Finding, Buying and Serving Local Food

Introduction to Geographic Preference

April 24, 2014

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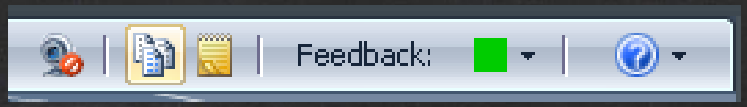

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Poll: Who is on the line?

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Our Presenters

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Overview

- Procurement basics
- What is geographic preference?
- What does unprocessed mean?
- How to incorporate a geographic preference
- Questions

Learning Objectives

Participants should understand:

- What geographic preference is.
- That geographic preference can be applied in many different ways.
- That geographic preference is just one tool schools can use to purchase local products.

Buying Local

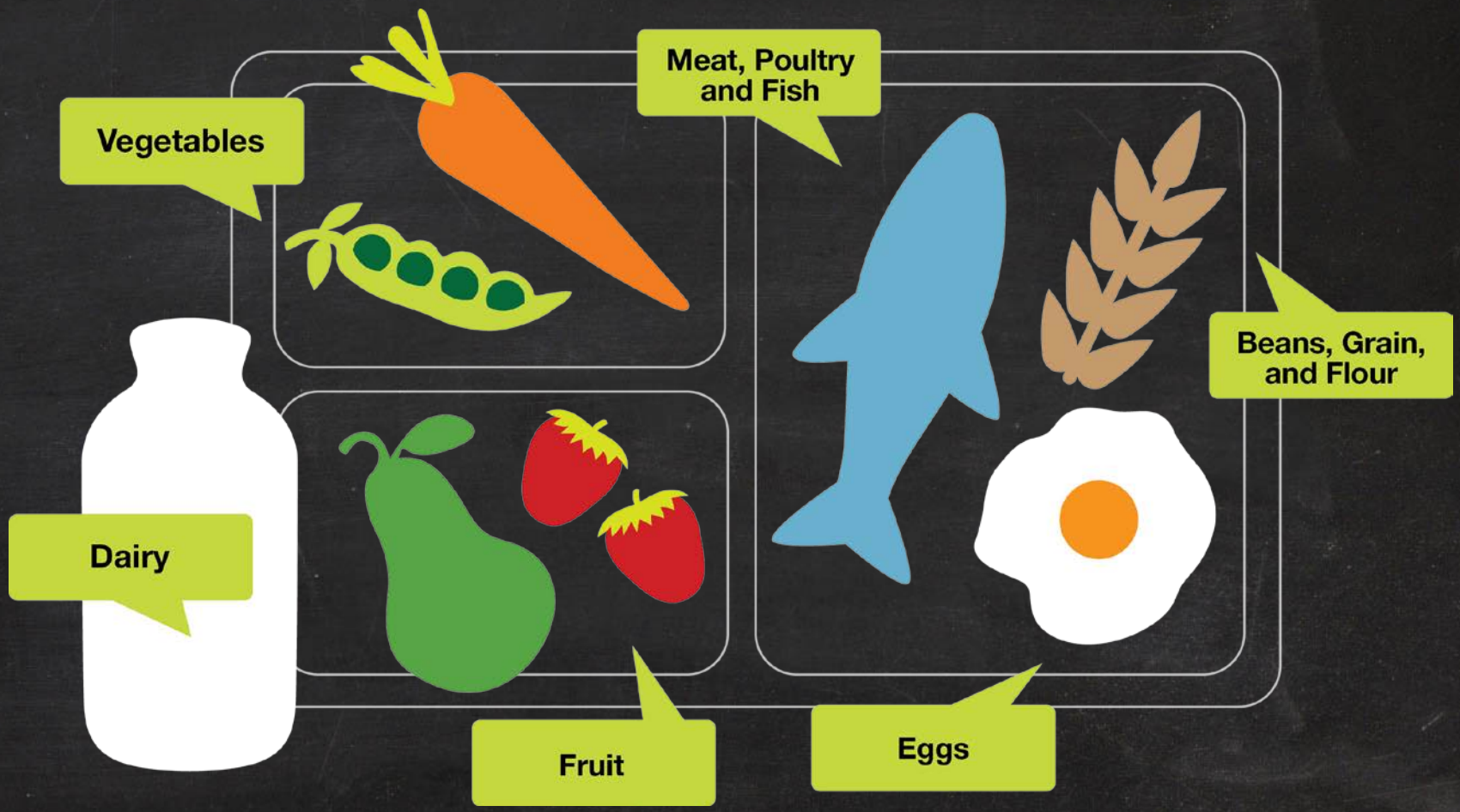
1) **What:** Which types of products?

