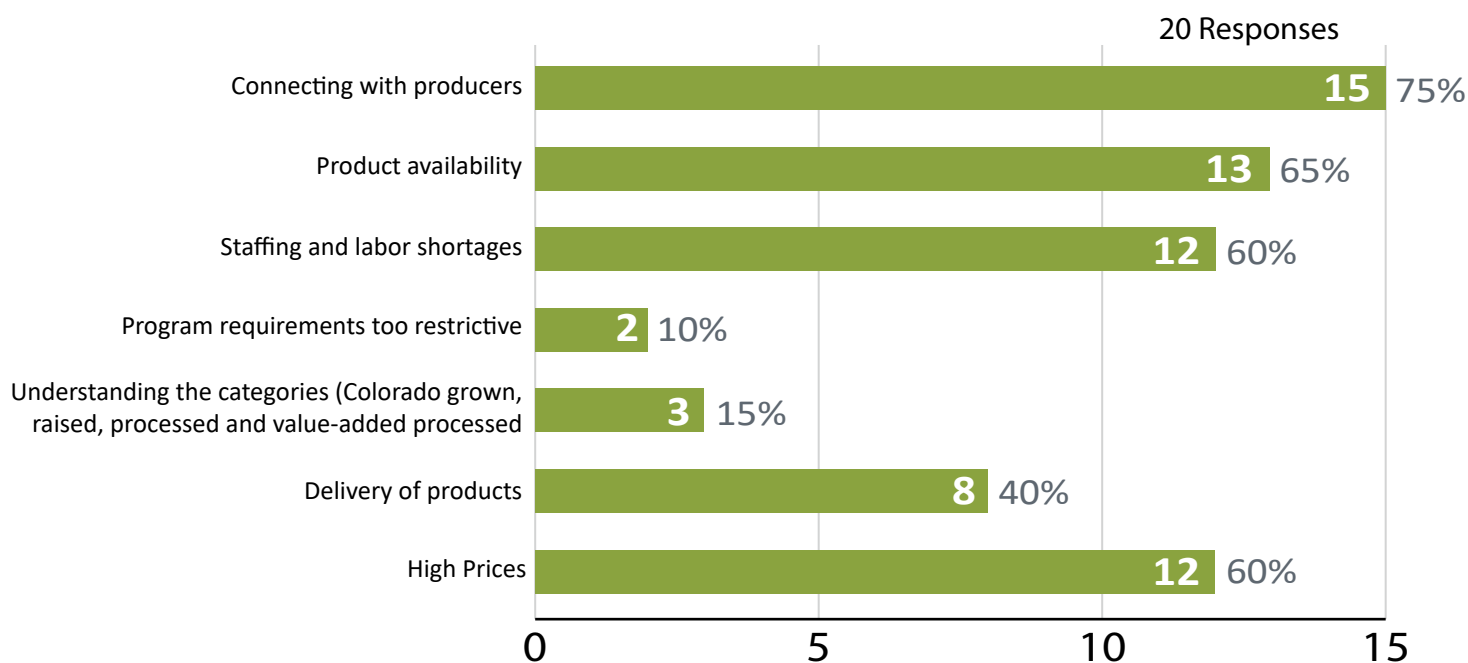
Grant Outcomes, cont.

Overall, the program received positive commendations from all participants and one sponsor noted this grant was one of the easier state grants to manage. Offsetting costs, supporting the local economy and offering fresher items were some of the reasons sponsors indicate they would continue participation in the LFP. One hundred percent of sponsors report they would utilize this funding in the future and provided narrative as to why.

When it came to challenges, sponsors reported several barriers that they experienced operating the LFP. One sponsor noted that getting larger distributors to provide secondary source information was a burden. When utilizing larger distributors, sponsor have shared that this barrier makes it challenging to confirm the allowability of expenditures related to the LFP. Related to that barrier, three sponsors noted that an improvement to tracking capabilities would better program operations. Local procurement tracking is not a streamlined process and can require sponsors to engage in additional administrative work. Since the Covid-19 Pandemic, staffing challenges tend to be a widespread barrier to preparing and serving local foods.

Below is a bar graph of the challenges sponsors faced during the administration of the LFP.

What were the biggest barriers you had when procuring Colorado Products? (select all that apply)



Grant Outcomes, cont.

CDE, in coordination with Nourish Colorado, sent a survey out to farmers, ranchers, producers and distributors that sponsors purchased from using the LFP funding. School Nutrition had contact information for 27 producers and 11 responded. The completion rate was 41% and, those that did take the time to respond thoroughly explained their challenges and successes. Some of the highlights from the producer survey include:

- 50% of respondents sold products to a new school district this year.
- One respondent estimated 60% of their total food sales went to sponsors.
- 92% of procurement transactions happened informally (schools purchased when they needed it).
- 41% of producers responded to price quotes.
- Four respondents have contracts on file with a sponsor.
- 33% of producers responded to a formal Request for Proposal or Invitation for Bid.

