



Vermont Local Foods Incentive Grant

Frequently Asked Questions

(Last Updated July 2022)

Q1: When do I need to start tracking local purchases?

During the first year you apply.

You must begin to track your local purchases using the VT Local definition in your Baseline Year. Grant applications are backward-looking. This means that the School Year in which you submit for your Baseline Year application is also the year in which you need to begin tracking local and using the VT Local definition if applying for Subsequent Grant Years.

For example, if you submit your Baseline Year grant application in School Year 2022-23, part of the application asks you to report an estimate of local purchases made during the previous School Year (SY 2021-22). The following year, School Year 2023-2024, you would then be eligible to submit your first Subsequent Year grant application. For that application, you will need to report your Locally Produced Foods Percentage for the previous School Year (SY2022-2023) using the VT Local definition.

Q2: When do I have to start using the “Vermont Local” definition?

In the second year that you apply for the Local Foods Incentive.

The first year that an SU/SD applies for the Local Foods Incentive Grant is considered their Baseline Year. During the Baseline Year of the grant, the SU/SD can use its own definition of local when estimating the previous school year's percent of locally produced foods.

After the Baseline Year, an SU/SD may apply annually for Subsequent Year Grants for continued funding. For the Subsequent Year Grants, an SU/SDs must use the [Vermont Local](#) definition prescribed by the legislature.

Although an SU/SD does not need to use the Vermont Local definition during their Baseline Year, we do recommend you begin to use the Vermont Local definition anyway, as it will give you a clearer picture of your local foods percentage for future grant years.



Q3: What happens if I skip a year of the Local Foods Incentive or do not qualify for a grant award because I did not meet the minimum threshold?

Nothing!

There is no negative consequence for skipping a year of the Local Foods Incentive or not meeting the minimum local purchasing threshold. SU/SDs would not receive a grant award for that year, but otherwise nothing would happen. SU/SDs may skip years of the Local Foods Incentive as they wish. When ready to apply again, SU/SDs would submit a Subsequent Year grant application as normal.

Q4: I'm using the Local Food Product Tracker (Excel spreadsheet) provided by VT FEED. Do I need to enter every food item I've purchased?

No, you do not need to enter every food item you've purchased into the [Local Foods Tracker](#). There are three types of records that may be entered into the Excel tracker:

1. **Individual Items:** If purchasing a large quantity of a single item at one time (e.g., maple syrup for the school year), you may wish to enter that single item transaction into the tracker. You would then enter the requested information in each following column.
2. **Invoice:** If you make a purchase from a farm or distributor with multiple VT Local items included, you may enter the total value of all eligible VT Local products from the invoice into a single line in the tracker. When doing this, do your best to provide an overview of the products purchased in Column F "Product/Item Description". Example: apples, cucumbers, yogurt, and granola.
3. **Distributor Report:** Some distributors can pull a report of all VT Local purchases made during a school year. If using a VT Local report, a single entry for the sum total of all VT Local purchases made during the school year may be entered into the Excel tracker.
 - When entering data from a distributor report, please choose the "Report" option in column A of the tracker. For the Invoice Number and Date columns (B and C), enter "report". Choose the corresponding distributor for column D and enter the total dollar value amount in column G. You may leave column F blank. SU/SDs must submit distributor reports, in addition to the Excel tracker, with a Subsequent Year application for the Local Foods Incentive Grant.
 - SU/SDs must submit distributor reports, in addition to the Excel tracker, with a



Subsequent Year application for the Local Foods Incentive Grant.

Important consideration: It is the responsibility of the SU/SD to review the distributor report for accuracy. If products are included in the grant application that the SU/SD does not have VT Local documentation for the SU/SD risks their application being rejected.

Q5: What evidence do I need that a processed or unique food meets the VT local definition?

The product needs to be on VT FEED's Vermont Local Food List or you need to have a producer attestation letter on file.

All foods that a SU/SD reports as VT Local in their grant application must meet product documentation requirements. There are several ways to demonstrate that a product is VT Local; only one is required.

For **Raw Agricultural Products**, an indication of origin on an invoice is enough to meet documentation requirements (e.g., Apples-Macintosh-VT).

