

FarmLab Study

Phase 1 - Needs Assessment

Appendix D - Food Services in Elkhart County Schools

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Food Services in Elkhart County Schools

Since new federal nutrition standards took effect in 2012, school food services have faced considerable challenges in balancing nutrition, taste, and budget. Price increases due to the standards, increased ingredient costs, and decreased participation have made it difficult to keep meal preparation costs in line with National School Lunch Program (NSLP) reimbursement rates and cafeteria sales. Food service directors are left with little financial flexibility to incorporate fresh and local food, despite increasing efforts on the part of the USDA to make local procurement policies and farm to cafeteria programs easier to implement.

Table 1: NSLP Reimbursement Rates for the 2015-16 School Year

	National School Lunch Program	National School Breakfast Program
Meal	Reimbursement Rate	Reimbursement Rate
Free	\$3.07	\$1.66
Reduced Price	\$2.67	\$1.36
Paid	\$0.29	\$0.29

Source: School Nutrition Association¹

1. Schools certified as meeting the new nutrition standards receive an additional \$.06 per lunch.
2. An additional \$.02 per lunch is provided to schools in which 60 percent or more of the second preceding school year lunches were served free or reduced price.
3. An additional \$.30 is provided for each free or reduced price breakfast served in “severe need” schools, where at least 40 percent of the lunches served during the second preceding school year were served free or reduced price.

Eligibility for Free and Reduced Price Meals

According to the School Nutrition Association:

“Children from families with incomes at or below 130% of the poverty level are eligible for free school meals. Those with incomes between 130% and 185% of the poverty level are eligible for reduced price meals. For the 2015-2016 school year, 130% of the poverty level is \$31,525 for a family of four and 185% is \$44,863. ... Children from families with incomes over 185% of poverty pay full price for their meals. Local school districts set their own prices for paid meals.”²

Table 2: NSLP Participation for Elkhart County School Districts

	2015-16 Total Enrollment	Percentage of Students Receiving Free or Reduced Price Meals		
		Reduced	Free	Free & Reduced
Baugo Community Schools	1,910	8%	29%	38%
Concord Community Schools	5,322	10%	48%	58%
Elkhart Community Schools	13,147	8%	57%	65%
Fairfield Community Schools	2,120	7%	14%	21%
Goshen Community Schools	6,621	10%	53%	63%
Middlebury Community Schools	4,547	9%	23%	32%
Wa-Nee Community Schools	2,962	12%	20%	32%
Total	36,629			53%

Source: Indiana Department of Education - Compass²

Table 3: Total Food Purchase Budget for 2013 to 2014 Fiscal Year

	Total Schools	Budget
Baugo Community Schools	4	\$321,347
Concord Community Schools	7	\$1,286,374
Elkhart Community Schools	19	\$4,995,728
Fairfield Community Schools ^(a)	4	\$697,905
Goshen Community Schools	10	\$1,498,611
Middlebury Community Schools	7	\$823,494
Wa-Nee Community Schools	5	\$537,966
Total	56	\$10,161,425

Source: Indiana Office of Management and Budget³

(a) Total food purchase budget not available - Budget listed is for Food Services Operations; Food Preparation and Dispensing

With more than half of all Elkhart County students eligible for free and reduced price meals, NSLP reimbursements have a strong bearing on local food service budgets. To help stretch the available funds, districts are also eligible to receive 'entitlement' foods from the USDA (approximately 23 cents per meal served in 2013) and 'bonus' ag surplus commodities as they are available. The actual foods available to schools through the USDA depend on supply and market prices. Districts can also use entitlement funds to purchase produce through the Department of Defense Fresh Fruit and Vegetable Program (DoD Fresh).⁵

Indiana school districts can participate in Educational Service Centers to increase their purchasing power through co-operative bid solicitation and procurement. Group purchasing services such as HPS offer discounts, preferred products, and more efficient communication with vendors. These services enable food service directors to secure more affordable contracts for dairy, bakery, and cafeteria food and supplies.

Wa-Nee Community Schools food services director Betty Hahn noted that their separate dairy contract through Northern Indiana Educational Services Center allows them to purchase fluid milk from smaller dairies in the region. Both Wa-Nee and Middlebury Community Schools food services currently have their overall cafeteria food and supplies contracts with Gordon Food Service distribution through HPS.

