United States Department of Agriculture

Food and Nutrition Service

3101 Park Center Drive
Alexandria, VA 22302-1500

DATE: March 13, 2015

MEMO CODE: CACFP 11-2015

SUBJECT: Local Foods in the Child and Adult Care Food Program with Questions and Answers

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

The purpose of this memorandum is to provide guidance on the incorporation of local foods and agriculture-based curriculum in early childhood education and care settings. The memorandum also clarifies policies in the recently published *FNS Instruction 796-2, Revision 4, Financial Management in the Child and Adult Care Food Program* (CACFP) relevant to local food production and procurement. Finally, this memorandum includes questions and answers regarding procuring local food for use in the CACFP, growing food for use in CACFP, and donations.

The Healthy, Hunger-Free Kids Act (HHFKA) of 2010 amended the Richard B. Russell National School Lunch Act to expand the purpose of the CACFP to "provide aid to child and adult care institutions and family or group day care homes for the provision of nutritious foods that contribute to the wellness, healthy growth, and development of young children, and the health and wellness of older adults and chronically impaired disabled persons" [42 USC 1766(a)(1)(A)(ii)]. Further, Section 243 of the HHFKA established a Farm to School Program at the Department of Agriculture (USDA) to increase the availability of local foods in schools and institutions. FNS continues to provide grants and technical assistance to implement Farm to School programs that improve access to local foods in the Child Nutrition Programs, including CACFP.

The incorporation of local food and agricultural education into CACFP can play an important role in creating and promoting a healthy environment. There is a well-established and growing public interest in supporting local and regional food systems by purchasing these foods and incorporating agricultural-based curriculum and activities into early childhood education and care. Program administrators and partners are therefore encouraged to use local food as a means to enhance CACFP operations.

The recently issued *FNS Instruction 796-2, Revision 4, Financial Management of the CACFP,* now categorizes costs associated with growing food that will be used in the

CACFP, either as part of the meal service or for activities related to nutrition education to food service staff, as allowable. These costs may include seeds, fertilizer, labor, plot rental, etc. Institutions are subject to 7 CFR Part 226.22 and therefore must conduct all procurements in accordance with 2 CFR Part 200.317-326. These procurement standards must be followed regardless of dollar amount, meal served or purchasing frequency. Facilities, such as day care homes and sponsored centers are encouraged to purchase in a way that promotes open and fair competition. For more information, see http://www.fns.usda.gov/sites/default/files/796-2%20Rev%204.pdf.

State agencies are reminded to distribute this information to Program operators immediately. Program operators should direct any questions regarding this memorandum to the appropriate State agency. State agency contact information is available at http://www.fns.usda.gov/cnd/Contacts/StateDirectory.htm. State agencies should direct questions to the appropriate FNS Regional Office.

Original Signed

Angela Kline
Director
Policy and Program Development Division
Child Nutrition Programs

Attachment

Questions and Answers Related to Use of Local Foods in the Child and Adult Care Food Program (CACFP)

A. General

1. What is Farm to School/Farm to Preschool?

The term "Farm to School" encompasses efforts that bring local or regionally produced foods into cafeterias along with hands-on learning activities and the integration of food-related education into the regular, standards-based classroom curriculum. Farm to Preschool, the incorporation of these activities in early childcare and education settings, is a great way to introduce young children to where their food comes from, and help them develop lifelong healthy eating habits.

Farm to Preschool encompasses a variety of efforts that might include:

- Purchasing local and regional foods for reimbursable meals;
- Incorporating agricultural education programs into early childcare settings, such as Grow It, Try It, Like It, (http://www.fns.usda.gov/tn/grow-it-try-it-it);
- Taste testing with locally-produced foods;
- Participating in a Harvest of the Month program;
- Starting and maintaining preschool gardens; and
- Taking field trips to local farmers markets and farms.