2) **Where:** From which sources?

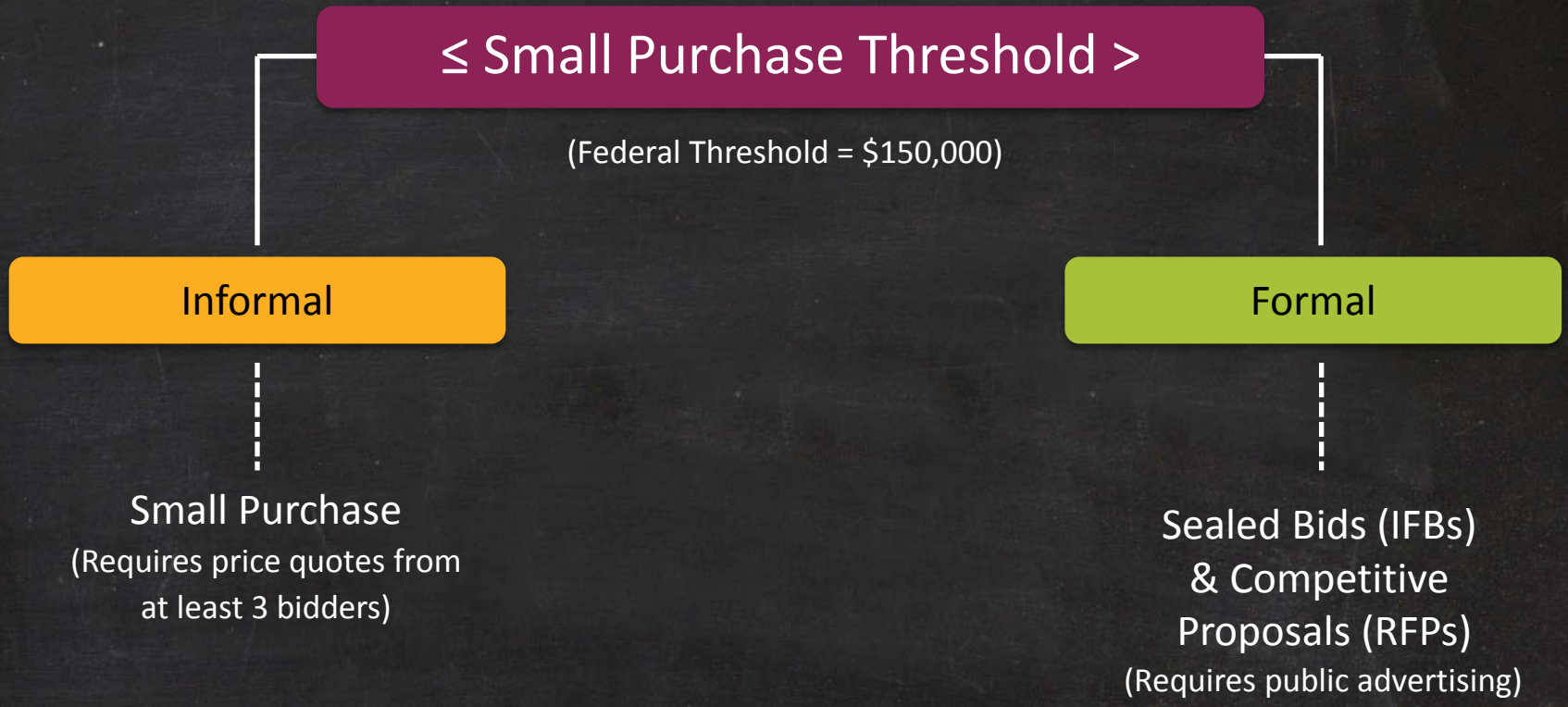
3) **How:** **The mechanics of sourcing local correctly.**

» **Today: Introduction to the geographic preference option.**

What? Which Types of Products



Procurement Methods



Sections of a Solicitation

- Contract Type
- Introduction/Scope
- General Descriptions of Goods and Services (AKA Specifications)
- Timelines and Procedures
- Technical Requirements
- Evaluation Criteria

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Geographic Preference

The Geographic Preference Option

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Why Geographic Preference?