Ken Meter provides a useful overview of local procurement in the context of food distribution:

"Most schools purchase the bulk of their food items from a broadline food distributor, such as Sysco/U.S. Foods, that can offer the entire range of food service supplies from napkins to cleaning supplies to food items. This makes food ordering quite straightforward for the school, since the food service director can log onto a web site, place an order for specific items that are desired, and expect a semi truck to arrive in a few days with their order. Often, schools must place a minimum order to justify the costs of sending a large truck to the school. Since wholesalers are volume purchasers, they can often procure food items at relatively low cost, and can spread out delivery costs among a number of products and several delivery sites. This encourages schools to purchase from the larger wholesalers. Any additional orders involve extra work in addition to placing orders with the typical supplier."

"Medium-size distributors, such as Piazza Produce, have traditionally left school sales to the larger vendors. Yet in recent years, Piazza has worked closely with local farmers to help them prepare products for wholesale markets. The firm sees some new opportunities for it to supply local foods to Indiana schools, especially when local products can be brought from farms to the Indianapolis region as "backhauled" items - brought in on trucks that normally would return from rural deliveries empty."

“Such mid-sized firms are often more responsive to local concerns than national firms, and can provide deliveries in smaller quantities, so many have made inroads into the farm-to-school market. Yet only a handful of farmers in the Hancock County region are shipping product at a scale large enough to make these deliveries worthwhile to the distributor.”⁶ (Meter)

Food distribution contracts typically obligate districts to purchase at least 90 percent of their food through the main distributor. The remaining 10 percent is discretionary and is often used to purchase additional fresh produce, either directly from local producers or wholesalers or through other distributors.

In response to increasing demand for local food, some food service distributors have begun working with school districts to prioritize local products and improve freshness. Wa-Nee has begun purchasing Indiana grown produce from Piazza Produce out of Indianapolis, which has existing routes in Elkhart County 3 days per week. This enables Wa-Nee to make more frequent purchases of fresh produce without needing as much storage.

These types of arrangements that improve convenience within existing constraints may offer the best initial opportunities for boosting local procurement. Once preferences for local produce are conveyed by food service directors, distributors can identify where the produce originates and help schools access local producers. Hahn observed that local procurement used to be much more difficult. Now, “everybody’s on board with the whole (farm to school) movement, and it’s easier to get information than it used to be.” Nevertheless, there are still significant challenges to address. So far, only two Elkhart County school districts have implemented farm to school programs.

USDA Farm to School Census

The USDA’s Food and Nutrition Services Office established its Farm to School Program as part of the Healthy, Hunger-Free Kids Act of 2010. The program conducts an annual Farm to School Census to track its progress towards improving access to local foods in schools. Overall, the survey asks school districts to address the following questions:

1. Did your district or any schools in your district participate in farm to school activities?
2. What benefits do you perceive as result of participating in farm to school activities?
3. What activities are you engaged in or planning to start in the future?
4. What do you consider to be problems in procuring local products or reasons why your district does not purchase more local products?⁷

The 2015 census results for the 2013-2014 school year⁸ generated responses from all seven public school districts in Elkhart County:

- Wa-Nee Community Schools responded positively to the survey, reporting the following activities:
 - Served locally produced foods in the cafeteria;
 - Promoted locally produced foods at school in general; and
 - Celebrated Farm to School Month (October 2013).
- Elkhart Community Schools also responded that they were doing farm to school in 2013-2014 school year but did not provide further information.
- Middlebury Community Schools indicated that they were not yet implementing farm to school programs but planned to do the following activities in the future:
 - Serve locally produced foods in the cafeteria;
 - Use Smarter Lunchroom strategies to encourage student selection and consumption of locally produced foods (e.g., product placement, food prompts, creative signage, etc.);
 - Use USDA Team Nutrition materials (such as The Great Garden Detective Adventure or Dig In!) as part of taste testing or educational activities;
 - Conduct edible school gardening or orchard activities as part of a school curriculum;
 - Conduct student field trips to farms or orchards;
 - Have farmer(s) visit the cafeteria, classroom or other school-related setting;
 - Promote local efforts through themed or branded promotions (e.g. Harvest of the Month, Local Day, Taste of Washington, etc.);
 - Promote locally produced foods at school in general (e.g. via cafeteria signs, posters, newsletters, etc.);
 - Integrate farm to school concepts, including school gardening activities, into educational curriculum (math, science, language arts, etc.);
 - Work with local food producers to develop a specific food product using local foods
- Baugo, Concord, Fairfield, and Goshen Community Schools responded that they had no farm to school activities currently and no plans for the future.

The responses for Wa-Nee and Middlebury Community Schools echoed the interviews conducted with their food service directors for this study, summarized in Appendix H.