2. How and where can CACFP institutions purchase local foods?

There are many ways in which institutions can incorporate local foods into their meals programs, including competitively purchasing directly from a producer, through a distributor or food service management company, or from food hubs, farmers' markets, and gardens. See USDA's Guide to Procuring Local Foods for Child Nutrition Programs for a detailed description of each (http://www.fns.usda.gov/sites/default/files/F2S_Procuring_Local_Foods_Child_Nutrition_Prog_Guide.pdf).

A logical starting point may be for an institution to start asking about the source of the food they are currently purchasing. Some institutions may already be using local foods and not yet know it. Institutions can also communicate to current vendors and suppliers regarding their preference for local products.

Also, vendor solicitations may be written with characteristics of products from local sources in mind; for instance specifying a particular variety of apple that is native to your region, or that a product be delivered within 24 or 48 hours of harvest. Products from local sources may be expressed as a *preference*, but may not be *required* as a product specification.

Geographic preference may be used by institutions to procure locally grown or raised unprocessed foods. The institution making the purchase has the discretion to determine the local area to which the geographic preference option will be applied (7 CFR 226.22(n)(1)). Local area

is not defined by the USDA. Additional guidance on Geographic Preference can be found in CACFP 02-2013, *Procurement Geographic Preference Q&As – Part II,* October 9, 2012 (http://www.fns.usda.gov/procurement-geographic-preference-qas-%E2%80%93-part-ii).

Note that CACFP institutions must procure all goods and services using the procurement regulations found in 7 CFR 226.22 and 2 CFR Part 200.317-326. Additional guidance on procurement can be found in FNS Instruction 796-2 Rev. 4 (www.fns.usda.gov/sites/default/files/796-2%20Rev%204.pdf).

3. How can CACFP facilities, such as day care homes and sponsored centers, purchase local foods?

CACFP facilities can purchase local foods from any source, such as distributors, farmers markets, Community Supported Agriculture (CSA), and food hubs, and are not required but are encouraged to purchase in a way that promotes open and fair competition. Additional guidance on procurement can be found in FNS Instruction 796-2 Rev. 4 (www.fns.usda.gov/sites/default/files/796-2%20Rev%204.pdf).

4. When an institution purchases from a farm stand, farmer's market, CSA, or directly from a farm, are handwritten receipts acceptable forms of documentation of purchase?

Yes. Handwritten receipts for items purchased are acceptable documentation as long as the receipt includes the date of purchase, name of vendor/farmer, item cost, amount, and total cost.

5. Can food that was donated from local gardens or farms be used as part of the reimbursable meal?

Yes. While the full reimbursement for CACFP meals must be spent on allowable Child Nutrition Program costs, there is no Federal requirement that all of the food components be purchased with Program funds or that a specific percentage of the reimbursement be spent on food. It is an allowable practice for non-program resources to cover food expenses provided that an excessive balance is not present as determined by the State agency (Refer to *FNS Instruction 796-2, Revision 4, Financial Management of the CACFP, Section VI, D).* CACFP institutions must maintain records of the types and quantities of donated foods received, which will be assessed as part of their food service records during an administrative review.

6. Can State agencies use their State Administrative Expense (SAE) Funds to provide training and technical assistance on this topic?

Yes. FNS Instruction 781-2 includes providing technical assistance, nutrition education, and training as an allowable use of SAE provided that the funds are used to support State-level administrative activities. For more information on utilizing SAE funds to support state-level staff and training activities, see SP 28-2015 (correct number will be provided when memorandum is posted), *Questions and Answers Regarding the Use of State Administrative Expense (SAE) Funds and State Administrative Funds (SAF) for Farm to School Related Expenses*, March 13, 2015, (website will be updated when memorandum is posted to the public web).

B. Gardens and Growing Food

This guidance for growing food for use in the CACFP meal service is consistent with the guidance provided to schools participating in the National School Lunch Program (NSLP) and operating school gardens. For more information, see SP 32-2009, *School Garden Q&As*, July 29, 2009, (http://www.fns.usda.gov/sites/default/files/SP_32-2009_os.pdf) and SP 06- 2015, *Farm to School and School Garden Expenses*, November 12, 2014, (http://www.fns.usda.gov/sites/default/files/SP06-2015os.pdf).