Because Title 7 (Part 3016) of the Code of Federal Regulations says that:

" Grantees and subgrantees will conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference."

What the Legislation Says

Section 2403 of the 2008 Farm Bill says:

"The Secretary shall allow institutions receiving funds under this Act … to use a geographic preference for the procurement of unprocessed agricultural products, both locally grown and locally raised."

The Process

2008 Farm Bill passed by Congress authorized the use of geographic preference.

Food and Nutrition Service published Final Geographic Preference Rule and additional guidance.

Schools define local and decide on the amount of preference to give local items.

Geographic Preference Option Final Rule

What the rule does:

1. Grants authority to school food authorities to define local.
2. Defines unprocessed agricultural products.
3. Clarifies that a preference is a preference, not a specification.

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Who Defines Local?

"…the school food authority making the purchase or the State agency making purchases on behalf of such school food authorities have the discretion to determine the local area to which the geographic preference option will be applied."

Examples

- **Page County Public Schools**, in Virginia, defines local using three tiers:
  - » Within the county
  - » Within the region (within 90 miles of Luray, VA)
  - » Within the state
- **Oakland Unified School District**, in California, defines local within a 250-mile radius of the city of Oakland.
- **Hinton Public Schools**, in Oklahoma, defines local as within Oklahoma.

What Is “Unprocessed”?

“Unprocessed” agricultural products retain their inherent character. These are the **allowed** food handling and preservation techniques:

- Cooling, refrigerating, and freezing
- Peeling, slicing, dicing, cutting, chopping, shucking, and grinding
- Forming ground products into patties
- Drying and dehydrating
- Washing, packaging, vacuum packing, and bagging
- Adding preservatives to prevent oxidation
- Butchering livestock or poultry
- Pasteurizing milk

Quiz: Which of the followig products qualify as “unprocessed”?

