



GOVERNMENT SUPPORT FOR PUBLIC PROCUREMENT OF ORGANIC PRODUCTS

OVERVIEW

This policy summary provides recommendations on why and how to provide support for public procurement of organic products for food services. It outlines options for providing this support, followed by examples from various countries.

SUMMARY OF POLICY OPTIONS

Targeted Institutions

Public procurement for food services refers to government purchases of food products or engagement services from contractors to manage food service in government institutions. Examples are schools, hospitals, government administrative buildings, feeding programs, the military, and prisons.

Governmental Levels

Policies to procure organic food products can and do exist at various governmental levels, from national government to municipalities.

National Level: National governments can:

- Implement use of organic products in state-run food services;
- Give national mandates or incentives to other levels of government to purchase

organic products for their institutions.

Regional and Local Levels:

Regional and municipal governments, whether or not supported by the national government, can implement use of organic food products in their public food service operations including schools, universities, hospitals and other care facilities, and meal delivery programs for the elderly. Schools are the most common and usually the first set of institutions targeted for purchase of organic food products. Individual institutions, such as a single hospital or school may take up an initiative on its own within the boundaries of its budget.

Strategic Options

Mandates: Governments at all levels can require by legislation or regulation that a proportion of government food procured for government food services in one or more types of institutions is organic. Such mandates are generally accompanied by budget allocations to cover the cost of implementing and maintaining the programs acknowledging that planning and training for organic procurement and food service will be necessary and that organic products generally cost more than conventional products.

Providing incentives: The more common form of support for use of organic products in public food



service is to establish goals for including organic products in food service and provide incentives to decision makers in public food service to implement measures to achieve them. Incentives can include financial support, technical support, and awards.

Policy Focus

The focus of the policy is often solely on organic product purchasing, but it could be primarily designed to produce other types of public goods while also supporting purchase of organic products. An example is instituting a local farm procurement policy, which provides for local rural and economic development and also benefits organic farms.

invested in sustainable school meals (organic and local) and achieved a Social Return on Investment Index of EUR 7 (every Euro spent the county produced environmental and socio-economic benefits worth of EUR 7).

SCOPE

This measure is most effective nationally where there is a well-developed organic sector offering a variety of products on a nationwide basis. In countries where organic agriculture is at a very early stage of development, public procurement will be possible only on the local level e.g. a school purchase program targeting one or a few organic products. The measure is easiest to implement where there is a regulation or other means of identifying credible sources for organic products.

RATIONALE

In some countries food service accounts for more than 50% of total food expenditures, with up to 7% of this being government expenditures. Government expenditures for organic food products can significantly contribute to organic demand and send a strong political message. In some institutions, organic food service is combinable with other supporting activities such as school gardening and nutrition education, providing several public goods. For example, the town of East Ayrshire (Scotland)

POLICY OPTIONS

Policy Focus

An important early step is to consider what the policy focus will be. Will it be solely or mainly on developing the organic sector, or can organic agriculture be supported within other policy goals such as rural development or improving children's nutrition? If it is the latter, then measures to include an organic component or analyze special benefits to organic farmers in the measure can be included.



Targeting Institutions

Governments, particularly those at national level or in large regions, can engage in a process to prioritize the types of institutions that will be in the scope of its public procurement support. This will depend on a variety of factors including the potential generation of public goods, institutional cultures, financial implications, access to organic products, and opportunity to signal support for organic agriculture. Typically, measures start with school meals services (because children are the most vulnerable group when it comes to pesticide residues in food), and then extend to an overall policy for food procurement across different public services. However it may be highly symbolic for legislatures, government executives, and agriculture ministries and departments to also prioritize food services in their administrative buildings.

Strategic Options

Mandatory Measures:

These obligate the targeted institutions to procure and/or provide a certain level or percentage of organic products in its food service operations. Mandates to lower levels of government are usually only justified if accompanied by financial and technical support to make implementation feasible. For example, there will be costs and capacity needs to plan and implement

the purchase program and food preparation for organic food. It is often more costly to plan for organic menus and procure organic foods and so the costs should be supported and/or means developed to mitigate these higher costs, e.g. changing menus to substitute less costly plant proteins (e.g. legumes) for more costly meat, or reducing food waste. At the same time, organic menus/choices will need to maintain appeal to the eaters and likely include more fresh, seasonal, and perishable produce. Food preparers will need training to prepare these meals. So decision makers often prefer to provide incentives rather than mandates, especially when affecting other levels of government. This gives the other government institutions more flexibility and self-determination. However, decision makers may mandate their own institution to establish organic procurement, having taken all the factors for success or failure into account.

Providing Incentives

Financial incentives: Typically governments providing incentives to other levels of government, including targeted institutions, for procuring and using organic products in food service, will include a financial incentive which can be in several forms including: competitive or non-competitive grants, and rebates which may be correlated with levels of achievement. National governments may provide these to regional and



local governments for them to establish a program, or directly to single institutions.

Technical support: Governments, often collaborating with private sector and civil society organizations, can provide technical support, which include organic food service planning and training programs, which may be delivered via in-print, online, and in person at training sites. Technical support is often crucial to getting buy-in from those who will deliver the organic food services.

