

# INSTITUTIONAL PROCUREMENT OF LOCAL FOOD: RHODE ISLAND POLICY SNAPSHOT

This snapshot is part of a six-state series exploring demand-side policies in New England that support public institutions' ability to increase purchases of local food. These **snapshots**, links to **resources**, a **regional report** with comparative findings and recommendations, a **database** and **scan** of all policies discussed, and other related information can be found on [FINE's policy page](#). These documents are current as of May 2019.

## KEY STATE LAWS AND INITIATIVES:

- [37 R.I. Gen. Laws § 37-2-8](#): Establishes a **local foods preference** where state purchasing agents must purchase local food options when available at prevailing market price.
- [21 R.I. Gen. Laws § 21-4.1-8](#): Establishes a **local milk preference** where in-state milk producers and distributors receive a one-quarter percent (0.25%) preference over any out-of-state milk provider.
- [21 R.I. Gen. Laws § 21-36-4](#): Establishes the **Inter-Agency Food and Nutrition Policy Advisory Council**, tasked with examining legal barriers and potential solutions to create a healthy and sustainable food economy in the state. The council must collaborate with other stakeholders to achieve these goals.
- [37 R.I. Gen. Laws § 37-2-22](#): Establishes a **small purchase threshold** where purchases of \$5,000 or less may be made according to state small purchasing regulations.
- [Director of Food Strategy](#): Establishes a state **Director of Food Strategy**, appointed by the governor, whose responsibilities include supporting institutional procurement of local food. This nonbinding, at-will position is now housed in the Commerce Corporation.
- [Rhode Island Food Strategy](#): Creates a nonbinding **five-year food strategy** that includes, among other things, targets to facilitate local food procurement and meet regional preference goals.

## KEY PLAYERS:

In Rhode Island, the state government has pursued creative measures to increase institutional procurement of local food and support farmers. Rhode Island's legislature has enacted a number of policies to facilitate local food procurement, and the governor has appointed a **Director of Food Strategy** and assisted in developing a five-year food strategy for the state. Simultaneously, large

institutions are working to increase local food purchasing in the state. For example, the [University of Rhode Island](#) (URI) utilizes the state's initiatives to increase the amount of local food procured for students. The [Rhode Island Food Policy Council](#), established in 2011, works to create a more sustainable food system in the state by coordinating a statewide collaboration of food system stakeholders, and [Rhody Fresh](#), a statewide brand produced by the Rhode Island Dairy Cooperative, which promotes local dairy products in the state, are also important actors in increasing institutional procurement of local food. Finally, [Farm Fresh Rhode Island](#), a nonprofit food hub in the state, connects local producers with institutions to increase the accessibility and affordability of fresh, local food and coordinates farm to school efforts in the state.

## BACKGROUND ON LOCAL PROCUREMENT INITIATIVES IN RHODE ISLAND:

Rhode Island has enacted six primarily demand-side policy initiatives to augment institutional procurement of local food. The Rhode Island legislature enacted three of these initiatives, a **small purchase threshold**, a **local foods preference**, and a **local milk preference**, between 1989 and 1992. Three other initiatives (one legislative and two administrative) were implemented in the past decade as part of a recent wave of interest in local food and the potential for the local food system to benefit state economic and social development. These include the creation of the **Inter-agency Food and Nutrition Policy Advisory Council**, formed in 2012. This council is tasked with identifying and developing solutions to policy barriers, including geographic preferences in institutional procurement, to build a stronger sustainable food economy and more healthful nutrition practices. Rhode Island's governor recently appointed a **Director of Food Strategy** (2016) and convened stakeholders to develop the Rhode Island Food Strategy (published in 2017). These latter two initiatives are not formally incorporated into state law, but they represent important state-level support for institutional procurement of local food and are symbolic of many current state policymakers' passion for advancing the local food economy. Ken Ayers, Chief of the Division of Agriculture at the Rhode Island Department of Environmental Management, emphasizes, "the key driver of local procurement in Rhode Island is people with passion; this has been the number one factor advancing local food procurement policy supports throughout state government and the Director of Food Strategy and Rhode Island Food Strategy are some culminations of that passion."