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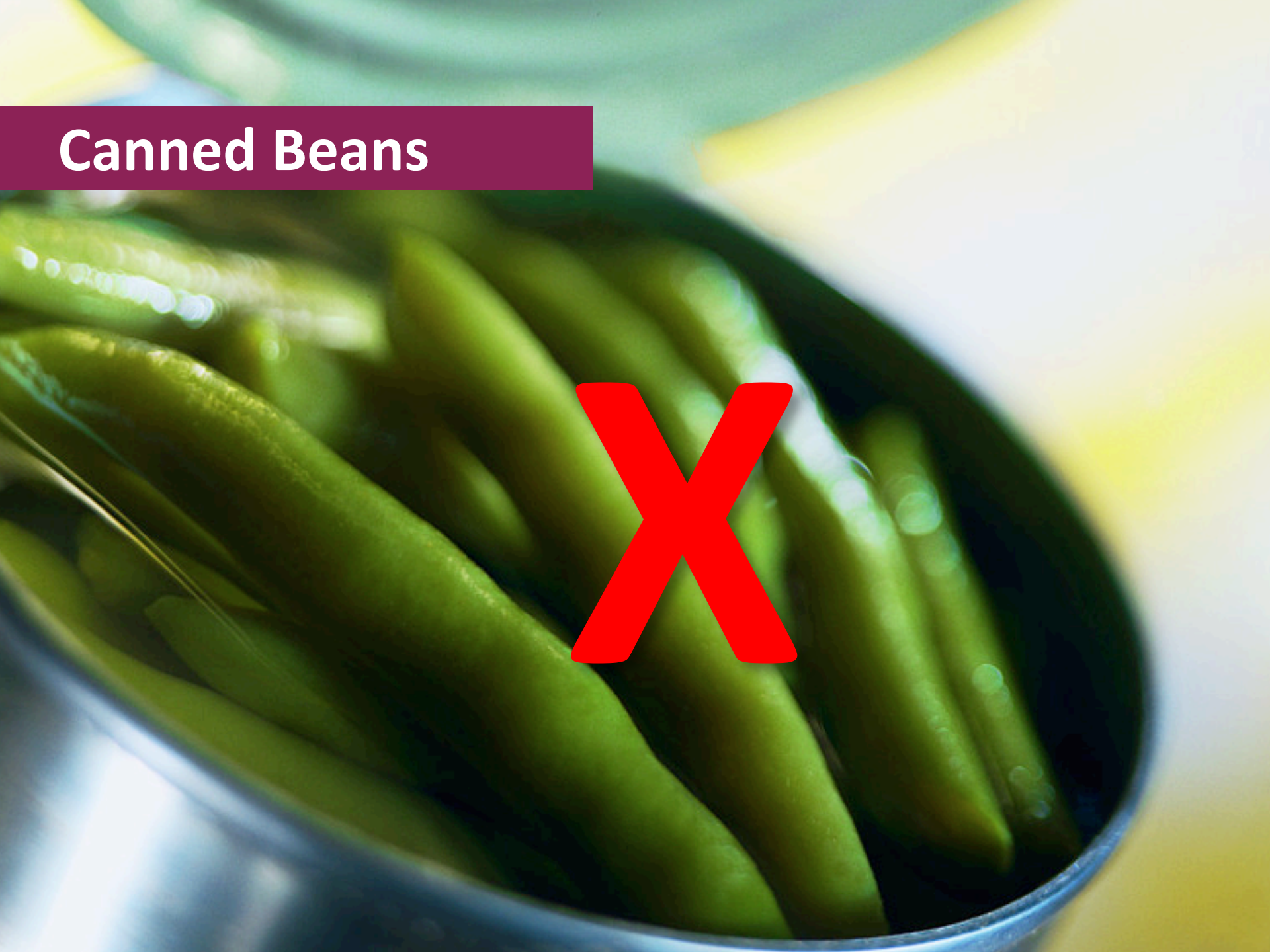
Dried Beans

Canned Beans



Hummus

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Mixed Color Carrots

Mixed Frozen Peas and Carrots

Whole Apples

Tortillas
X

Raw Beef Patties
?

Remember: A Preference Isn't a Specification

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Poll: Can you use geographic preference when purchasing applesauce?

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How to Use the Geographic Preference Option

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Where Geographic Preference Applies

Cash Reimbursement

DoD Fresh

USDA Foods

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How to Incorporate a Geographic Preference

1) Define local.
2) Determine what type of procurement method to use.
3) Decide how much “preference” local products will receive.
4) Be sure your solicitation makes perfectly clear how the preference will be applied.

Example 1: 1 Point = 1 Penny

	Owen's Orchard	Apple Lane Farms	Bob's Best
Price	$1.97	$2.05	$2.03
Meets geographic preference? 10 points	No	Yes (10 points)	No
Price with preference points	$1.97	$1.95	$2.03

10 points will be awarded to bids for apples grown within 100 miles of the school board office.

Example 2: Tiered Preference

	Produce Express	Ray's Produce	F&V Distribution
Contract Price	$31,000	$35,000	$34,000
Geographic Preference Points to Respondent able to meet definition local	No	Yes (10% pref.)	Yes (7% pref.)
Price for comparison	$31,000	$31,500	$31,620

10% price preference will be awarded to any bidder that can source products from within 100 miles and 7% price preference will be awarded to any bidder able to source product from within the state.