Organizing supply: Efforts may be necessary to organize the producers in the local supply chains to be able to respond collectively to the demand for the particular products needed by the canteens and to organize storage, processing and deliveries. Sometimes this even involves setting-up projects to encourage conversion to organic, in order to anticipate the increase in

demand when public food services shift to organic products. These projects may be undertaken by governments in cooperation with organic sector organizations or development cooperation organizations (in the case of developing countries).

Rewards: Governments can co-create, usually with a private organic sector association, a mark of achievement and possibly other recognition tools for food services that achieve certain levels of organic products in their operations. The reward system could include marks e.g. gold, silver, bronze, indicating progressive levels of achievement. Governments can fund and endorse these programs and delegate implementation to the civil society organization. There also can be awards for individual institutions and personnel that have produced a high quality organic menu that is well accepted by the eaters.

COUNTRY EXAMPLES

EU: In 2008, the EU Commission started promoting Green Public Procurement as a voluntary instrument to promote green purchasing among public authorities. Regarding food and catering, increasing the share of organic food is proposed as a major strategy.

Denmark: Substantial efforts have been made at the national government level to promote

organic procurement. In 2011 the government established a goal of 60% organic in all public kitchens by 2020. Almost EUR 8 million is allocated (under the 2015 organic action plan) for the period 2015-2018 for assistance to public kitchens to significantly increase their use of organic raw materials. Additionally, the government offers advice to public institutions wishing to change their kitchens



to be organic. An additional EUR 3 million is designated to support other public purchases of organic products. The Ministry of Defense has a pilot project to purchase organic products, and the Ministry of Health promotes organic procurement by hospitals.

The association Organic Denmark has played a big role in instituting public procurement programs in the country. For example it led a mobilization in the supply chain, bringing farmers, food companies and food service firms together to ensure supply and widen the assortment of organic food being offered in the food service industry. This was supported by financing from The Fund for Organic Agriculture and the Ministry of Environment and Food. Organic Denmark also trained sales staff in the food service industry.

In 2012, the government established a team of advisors to help municipalities write their tenders for public procurement, so as to prioritize organic purchases. This was financed with around EUR 2.3 million over three years.

An additional motivator is the government labels for restaurants and canteens. Bronze (30-60% organic), Silver (60-90% organic) and gold (90+% organic) organic labels are highly motivating for their organic conversion efforts; as well as a platform for dialogue with their users about organic food.

Sweden: The city of Malmo with about 300,000 inhabitants started in 1997 to increase its organic food purchase for school lunches. In 2010, a policy for Sustainable Development and Food was approved by the local government council, which included the goal that 100% of food served in the city's public canteens be organic by 2020. This policy produced rapid results. Nearly 40% of the food budget had been spent on organic food by end of 2012, valued at EUR 9 million. This example is one of many in Sweden, where municipalities and councils have adopted a policy aiming at using organic foods in public catering, in particular in school meal catering. The change is supported by a network, called Ekoköket, in which professionals and practitioners involved in organic conversion of catering discuss common problems and potential solutions. Some public canteens hold organic certification for their operation.

Spain: At the regional level, Andalusia has developed a program entitled "Organic foods for social consumption" as one of the main actions of the Andalusian First Organic Action Plan. The program is a result of an agreement among five different Regional Government Departments (Agriculture, Environment, Equality, Social Welfare and Health). It started in 2005 in school canteens providing organic food to around 3,000 students, involving four organic farmers' groups supplying local canteens of 16 elementary schools, five



nursery schools and one home for the elderly. By 2007 the program had involved 56 schools with 7,400 students with a turnover of EUR 208,000. The program supports the creation of new farm businesses and cooperatives of organic farmers from different parts of Andalusia so that, together, they can offer a broad diversity of organic foods to schools and other public canteens.

Brazil: At the national level, The Food Acquisition Program (PAA) launched in 2003 supported the purchase of diverse, locally produced food from family agriculture and preferably from sustainable systems, which helped small organic farmers gain market access for their products. In 2009, the National School Feeding Program (PNAE) set an objective to purchase at least 30% of the products for school meals from local family farmers, prioritizing organic foods. It also required that organic products be purchased from farmers at a 30% price premium. The program feeds 47 million students each day in Brazilian public schools. In 10 years, more than 3 million tons of food from over 200,000 family farmers have been purchased. The annual budget was around EUR 1.6 billion in 2013. These programs have not only provided strong incentives for conversion to organic agriculture, but also generated income for smallholder farmers, and gave universal access of organic food which was beforehand

only affordable for an elite population.

Several states and municipalities in **Brazil** have passed laws that set targets beyond what the national Brazilian School Feeding Program requires. For example, the city of Sao Paulo passed a decree in 2016 setting a target that by 2026, 100% of the two million school meals offered in the city every day should be organic. This decree contains a detailed plan of how this target is to be progressively achieved over 10 years. Another example is the State of Parana which, in a 2010 law, also set a target of 100% organic school meals served to its 1,3 million pupils.

United States: California's Sausalito-Marin City School District is the first in the nation to serve their students 100 % organic meals. Bayside Martin Luther King Jr. Academy in Marin City and Willow Creek Academy in Sausalito serve organic food year-round to more than 500 students in a partnership with the Conscious Kitchen, a project of the environmental education nonprofit Turning Green. Meals are accompanied by nutrition and gardening education. The Conscious Kitchen first tested the program starting in August 2013, and noted that over the course of two years, disciplinary cases decreased and attendance increased. The program will be replicated in 14 schools.