

# USDA's Local Food for Schools (LFS) & Local Food Purchase Assistance (LFPA) Cooperative Agreement Programs:

## *What We Learned From Our Network*



NATIONAL  
FARM to SCHOOL  
NETWORK

In April 2023, National Farm to School Network conducted a survey on state agency implementation of two important programs the USDA introduced in 2022: the [Local Food for Schools](#) (LFS) and [Local Food Purchase Assistance Cooperative Agreement](#) (LFPA). Combined, these programs provided over \$1.1 billion to support local food system development and farm to school initiatives. We had previously informed the Network about these opportunities to assist states in applying for and utilizing these funds. This policy brief provides more detailed information about the projects supported by these funds and the involvement of NFSN partners at the state level. Our objectives are to identify the main project models across the country, understand the challenges associated with these programs, and determine actions to support implementation and advocacy efforts.

## About the Programs:

### Local Food for Schools:

LFS is a non-competitive cooperative agreement program that offers up to \$200 million in funding from the Commodity Credit Corporation. It enables state agencies to purchase local, unprocessed or minimally processed foods from farmers and ranchers, prioritizing "socially disadvantaged" farmers, ranchers, and small businesses. The procured food is then distributed to schools participating in the National School Lunch or Breakfast Program within the state. In addition to food purchases, funds may also cover storage and transportation expenses.

### Local Food Purchase Assistance:

LFPA is a non-competitive cooperative agreement program that provides up to \$900 million of funding from the American Rescue Plan Act of 2021 (ARPA) and Commodity Credit Corporation. It supports state, tribal, and territorial governments in purchasing locally produced food within the state or within a 400-mile radius, benefiting local, regional, and "underserved" producers. LFPA targets food banks, schools, and organizations that serve "underserved" communities, with the objective of enhancing the resilience of food and agricultural supply chains.



## Who We Heard From

**32**

State Agencies

**6**

Non-State  
Agency Partners

Representing

**24**

States

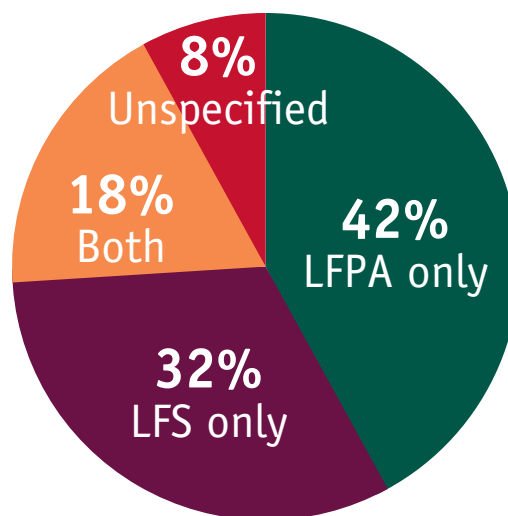
Receiving more than

**\$120  
million**

in total program funding

Range (\$333,000-12.7 million)

Programs they support:



# Program Models

## LFS Program Models:

[Click here](#) to read more about your state's program

### Reimburse Schools for Purchases:

These programs are either competitive or opt-in. Schools are given set funding allotments and then purchase local products directly. The school is responsible for ensuring purchases are in compliance with regulations and then is reimbursed by the state agency.

### Contract With Distributors Directly:

Some states have partnered with one or more distributors to implement their programs. Some states limited their programs to nonprofit food hubs, and some states worked with multiple vendors to cover all regions of the state. With this approach, schools have accounts with the participating vendor(s) and can purchase qualifying foods. Typically, the vendors agree to program requirements and are reimbursed directly by the state. In some state designs, the schools are reimbursed by the state after purchases from participating vendors.

### Contract Directly With Producers of Specific Product Types:

A smaller number of states use this model. For example, Utah is supporting beef and bison products with their program, and Washington is purchasing locally sourced dry and frozen goods. With this approach, the state agency issued requests for information and solicited bids from producers. In Utah's model, schools will receive a funding allotment that they can use to order directly from the vendors.

## LFPA Program Models:

[Click here](#) to read more about your state's program

### Sub-grant Funds:

Most states are sub-granting their funds to nonprofit grantees, who are then responsible for purchasing products in alignment with their program's regulations. Some states have a competitive grant process, others have already identified their nonprofit partners, and some states are sub-awarding to only one organization. Some states are ensuring that they reach all regions of their state, while others are focused on sub-granting their award based on socioeconomic data.

### Contract With Producers Directly:

Some states are working directly with individual producers or food hubs to establish purchasing contracts, and then are working with partner food banks and nonprofits to distribute these foods.

### Pilot New Programs:

Some states are using their funds to pilot new programs, such as food boxes, farmer cooperatives, and opening new market channels for specific products, such as frozen foods or B grade produce.