Geo. Preference Sliding Scale

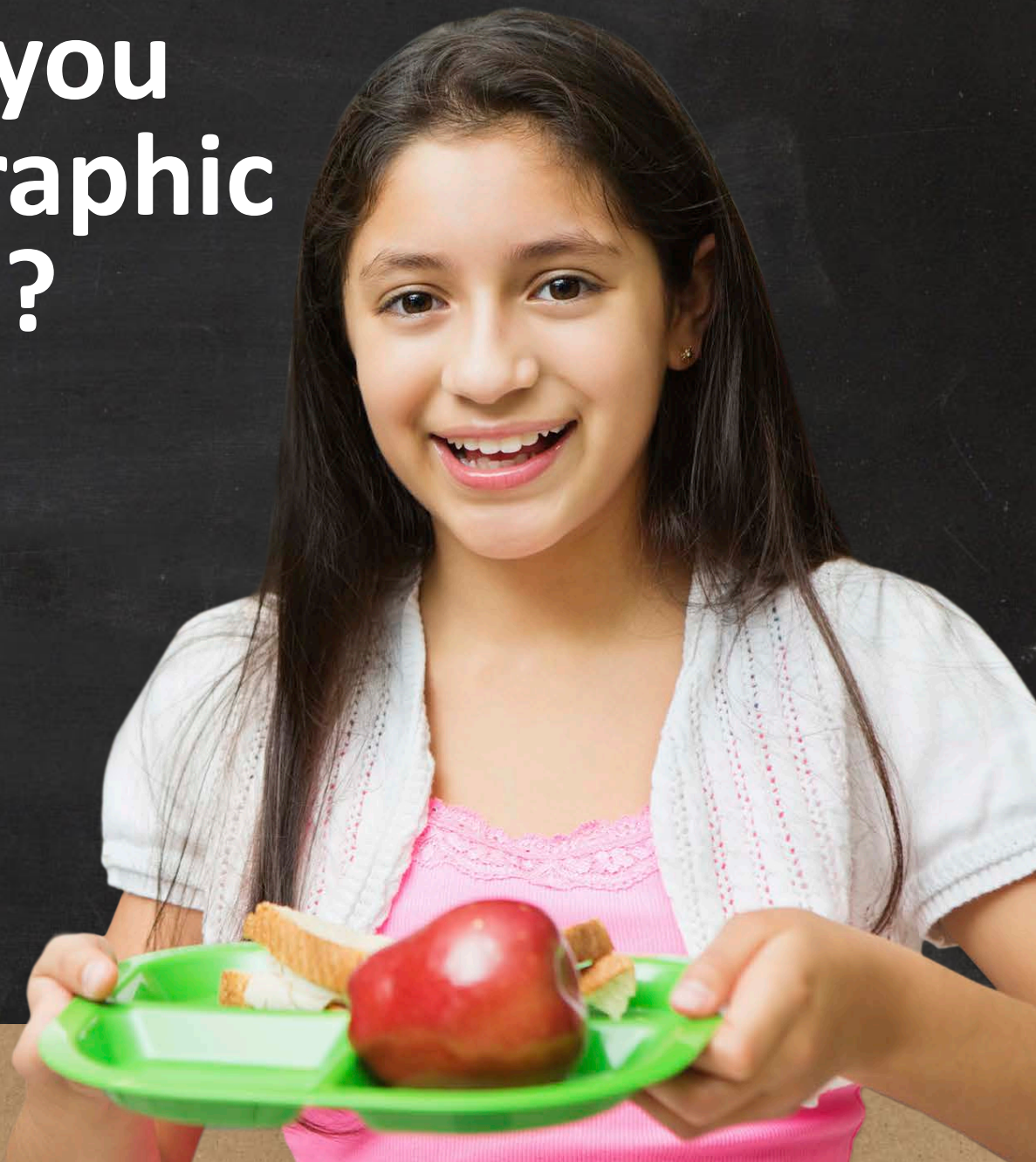
Sliding scale – percentage of local products	Preference points
70% and more	10
50-69%	7
25-49%	5

10 preference points will be awarded to vendors able to provide over 70% local, 7 points for 50-69% and 5 points for 25-49%.

Example 3: Geo Pref. in an RFP

	Laurie's Legumes	Paula's Pulses	Gary's Grains
Price = 40	30	35	40
Contractor ability to meet all specifications Product quality = 15 Delivery = 10 Packaging and Labeling = 5	25	30	30
Three references, past history = 10	10	10	10
Able to provide farm/facility tour or classroom visits = 5	0	5	5
Able to provide state of origin on all products = 5	0	5	5
Ability to provide sourced within the state products = 10	0	10	7
100 possible points	65	95	97

Poll: Have you used geographic preference?