Specifically, the **Director of Food Strategy** provides comprehensive support to advance local food systems development in the state. Meanwhile, designed to be a five-year strategic plan, the **five-year food strategy** advances multiple goals, including initiatives aimed at augmenting institutional procurement of local and regional food. This regional preference is important to note: the Rhode Island Food Strategy supports the [New England Food Vision](#) that by 2060, 50 percent of food consumed in the state will be produced in the region, a goal initially set by area nonprofits, primarily [Food Solutions New England](#). Currently, Food Solutions New England is working to develop benchmarks for the New England Food Vision. Sue AnderBois, the Rhode Island Director of Food Strategy, notes that she will implement similar benchmarks for the five-year food strategy based on these updates.

In addition to the six aforementioned demand-side initiatives, the Rhode Island government supports a variety of supply-side policy initiatives with indirect demand-side impacts. This includes facilitating multiple grant programs to aid area farmers and expand local markets for institutional procurement, such as the [Local Agriculture and Seafood Act Grants program](#). However, the Local Agriculture and Seafood Act Grants program recently lost the majority of its funding and may not continue into the future.

Finally, a vibrant and sophisticated network of non-governmental stakeholders work closely with and outside of state government to aid institutional procurement of local food. Notably, the Rhode Island Food Policy Council has launched a [metrics dashboard](#) that measures the progress of the state's local food economy, and Farm Fresh Rhode Island has become an approved vendor for at least one food service management company operating in the state. Ayers underscores that the Rhode Island food policy and procurement landscape "is very stakeholder based," and it is through the strategic work of "great NGOs" that many of the state's local procurement achievements have been secured.

## CURRENT STATUS OF LOCAL PROCUREMENT IN RHODE ISLAND:

URI is one of the state's largest institutions procuring local food in the state. Michael J. McCullough, URI's Associate Administrator of Dining Service Operations and Pierre St-Germain, Director of Dining and Retail Services, note that Rhode Island's six enacted demand-side policy initiatives all influence URI and other public institutions' local food procurement. McCullough and St-Germain emphasize that three initiatives in particular most directly impact this procurement, in both positive and negative ways. These are the **local foods preference** law, the state's **small purchase threshold**, and the **five-year food strategy**.

Rhode Island's **local foods preference** law aids local procurement by directing institutions to purchase local food when available and in good quality. However, this law includes a "prevailing market price" clause that can be prohibitive to institutions in procuring local food. As AnderBois explains, this clause may cause economic considerations to outweigh geographic preference, encouraging institutions to override local procurement preferences in favor of procuring food at the lowest cost. McCullough adds that this clause further prohibits local procurement because institutions must put resources towards determining what the prevailing market price is. As a result, the local foods preference law can actually inhibit local procurement by both mandating price preferences and generating additional bureaucratic hurdles to engage in institutional local food sourcing.

Rhode Island's \$5,000 **small purchase threshold** is generally too low to help institutions avoid the formal purchasing process when procuring local food, as large institutions like URI often purchase in volumes much greater than \$5,000. Public institutions in Rhode Island must go through the state to secure bids from registered vendors for any food order greater than \$5,000. While the small purchase threshold is intended to simplify the procurement process for state institutions, the threshold is too small to have real utility for purchasers.

URI is moving to a regional preference for their food procurement in an effort to maintain their localized focus while also accessing the greater variety of foods produced just outside of Rhode Island's borders. This approach is consistent with the Rhode Island Food Strategy and regional NGOs. Since this regional preference is nonbinding, other public institutions may not be undertaking this move. AnderBois notes that the five-year food strategy, even if adopted by the legislature, may not lend itself to a binding structure because of the strategy's lack of concrete, numerical goals.