### Combination of Methods:

Many states are using a combination of the methods above using multiple grant tracks or grant phases. Some states are earmarking funds for specific groups, such as tribal communities.

# Applications & Implementation

## What's Working:

This survey was conducted during the early stages of LFS and LFPA implementation. However, many survey respondents noted significant excitement among partners. Early successes include:

- **New partnerships** with food hubs, tribal businesses, and small, emerging farmers.
- **Strengthened collaboration among state agencies and community partners**, who promote and provide technical assistance for the programs.
- **Increased engagement and transparency with community partners:**
  - Valuable partner input informed state-level program development.
  - State agencies expressed commitment to ongoing public engagement.
  - State program implementation remains adaptable due to upfront partner input.
- **Rolling out funding** has allowed state officials to witness the real impact of their LFS and LFPA programs at the community level.

### Unique LFS Approaches:

- Oregon is using their funds to support purchases not covered by their local food incentive program, such as 1/2 pint milk and food for up to 400 miles out of their state's border.
- Some states are using LFS to pilot a permanent local food incentive program.
- Some states have modeled their LFS program from other programs already in place, such as their existing local food purchasing incentive program or the Supply Chain Assistance Fund program.
- Some states are targeting funds, even limiting program eligibility, to schools in areas with socioeconomic qualifications.



# Applications & Implementation

## How States Engaged Partners When Applying:



### Collaborative Partnerships:

State agencies collaborated with key partners on applications across multiple sectors, such as:

- **Government offices** such as tribal nations and departments of education and agriculture
- **Nonprofit organizations** focusing on food systems and health such as food banks and farm to school networks
- **Food producers** such as food hubs, farmers, and farmer cooperatives



### Stakeholder Engagement:

In addition to key partners written into applications, state agencies consulted with local stakeholders such as school food service operators, food producers, and nonprofit organizations to inform their proposals.

Applicants sought input on their program designs through one-on-one meetings, town halls, surveys, and focus groups.



### Leveraging Existing Models:

Applicants utilized strategies and approaches that had already shown to be effective when developing their proposals.

Applicants:

- Consulted partners within their states that had administered similar programs to understand how they work
- Built upon and adapted successful models from other state agencies and organizations

# Program Challenges & Recommendations

## Funding Timeline

LFS and LFPA were created to help states recover from the challenges of supply chain disruptions brought on by the pandemic. As such, each funding stream had short timelines for states, both to apply for and disburse money. Many challenges that respondents shared stemmed from these limitations:

- **Limited preparation time for applications** hindered community involvement, and one respondent noted it deterred their state from applying. Future programs can learn from this process by allowing adequate time to determine program details, to incorporate stakeholder input, and for applicants to develop proposals.
- **Short funding timelines** also limited the ability of state agencies to use tools, such as forward contracting with producers, that provide stable, predictable sources of revenue to those vendors and enhance their long-term viability.
- **Funding limitations with LFS prohibited administrative costs** to cover staff time to develop and implement this new program. Similarly, the differing allowable costs between programs caused confusion for some applicants.

## Implementing New Systems and Regulations

As a new program, there were significant learning curves in some areas. While these varied by state, stakeholders offered several key takeaways:

- **Setup of internal fiscal systems** within state agencies required significant time investment.
- **Differences in administration and systems between USDA Agricultural Marketing Service (AMS) and USDA Food and Nutrition Service (FNS)** presented an initial challenge for state agencies. This is particularly important to provide support with in the future. FNS and AMS programs each have their own role in fostering child nutrition programs as a viable market for local producers, and coordination of these functions will maximize their impact.
- **Clear definitions of terms such as “local” and “minimally processed” had to be figured out** as the program was rolled out. Future programs can mitigate this difficulty by seeking input on working definitions of terms such as “local” and providing guidance on terms for states without their own established definitions.

# Program Challenges & Recommendations

## Support for Underrepresented Producers and Growers

In addition to increasing food security and supply chain resiliency, LFS and LFPA were tasked with supporting local, regional and "underserved" producers. These include groups who have been actively marginalized by past agricultural policies. Local producers who haven't faced active exclusion have not been a main focus of agricultural support policy.

Procuring from these types of producers was a new task for many state agencies. This focus is commendable but will take long-term commitment and investment to see real change. Some challenges that respondents cited include:

- **Insufficient support** for small or socially disadvantaged producers to enter the school food market.
- Challenges in organizing food procurement due to **lack of existing producer relationships**.
- Need for targeting underserved and beginning farmers **authentically**.
- **Uncertainty about future funding sustainability** impacting producer engagement.
- **Lack of existing tracking and identification** of socially disadvantaged producers.

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Find additional resources on farm to school, procurement, policies, and more at [www.farmtoschool.org/resources](http://www.farmtoschool.org/resources)

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