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Remember: Geographic preference isn't the only way to buy local!

- Working with your distributor/FSMC
- Targeting local with product specifications
- Using technical requirements
- Using a forward contract
- Contacting only local vendors in an informal procurement

Geographic Preference Resources

USDA
United States Department of Agriculture

GEOGRAPHIC PREFERENCE
What it is and how to use it

THE 2008 FARM BILL directed the Secretary of Agriculture to encourage schools to purchase locally grown and locally raised products "to the maximum extent practicable and appropriate." Further, the Secretary was instructed to allow schools to use a "geographic preference" when procuring locally grown and locally raised unprocessed agricultural products.

There are many ways for schools to buy local products for use in federal school meals programs (see USDA's 10 Facts About Local Food in School Cafeterias). While using geographic preference is not the only option for local food procurement, it is a powerful tool and particularly useful in formal solicitations where respondents are ranked and scored.

Types of products

The ability to apply a preference for local products applies only to unprocessed or minimally processed items. The geographic preference rule does not apply to any products that have been cooked, heated, canned or that have any additives or fillers. It can be applied to a wide array of products that meet the definition of unprocessed or minimally processed such as various forms of fruits, vegetables, meats, fish, poultry, dairy, eggs, and grains.

How to define local?

Definitions for local vary widely depending on the unique geography and climate where a school is located and on the abundance of local food producers and manufacturers. Many schools define local as within a certain number of miles from the school, within the county, or within the state. Alternatively, definitions might include more than one state (i.e., Georgia, Alabama, and Florida) or discrete parts of several states (i.e., specific counties in southwest Washington, northeast Oregon, and Idaho). In addition, many schools use different definitions of local depending on the product or season. Also, please note that when applying geographic preference, origin is tied to the agricultural product, not the location of the respondent.

Who defines local?

Schools define what they mean by local. While many state and/or local governments have adopted definitions of local such as "within the state" or "within the county," schools using a geographic preference when sourcing food for the federal school meal programs are under no obligation to adopt any definition for local that might be in existence in local areas.

THE FARM to SCHOOL PROGRAM

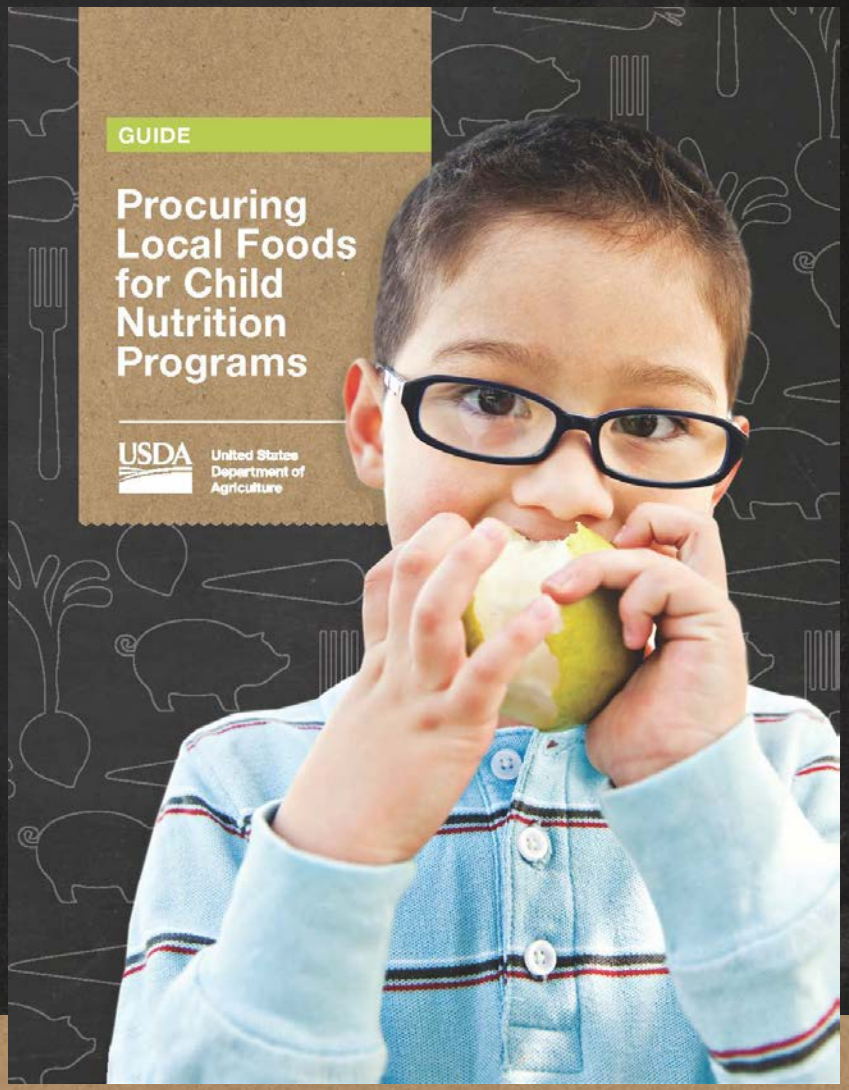
- USDA Farm to School Fact Sheets
- Geographic Preference Q&As (Food and Nutrition Service)
- Geographic Preference: A primer on purchasing fresh local food for schools (School Good FOCUS + Harrison Institute)
- A School's Guide to Purchasing Washington-Grown Food