1. **Can an institution or facility use funds from the nonprofit food service account to purchase items for gardens such as seeds, fertilizer, watering cans, rakes, etc, to grow food that will be used in the food service?**

Yes. As long as the produce grown in the garden will be used as part of the reimbursable meal – and for nutritional education activities. Centers using garden produce in their CACFP reimbursable meals should document the weight and/or volume of the produce.

2. **Can an institution sell food grown in their CACFP garden that was funded using the nonprofit food service account?**

Yes. As long as the revenue from the sale of the food accrues to the nonprofit food service account. Institutions or facilities may serve the produce as part of a reimbursable meal or sell it a la carte to parents, at a roadside stand, etc.

3. **Can an institution or facility purchase produce from another institution or facility that is maintaining and managing the garden, such as Future Farmers of America (FFA), which is an agricultural education program for students?**

Yes. An institution or facility may purchase produce from a garden run by a school organization such as FFA as long as documentation includes the date of purchase, name of organization, item cost, amount, and total cost.

4. **May funds received for serving At-Risk Afterschool meals be used to purchase seeds/tools/equipment for a garden?**

Yes. The At-Risk Afterschool Meals Program is a component of CACFP and is subject to the same rules as other CACFP components with regard to foods from local sources.

5. **How may excess produce from the garden be used?**

The institution or facility should first see if the excess food can be used to benefit another program such as the Summer Food Service Program (SFSP) or NSLP. If that is not possible, the food may be sold or donated in accordance with State and local health/safety regulations. As always, any profits must accrue back to the nonprofit food service account. Please refer to SP 11-

2012, SFSP 07-2012, *Guidance on the Food Donation Program in Child Nutrition Programs,* February 3, 2012, for more information on donating food.

C. Food Safety

1. Are there resources for handling produce safely in kitchens?

National Food Service Management Institute's (NFSMI) publication *Ready, Set, Go! Creating and Maintaining a Wellness Environment in Child Care Centers Participating in the CACFP* (http://www.nfsmi.org/ResourceOverview.aspx?ID=376) provides best practices and assessment tools for the safe handling of food in child care facilities.

In addition, a produce-specific publication has been created for the school environment, and the best practices apply to many child care centers. NFSMI's publication *Best Practices: Handling Fresh Produce in Schools* (http://nfsmi.org/ResourceOverview.aspx?ID=351), developed for FNS, outlines recommendations for handling fresh produce at all steps in the food production process. Best practices address purchasing and receiving, washing and preparation, hand hygiene, serving, storage, and training, and general food safety practices. Specific recommendations for handling melons, tomatoes, leafy greens, and sprouts are also included.

FNS' Produce Safety University also identifies best practices for selecting, handling, and preparing produce for use in Child Nutrition Programs (http://www.fns.usda.gov/food-safety/produce-safety-university).

2. Is Good Agricultural Practices (GAP) and/or Good Handling Practices (GHP) going to be a requirement for producers who sell to CACFP institutions?

No. GAP/GHP certifications are required when selling fresh fruits and vegetables directly to USDA and if State and local governments require it. Local distributors, retailers, institutions, or facilities may have individual GAP/GHP related policies. However, including GAP/GHP certification as part of the terms and conditions in the solicitation process is encouraged.

3. Is there a specific amount of liability coverage that farmers or others providing local foods products for CACFP must carry?

No. There is no specific amount of liability coverage required of farmers by USDA to sell to CACFP institutions or facilities. Institutions, facilities, States, distributors, retailers and food service management companies may all have different liability coverage requirements provided the requirements are not excessive which may potentially restrict competition. It is best to contact these entities for further information.

4. What other rules or regulations must farmers meet in order to sell to institutions or facilities?

Farmers must meet all Federal, State and local regulations to sell their products within the Child Nutrition Programs. Local distributors may have additional requirements, such as third party audits or product liability insurance limits. Farmers and purchasers should check with their local health departments to ensure that local and State requirements are met.