Producers, distributors, and food aggregators were also asked to explain their hurdles when working with school districts. Common themes included challenges to understanding school food procurement regulations, multiple delivery requirements and product pricing/affordability. Small farmers and producers are not used to seeking out and responding to formal procurement bids, whereas sponsors must follow rigid procurement regulations for larger purchases. One small, USDA inspected production facility had challenges getting into the school food market because delivery was prohibitive and formal solicitations typically include distribution to all sites.

Regardless of these challenges, all respondents confirmed they would like to continue selling to sponsors in the future. One vendor reported their transactions with schools were easy and “went smoothly every time,” while another vendor said they had success in “solving the hurdle of delivery.” Three respondents also noted the technical assistance provided by Nourish Colorado helped their businesses learn how to sell to schools, understand procurement and purchasing regulations and make new connections with sponsors.



Conclusion

Areas of Opportunity and Lessons Learned

Overall, the LFP was highly successful, and sponsors did not have difficulty spending their allotted award amount. There are continued areas of technical assistance needed, both for sponsors and producers.

Feedback shared by sponsors includes requests for more training on sponsor specific needs and translating the language and units that producers use to child nutrition programs. This is an area of opportunity for School Nutrition to provide more tools and resources related to local food programming, procurement regulations and forecasting.



An additional area of opportunity identified by School Nutrition is understanding how sponsors can work alongside their contracted Food Service Management Company (FSMC) to successfully utilize state incentive funds. Because of the contracted pricing structure, some sponsors and FSMCs find it difficult to work out an economical solution to spending down the funds. Pueblo District 60, the only sponsor working with a FSMC, was able to navigate this challenge and successfully integrated the LFP into program operations while maintaining program integrity. School Nutrition is utilizing feedback from this partnership as an area of opportunity for guidance and resources so additional sponsors contracting with a FSMC will be able to utilize the LFP funding in the future.

Another area of opportunity is that there is a continued need for help connecting sponsors and producers. While Colorado is an agriculturally diverse state, the school food market is new to many producers. As the momentum of the program continues to build, School Nutrition will work diligently with other state agencies, such as the Colorado Department of Agriculture, to bridge gaps and provide any needed technical assistance. This area of opportunity is being addressed by School Nutrition through various regional workshops and a statewide Farm to School strategic plan.

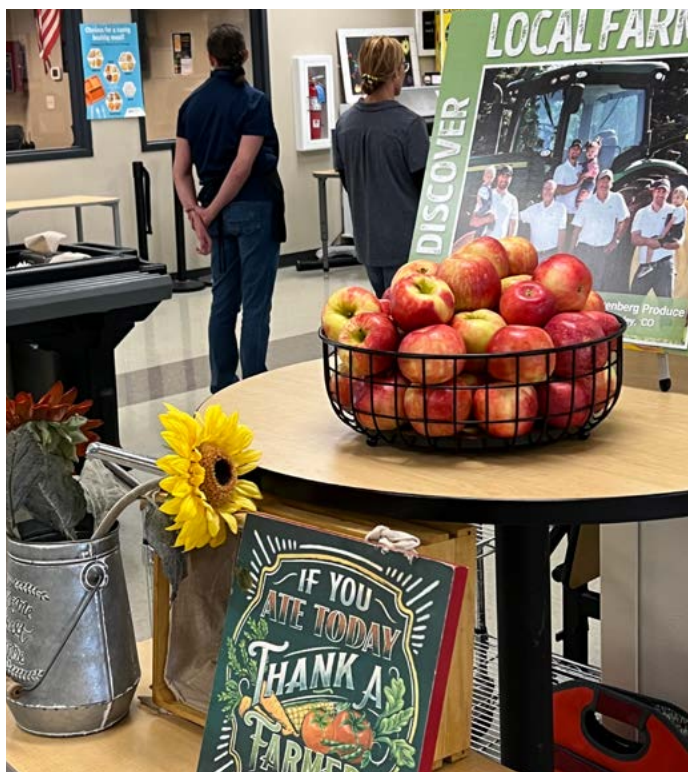
Sponsors have reported that it is cumbersome, and often not even possible, to find the original farm or producer on an invoice or product box when purchasing from a broadline distributor. It is a challenge for sponsors to utilize nationwide distributors that are aggregating product nationwide and not be able to prove a product locality. As such, there is a need for sponsors to communicate specific procurement needs with their broadline distributors pertaining to local food purchases.

The two-year LFP pilot program also highlighted that there is not a clear and complete data set of Colorado foods procured by sponsors across the state. To date, there is no collection of data on Colorado purchases from all child nutrition sponsors. While School Nutrition has taken steps to encourage sponsors to use a local purchasing code in their accounting records, it is not required that sponsors delineate or report these local purchases. The required trackers in the LFP only portion of potential Farm to School expenditures across the state of Colorado. In fall of 2023, the USDA will conduct the fourth nationwide Farm to School Census. School Nutrition will work in partnership with the USDA and encourage participation among Colorado's child nutrition providers to collect the fullest data set possible.