Local Procurement Guide – Now Available!

Available at

http://go.usa.gov/KAFH

(the Resources page on the USDA Farm to School website)



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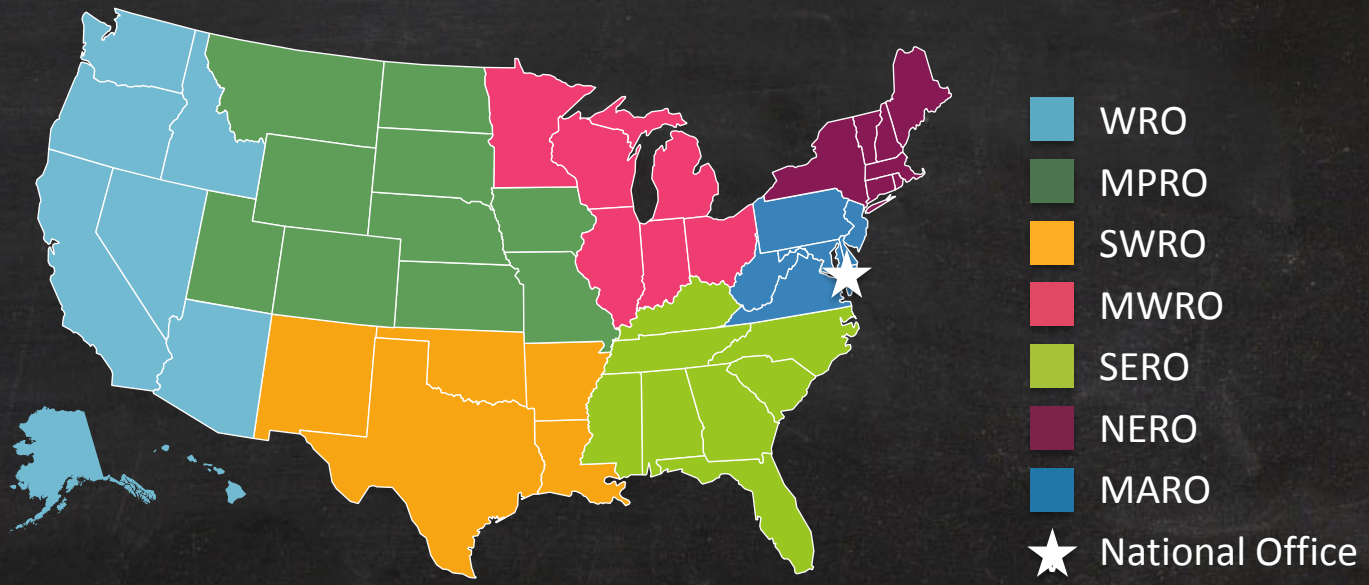
Farm to School Resources

- USDA Farm to School Website and E-Letter (at www.fns.usda.gov/farmtoschool)
- Farm to School Census
- Farm to School Regional Leads



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Questions?

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