For **Processed Foods and Unique Food Products**, the SU/SD must have one of the following forms of documentation (either of these may also be used to document Raw Agricultural Products):

1. If a product is on [Vermont FEED's Vermont Local Foods List](#), SU/SDs shall note that in their records, but no further documentation will be required. During an audit, the SU/SD will indicate which of the products being reviewed are included in the Vermont Local Foods List.
2. If the product is NOT on the Vermont Local Foods List, a producer attestation must be obtained to document that a product is a VT Local Food. The producer attestation must have the following components:
 - Be on company letterhead
 - Clearly state the specific product(s)
 - Clearly state under which product category the product(s) qualify as VT Local (Raw Agricultural Product, Processed Foods, Unique Food Product)
 - For Processed Foods and Unique Food Products, clearly state which criteria the product(s) meet under the VT Local definition
 - Specify the School Year during which the attestation is valid



Q6: I'm purchasing a prepared food product (like pizza) from a locally-owned branch of a national franchise, such as Domino's, does this meet the VT Local definition?

No, Domino's and other national brands, even though they may be locally owned, do not meet the VT Local definition.

Under the definition, a unique food product would need to meet two of the three criteria:

1. The majority of ingredients (meaning more than 50 percent of all product ingredients by volume, excluding water) are raw agricultural products that are produced in Vermont.
2. Substantial transformation of the ingredients in the product occurred in Vermont.
3. The headquarters of the company that manufactures the product is in Vermont.

Two or more of the former need to be true to count towards your local percentage.

Please note that purchasing products from a local franchise of a national company, such as Domino's Pizza, **does not count** toward the Local Food Incentive grant, because even though the franchise or branch may be locally owned, the company is not headquartered in Vermont, and the product is unlikely to be made using a majority of Vermont produced ingredients.

For more information, please read the Vermont Agency of Agriculture, Food & Market's Guidance on [Determining Local Products for the Local Foods Incentive Grant Program](#).

Q7: Do I assign a fair market value to the bread our baker makes for our school meal programs?

No, for the purposes of the Local Foods Incentive Grant you do not assign your own baked goods a fair market value. The fair market value clause defined in [H.106 \(Act 67\)](#) on page 17 is to be used for products that your SU "grew, raised or produced." The section referring to "produced by the SU" is interpreted to mean "produced" by any student programs. This is usually referring to garden and agricultural programs. The only middle case would be if a home economics class was baking bread and wanted to donate it to the food service program. In that instance, they could assign a fair market value to their loaves for the purposes of reporting to the LFI grant. Since your food service account is purchasing the ingredients to bake bread (flour, sugar, yeast) then those purchases would get tracked like any other food item for the grant.



Q8: I'm purchasing fluid milk from a Vermont dairy, does that count towards my local foods percentage?

No, for the Local Foods Incentive Grant, all fluid milk is excluded. So, any local fluid milk (for example, Monument Farms) would not count. HOWEVER, it also does not count against you. You will subtract the total \$ amount you spent on fluid milk (for many schools this is between 12-15% of their total food budgets already) from your total food budget.

Q9: Does local food that has been donated to our program by farmers or other community members count towards our Locally Produced Foods Percentage?

No, foods donated by farmers or other community members should not be counted in your Locally Produced Foods Percentage. [H.106 \(Act 67\)](#) states on page 15 that the **cost** of all foods purchased or grown, raised, or produced by the supervisory union should be included in your local foods percentage.

Q10: Does the produce I receive from my school garden count towards our local foods percentage?

Yes, produce from your school garden can count towards your local purchases. For the reporting purposes of the Local Foods Incentive Grant, you will need to assign a fair market value to that food and have traceable documentation just like any other purchase. You could write out a basic "receipt" from the garden to file with all your other school food purchase receipts and then record it as a transaction in your Local Foods excel tracker- just make a note in there that it was donated.

Q11: Can delivery fees associated with the purchase of VT Local foods be included in our Locally Produced Foods Expenses?

It depends. Separately itemized delivery fees may not be included in your Locally Produced Foods Expenses. Distribution costs that are built into the price of the product are allowable. It is recommended when working with farmers that schools suggest including distribution costs in the price of their product, requiring order minimums, or both. This is to avoid opening a can of worms for deliveries with mixed local and non-local purchases.



Q12: Should USDA Foods or DOD Fresh be included in the Local Foods Incentive Grant?

No, USDA Foods and DOD Fresh are both considered entitlements and should therefore not be included in the Local Foods Incentive Grant. Neither the Locally Produced Foods Expenses nor the Total Program Foods Budget should be included.

Q13: Are purchases from FFVP, CACFP, or SFSP included in the Local Foods Incentive?

Yes, purchases from all federally reimbursable child nutrition programs are included in the Local Foods Incentive. This means that all qualifying local purchases should be included in your Locally Produced Foods Expenses and all food purchases (VT Local and non-local) should be included in your Total Program Food Budget.