State officials, NGOs, and public institutions work creatively and collaboratively in Rhode Island to overcome some of the prohibitive aspects of existing state policy initiatives. For example, Ayers explains that the formation of Rhody Fresh, which has received both public and private financial support, has aided farmer survival and institutional procurement. In fact, URI has at times directed its dairy bid specifically to Rhody Fresh in hopes of securing a local milk supplier that is registered with the state. However, to fully enable local milk purchasing, URI separates their retail and wholesale dairy bids, in a creative strategy to facilitate local procurement. URI has found that sourcing its retail dairy from Rhody Fresh is often possible given that the added costs are passed on to the retail consumer. Meanwhile, URI still tends to source bulk milk from a non-local supplier, as the local milk option is rarely competitive with out-of-state bulk milk bids, even with local efforts to mitigate price discrepancies. Ayers states that this separation between retail and wholesale bidding (which may also occur in other food bids) has been “helpful to the survival of farmers” across the state.

Rhode Island requires that all purchases made by state agencies are authorized by the State Division of Purchases. Some institutions have arranged serving as their own delegated purchasing authority over certain goods, aiding institutional procurement of local food by removing the step of state authorization of purchases. For example, URI has delegated purchasing authority for meat, produce, and cheese. This means that even if bids for these products exceed the state’s **\$5,000 small purchase threshold**, URI does not have to go through the state to secure a vendor for these products. It is also relevant to note that with this authority, URI can exercise some flexibility in determining from whom to solicit bids, including the possibility of regional suppliers. URI or state purchasing entities that do not have delegated purchasing authority generally solicit bids using a list of registered vendors compiled by the state, and this vendor list may not include regional producers. Delegated purchasing authority reduces some bureaucratic barriers to local procurement and can support public institutions in more creatively and independently sourcing local products of their choosing.

Finally, state grants, NGO initiatives, and the **Director of Food Strategy** work together to provide important supply-side support, such as helping farmers become registered state vendors, which is also integral to facilitating local food procurement in Rhode Island.

## KEY TAKEAWAYS:

- Rhode Island's **local foods preference** offers important symbolic encouragement for local procurement. The “prevailing market price” clause can undermine local sourcing in practice.
- Rhode Island's **local milk preference** is often insufficient to accommodate the state's “prevailing market price” preference for institutional procurement. Other state and NGO collaborations, like Rhody Fresh, appear to more directly aid institutional local food procurement than the percentage price preference. Nonetheless, Rhody Fresh is not yet financially sustainable without the support of outside grants, and thus both current state law and collaborations between NGOs and the state would benefit from additional strengthening to ensure institutional procurement of local milk into the future.
- The state's **Inter-agency Food and Nutrition Policy Advisory Council** and **Director of Food Strategy** provide important support for local food procurement, but are often not involved in day-to-day institutional local procurement processes.
- The **Rhode Island Food Strategy** provides meaningful encouragement for area institutions to implement regional procurement goals and strategies. The five-year food strategy is nonbinding, which may hinder long-term efficacy.

## RECOMMENDATIONS:

- Amending the language of the **local foods preference** law to favor geographic area in ways that do not require price to be the most significant factor in product selection could aid in increasing institutional procurement of local food. For example, some states include “reasonably exceeds” clauses that are often placed in a state's purchasing legislation. These clauses allow state agencies and institutions to prefer local food even when the cost reasonably exceeds that of non-local options, provided the local food is of similar quality, quantity, or availability. While some state governments leave this range open to institutional discretion, states can also include language that enables purchases of local products up to some percentage (e.g. 10 percent) more expensive than non-local products.
- Raising the **small purchase threshold** could allow institutions to bypass the state's more stringent bidding requirements when entering into larger contracts for local food.
- Legally enshrining existing but currently nonbinding local procurement policy supports, including the **Rhode Island Food Strategy's** regional food targets, may help more state entities align their efforts toward a standardized local procurement goal.

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The analysis and recommendations in this snapshot do not necessarily reflect the entirety of the opinions of any of the contributors. Rather, individuals who provided insights and feedback for this project provided their expertise to specific portions of this document's contents. We have done our best to create an accurate representation of the information collected through research and interviews, and we welcome feedback on this product.

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