

Evaluation of Pilot Project for Procurement of Unprocessed Fruits and Vegetables (Summary)

Background

Section 4202 of the Agricultural Act of 2014 (P.L. 113-79), otherwise known as the Farm Bill, authorized the U.S. Department of Agriculture (USDA) to initiate the Pilot Project for Procurement of Unprocessed Fruits and Vegetables (Pilot). The Pilot was designed to provide States with additional flexibility in the procurement of unprocessed¹ fruits and vegetables. Participating States and school food authorities (SFAs) can purchase approved items with existing USDA Foods National School Lunch Program (NSLP) entitlement funds from any USDA Pilot-authorized vendor in support of the school meal standards. States and SFAs can use pre-existing commercial distribution channels or develop new relationships with growers, wholesalers, and distributors to procure the items needed.

The Pilot, a collaborative effort between USDA’s Food and Nutrition Service (FNS) and Agricultural Marketing Service (AMS), began in school year (SY) 2014-2015 and is ongoing. Based on Farm Bill criteria, USDA selected eight States in December 2014 to participate in the Pilot: California, Connecticut, Michigan, New York, Oregon, Virginia, Washington, and Wisconsin. Participating States can obtain unprocessed produce through the Pilot, USDA Foods, and the USDA Department of Defense Fresh Fruit and Vegetable Program (USDA DoD Fresh).

¹ Produce that qualifies as “unprocessed” is defined as part of the Geographic Preference Option; the regulation reiterates that all other regulatory requirements of the Child Nutrition Programs must be followed, including the Buy American Provision: <https://www.federalregister.gov/documents/2011/04/22/2011-9843/geographic-preference-option-for-the-procurement-of-unprocessed-agricultural-products-in-child>.

Methods

To evaluate Pilot implementation and impact, the study team implemented a mixed-methods design to collect and analyze data for the eight States including:

- Extant purchase data from USDA and DoD for the pre-Pilot year (SY 2013-2014), first Pilot year (SY 2014-2015), and second Pilot year (SY 2015-2016).
- Data from interviews with participating State Distributing Agency (SDA) officials.

The analyses included comparisons between the Pilot, USDA Foods, and USDA DoD Fresh Programs using purchase data for all aforementioned years. The evaluation used content analysis to analyze interview data to identify implementation strategies for each State, benefits and challenges of the Pilot, and other themes that emerged from the SDA interviews.

The evaluation aimed to assess:

- 1) the quantity and cost of each type of fruit and vegetable received in participating States under the Pilot;
- 2) impacts on procurement operations of participating States for unprocessed fruits and vegetables, including impacts on school food use and ability to meet school meal standards; and
- 3) States’ perceptions of the benefits and challenges of unprocessed fruit and vegetable purchases under the Pilot.

Findings

The total amounts of produce purchased and overall participation were limited in the first year of the Pilot, but grew in the second year. The number of SFAs enrolled in the Pilot grew from 141 in the first year to 1,078 in the second year, a result of the three States that delayed Pilot implementation until SY 2015-2016, as well as expansion within participating States.

In the first year, Pilot purchases of unprocessed fruits and vegetables totaled 692,741 pounds—and nearly 5.8 million pounds in the second year. By the end of the second year, twice as many vendors were approved to participate in the Pilot as compared to the first year.

Based on total cost, States obtained more fruits than vegetables through the Pilot. Across both years, roughly 71 percent of spending was on fruits and 29 percent on vegetables (Table 1).

Table 1. Total Fruit and Vegetable Purchases

Type	Total Cost	Percent of Total Cost
Fruits	\$3,755,939	70.9%
Vegetables	\$1,540,336	29.1%
Total	\$5,296,275	100.0%

Source: Pilot Vendor/ State Distributing Agency (SDA) Reports, School Year (SY) 2014–2015 and SY 2015–2016.

Overall, participating States spent almost \$600,000 in the first year and almost \$4.7 million in the second year. For the five initial States, Pilot purchases as a proportion of all unprocessed fruit and vegetable purchases increased in the second year (Table 2).

Table 2. Pilot Purchases as a Proportion of Total Unprocessed Fruit and Vegetable Purchases Through USDA Foods Programs

State	SY 2014–2015	SY 2015–2016
CA	1.1%	4.5%
CT	2.9%	9.9%
MI	2.8%	7.5%
NY	0.5%	9.2%
OR	5.9%	21.7%
VA	N/A	1.6%
WA	N/A	9.4%
WI	N/A	10.2%
Total	1.2%	7.1%

Source: Pilot Vendor/State Distributing Agency (SDA) Reports, Fresh Fruits and Vegetables Order Receipt System (FFAVORS) Reports, Web Based Supply Chain Management (WBSCM) NSLP Delivery Order Status Reports, USDA Department of Defense (DoD) Fresh Entitlement Reports, School Year (SY) 2014–2015 & SY 2015–2016. N/A means “not applicable.”

The Pilot provided new flexibility for SFAs to spend entitlement funds on unprocessed fruits and vegetables to meet school meal requirements. Participating SFAs obtained 70 different types of unprocessed fruits and vegetables through the Pilot, including 42 varieties of produce they did not previously receive through the USDA Foods or USDA DoD Fresh Programs, even though some items were available through those programs.

However, the Pilot was less appealing to SFAs that did not have the capacity to conduct procurement or manage the Pilot, or did not have an approved vendor in the area. SDA officials also suggested that the burden of the invoice reconciliation process limited the volume of deliveries under the Pilot.

For More Information

Corey, K., Standing, K., Simmerman, J., & Khan, C. (2018). Evaluation of Pilot Project for Procurement of Unprocessed Fruits and Vegetables. Prepared by Econometrica, Contract No. AG-3198-C-15-0019. Alexandria, VA: U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support, Project Officer: Ashley Chaifetz. Available online at: www.fns.usda.gov/research-and-analysis.