

Comments of Brian Kelly
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Senators, thank you for this opportunity to comment on the Farm to School Initiative. My name is Brian Kelly and I serve as an Extension Educator based in Blair County for Penn State's Cooperative Extension. From April 2004 to February 2005, I served Penn State Extension as a member of the Keystone Ag Innovation Center – KAIC. KAIC was a partnership with Penn State Cooperative Extension and PA Department of Agriculture. It received grant funding from USDA. Its purpose was to help farmers develop and market value-added products.

In August 2004, KAIC was contacted by The Food Trust regarding their Kindergarten Initiative. They were looking for farmers to supply a variety of fresh, local produce and a processor to prepare and distribute the produce in snack-size portions, three snacks a week, to 500 kindergarten students in five Philadelphia-area schools.

I knew finding the produce would be the easy part. I saw the challenge to be finding a processor with the flexibility and creativity to complete the project. I recommended to The Food Trust, Gourmet Central based in Romney, WV, owned by Harvey Christie. Gourmet Central is a custom co-packer and processor serving farmers in the Mid-Atlantic States. I helped arrange a meeting with The Food Trust and Gourmet Central. This allowed both parties to learn more about the needs of the program. In addition, Mr. Christie created different snack items which met the nutritional requirements of the program, allowed for easy shipment, showed the diversity of snacks available, be as teacher friendly as possible, and stayed within the budget The Food Trust provided.

On Tuesday, September 21, 2004, the first snack delivery was made. Deliveries continued weekly throughout the school year.

My role in the program consisted in finding, purchasing, and delivering produce to Gourmet Central. Basically, I served as a "prepaid" broker and delivery service. I explained to the farmers the program. Some farmers wanted to donate product, however, having the farmer lose money on their product was not the purpose of the program. Also, I served as a liaison between The Food Trust and Gourmet Central.

To bring to you today the farmer's perspective, I spoke to Bernard and LouAnn Hinish of Hinish Orchard and Farm Market in Roaring Spring, PA, one of the suppliers. Due to the small size of the program and therefore, small quantities purchased, the direct financial impact of the program for the farmer was limited. Bernard said, "We are faced with increasing foreign competition, China and other countries, so any opportunity for farmers to earn a fair price is good. We don't need the top price from this program, just a fair price. Also, apple consumption is declining, so anyway to increase consumption is good for the farmer."

I spoke with Harvey Christie, of Gourmet Central, to get his view. He believes a state-wide program would produce the volume necessary to gain economies of scale and justify individual serving size, and packaging methods. Harvey said, "Based on feedback from the teachers, they like individual serving packaging rather than the class-size bags. When we have fresh produce, we could package that individually. In the winter and spring when fresh PA-grown produce is not available, fruit cups, applesauce, fruit-fortified baked goods, and fruit-fortified ice creams could be made in-season, packaged, frozen, stored, shipped to the schools, and thawed the day before serving."

To show the size of the program, this is how the volume of produce compares. One snack of fresh apple slices for 500 students will require 2.8 bushels of apples. (This is based on 4 oz. per student, plus 10% waste, at 48 pounds per bushel.) For 120,000 kindergarten students (based on 04-05 enrollment), 688 bushels of apples are needed for one snack of fresh apples. Obviously, the potential financial impact the program can have is significant when an orchard receives an order for 700 bushels versus 3 bushels, especially at a price above processing apple prices. Based on 2003 PA Ag Statistics, the average processing apple price was \$3.50 per bushel. At \$10 per bushel, student cost for raw apples is just \$0.06 each.

Harvey and I made several trips to the schools to personally deliver product. This allowed us to speak to the teachers and gain their perspective. At one school, we entered the building through the cafeteria. Harvey met the head of the cafeteria. He asked her if she served apples to the students. She said, "I would like to." Harvey asked, "Why not?" She replied, "When we did, the kids didn't eat them; they took the apples and after school, threw the apples at cars. So, we had to stop serving apples." Then Harvey said, "Just curious, do you know what you paid for apples?" "\$25 a box," was her reply. His next question was, "If I could provide you with pre-sliced apples with a natural preservative so they won't turn brown for \$25 a bushel, would you be interested in that?" She said, "Yes."

I believe the Farm to School Initiative provides many positive benefits. It creates new markets for Pennsylvania's Farmers, exposes students to healthy snacks, and creates the opportunity to teach all students about agriculture, food, and nutrition. Today, Pennsylvania's farmers are faced with which direction they should go to operate a profitable business. One way is to expand and gain operational efficiencies to be a low cost commodity producer. The other way is to follow the value-added approach and take over the role of the processor and/or direct marketer to gain a greater share of the retail dollar. Each opportunity has its unique advantages and disadvantage. The producer will need to decide what is best for their business. It is my view that one method for government to support the farmer is by creating opportunities for the consumption of local farm products at prices that benefit the farmer and the consumer. The Farm to School Initiative has the opportunity to be that kind of program.