Conclusion, cont.

Accomplishments

Each year, LFP administration allows for program growth and process improvement. School Nutrition adapted and improved the tracking tool sponsors use annually. After analyzing data sets from two program years, CDE found ways to make the tool more efficient. The third iteration of the LFP tracking tool now includes automated and prepopulated fields that will provide more accurate and streamlined data and aligns with Colorado partners collecting similar data.



Measuring the economic impact of the LFP coincides with larger statewide and nationwide research being conducted. With the partnership of CSU Extension and some of the premier Farm to School economists in the nation, School Nutrition has been able to tap into resources, conversations and research that is supporting this work. The opportunity from these partnerships allows School Nutrition to understand and utilize the Local Foods System Impact Calculator. The economic

impact of the LFP directly affects Colorado producers, farmers, ranchers and manufacturers, and has a larger overall impression on state economy. Based on the results of the calculator, the economic impact of LFP spending on Colorado's economy is almost 57% greater than the amount distributed to sponsors. This infusion of local food funding in school nutrition creates trickle down effects in local food systems, which then makes the impact on local economies larger than the initial \$500,000 expense by the state.

Currently, more than a dozen states have programs like the LFP. Known as Local Food Purchasing Incentives (LFPis), there is a growing movement nationwide to make significant financial investments in Farm to School efforts. These types of programs give direct reimbursement to child nutrition programs to purchase local foods. Over the past year, School Nutrition staff have presented on the LFP and its success during several state and national events focused on statewide incentive purchasing programs. Events included:

- Colorado School Nutrition Association's Annual Conference, June 2023
- Colorado Farm to...Convening, April 2023
- USDA's Mountain Plains Region Farm to School State Agency Conference, July 2023
- National Farm to School Network Flash Talks, September 2023

Overall program successes and accomplishments included an increase in program participation and ease of spending by sponsors. The smallest sponsor, Creede School District, and one of the largest sponsors, Greeley 6, both spent their funding by September and October 2022 respectively. Varying sponsors with different demographics were successful in their implementation of the LFP. An additional success in the 2022-23 school year is the first implementation of the program with a sponsor that contracts with a Food Service Management Company, as these contracts have been a barrier in Farm to school efforts in the past.

Conclusion, cont.

Next Steps

Request for Applications for sponsors to participate for the 2023-24 school year was released in Spring 2023. Thirty sponsors were selected to receive LFP funding. This is the third round of participating sponsors for the pilot program. School meal participation continued to increase because of free meals served during Covid, and as a result there were two large sponsors that were ineligible to participate in the final pilot year due to the cap of 2,150,000 lunches served. These two sponsors were St. Vrain and Colorado Springs D11. Both sponsors expressed great interest and excitement for the opportunity to receive funding under Healthy School Meals for All in the 2024-25 school year.

In addition to overall pilot implementation success, School Nutrition is prepared to launch a statewide LFP where all districts can potentially benefit from this funding. With the increase of student participation through Healthy School Meals for All, the shift to the LFP becoming statewide will significantly impact students and producers statewide. The increase in funding (from \$0.05 to \$0.25 per meal or a minimum of \$5,000) will further allow child nutrition operators to direct their dollars towards the local economy.

School Year 2023-24 LFP Sponsor	Total Award Amount	School Year 2023-24 LFP Sponsor	Total Award Amount
Bayfield School District 10JT-R	\$7,849.75	Las Animas School District RE-1	\$2,430.75
Boulder Valley School District RE-2	\$96,930.35	Mancos School District RE-6	\$2,083.50
Calhan School District RJ-1	\$1,385.10	Mapleton School District 1	\$32,030.05
Campo School District RE-6.	\$265.45	North Conejos School District RE-1J.	\$3,967.40
Centennial School District R-1	\$1,101.55	Pueblo City School District 60.	\$64,882.35
CSI- Academy of Charter Schools	\$9,888.50	Roaring Fork RE-1.	\$18,760.85
CSI- Colorado Early Colleges	\$6,483.64	Salida School District R 32 J.	\$4,675.75
CSI- Community Leadership Academy, Victory Prep MS & HS	\$3,626.25	Sangre de Cristo School District RE-22J	\$1,266.05
CSI- The Pinnacle Charter School	\$9,119.95	South Routt School District RE-3.	\$1,474.35
Durango School District 9-R	\$19,582.70	Swink School District 33	\$1,405.80
Englewood School District 1	\$11,309.75	Thompson School District R2-J	\$65,152.00
Greeley-Evans School District 6	\$84,634.85	Vilas School District RE-5.	\$467.10
Gunnison Watershed School District RE-1J.	\$6,094.60	Weld RE-4 - Windsor Charter Academy	\$7,523.25
Ignacio School District 11-JT	\$3,879.25	Weld School District RE-4	\$24,019.50
Lake County School District R-1	\$5,268.80	West End School District RE-2.	\$882.00
		Woodlin School District.	\$400.60