Responses to the perceived benefits of farm to school included:

- reduced food waste;
- lower school meal program costs;
- greater acceptance of the new meal pattern;
- increased participation in school meals; and
- greater community support for school meals

Table 4 documents the responses to problems in procuring local food products from participating and non-participating districts.

Table 4: USDA Farm to School Census Responses - Local Procurement Problems

Problems in procuring local food products	Baugo	Concord	Goshen	Wa-Nee
Local producers aren't bidding	x			
GAP or other food safety requirements	x	x	x	
Lack of compliance with your institution's purchasing regulations and policies			x	
Lack of availability of processed/precut products				
Hard to find new suppliers/growers or distributors		x		x
Hard to get information about product availability		x	x	x
Hard to place orders with vendors				
Getting on time deliveries				
Getting product delivered that meets your quality requirements & other specs (i.e., size)		x	x	x
Having quantity delivered equal to quantity ordered			x	
Resolving problem deliveries				
Hard to find year-round availability of key items	x	x	x	x
Inability to pay farmers according to farmers' needs due to school district payment procedures			x	
Hard to coordinate procurement of local with regular procurement	x			
Local items not available from primary vendors	x		x	
Vendors for local items don't offer a broad range of products			x	
Higher prices		x	x	
Unstable product prices		x	x	
Lack of reliability in delivering ordered items		x	x	x
Lack of kitchen equipment to process/prepare local foods.				

Source: USDA Farm to School Census⁹

The census results for Elkhart County contribute to several overarching obstacles identified by Ken Meter based on farm to school studies conducted elsewhere:

- School food service staff still express doubt that they are allowed to purchase food from local farms – despite USDA’s assurance that this is encouraged.
- School staff are already facing intense deadline pressure in their jobs, and do not have significant time to explore new purchasing arrangements. Having a coordinator engage staff in a conversation about this appears to help them focus their attention on local suppliers more effectively, so that purchases can be made.
- Nutrition budgets are severely limited, so schools are unlikely to source more food from local farms without special funding being allocated to them for that purpose. Plenty of similar food is available through established (but distant) sources at relatively low prices.¹⁰

Even with access to local produce, school food services must have the capacity to process fresh ingredients and cook from scratch. Without sufficient storage and processing equipment, or if staff lack adequate chopping and preparation skills, incorporating unprocessed ingredients into menus can be cost and time prohibitive. Some produce is therefore more practical than others. Melons and squash are among the most accessible items, because they are relatively easy to prepare and serve. In contrast, corn and green beans, while perhaps the most readily available, are also the most labor intensive to prepare.

Seasonal availability also presents many challenges. Many products are at their peak in the summer when most schools are out of session. As noted in the Farm to School Census, the lack of year-round availability of key ingredients can limit available options and complicate menu planning.¹¹ Meter recommends that production targeting school markets initially focus on root crops such as onions, garlic, potatoes, sweet potatoes, beets, turnips, and rutabagas, which are more practical to store raw and generally more affordable.¹² Batesville Community Schools in southeast Indiana provides a good model for this approach through their integration of locally produced sweet potatoes and turnips into menus based on taste testing and connected to related curricula.¹³

Greens and salad bars present another direction for local procurement, representing perhaps the most direct way to make fresh produce accessible. As discussed in Appendix E, several growers produce greens year round in Elkhart County using hoop houses, greenhouses, and hydroponic systems. However, because they are more marketable at a premium locally through direct sales and wholesale, and considering that the volume and consistency of demand would be high, producers may not be inclined to compete with imports from other four-season markets for school markets. Hydroponic operations such as Yoder Produce Farm in Goshen, or indoor vertical farming operations such as Green Spirit Farms in New Buffalo, Michigan would be better suited to meet school supply requirements, but may have access to markets with higher premiums than schools.

The following quotes from the interviews conducted for this report reflect common perspectives on the challenges with local procurement for school food services.

“It’s not that we don’t want to (procure local produce) but it takes some time and effort to make sure you are in compliance and that initial startup... at this point I don’t have the manpower.”

“There’s so much red tape in Indiana. I know there are ways around it but (our food services director) hadn’t been willing to take that on. Inspectors pay close attention to us because we have a high free and reduced lunch rate.”

“School kitchens need more employees to help process food. Until that funding is there ... there’s just not enough help to make food from scratch; it’s too labor intensive.”

References:

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5. USDA Food and Nutrition Service. “Using DoD Fresh to Purchase Local Produce.” Viewed August 27, 2016, at <http://www.fns.usda.gov/sites/default/files/DoDFactSheet72013.pdf>
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