



SECTION 14

From the Farm to the Plate: The 10 Cents Supply Chain

10 Cents a Meal for Michigan's Kids and Farms (10 Cents), administered by the Michigan Department of Education, matches what participating schools, districts, and early care and education centers spend on Michigan-grown fruits, vegetables, and dry beans with grants of up to 10 cents per meal.

This brief is part of *10 Cents a Meal 2020–2021 Evaluation Results: Expanded Eligibility Increased Impacts*.

Key Takeaways

A **diverse range** of Michigan-grown fruits, vegetables, and dry beans were purchased during the 2020–2021 school year.



- 150** Grantees reported **150 unique vendors**, of which 100 were farms that supplied Michigan-grown fruits, vegetables, and dry beans through the 10 Cents food supply chain.
- 93%** Most grantees who reported purchases (93%) used **intermediary market channels** to acquire Michigan-grown products for 10 Cents.
- 50%** **Half (50%) of all 10 Cents spending (in dollars) reported by grantees was from broadline (or full-service) distributors**, and one-third (34%) was from food hubs.
- \$47k** 10 Cents grantees purchased more than **\$47,000 of Michigan-grown products** directly from **21 individual farms** (4% of total reported purchases).

Invoice information submitted by grantees participating in 10 Cents a Meal for Michigan’s Kids and Farms (10 Cents) show that a diverse range of Michigan-grown fruits, vegetables, and dry beans were purchased in 2020–2021.

During the program year, grantees spent (in dollars) 70% on fruits, 29% on vegetables, and 1% on dry beans. Of the 143 total grantees, only 100 provided purchasing information, so the results summarized below are not representative of all grantees.¹ Although evaluators sought to examine purchasing characteristics of different types of grantees (early care and education sites [ECEs], Residential Child Care Institutions [RCCIs], public school/districts and nonpublic schools), not enough grantees shared purchasing data, and there was not enough information to share findings. Still, more than \$1.3 million in spending on Michigan-grown products was reported.²

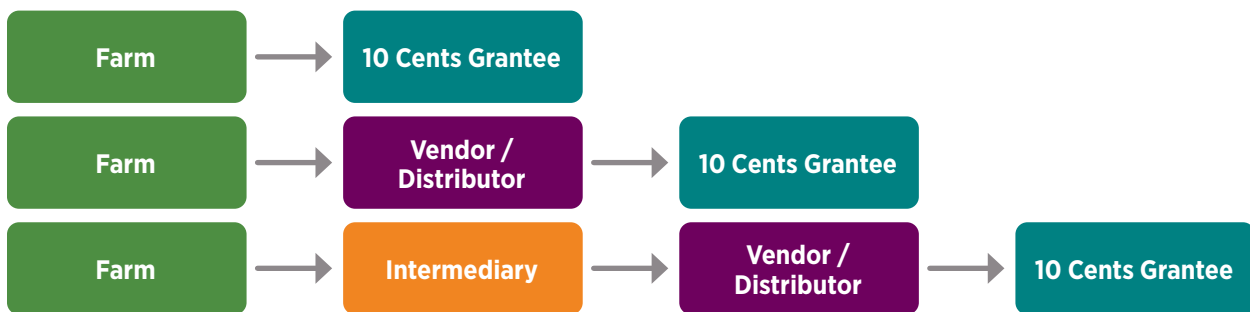
Table 14.1. 2020–2021 Grantee Spending

Michigan-grown product	Total reported dollars spent	Number of grantees
Fruits	\$906,664 (70%)	99 (96%)
Vegetables	\$384,592 (30%)	91 (88%)
Dry Beans	\$12,124 (1%)	16 (16%)
Total	\$1,303,380	100

Note: $n = 100$.

Grantees reported 150 unique vendors, of which 100 were farms that supplied Michigan-grown fruits, vegetables, and dry beans through the 10 Cents food supply chain. These vendors included farmers, farmer cooperatives, farmers markets, grocery stores, food hubs, processors, and distributors.³ Figure 14.1 shows the typical market channels through which Michigan-grown products are purchased by 10 Cents grantees.

Figure 14.1. Possible Market Channels in the 2020–2021 10 Cents Supply Chain



- Purchasing data was provided by MDE in September 2021 and contains information reported by grantees from September 2020–August 2021. However, additional grantees submitted purchasing information at a later date, and some grantees submitted additional purchases beyond this date. Therefore, the findings are limited to the original information and do not capture the full scope of spending during the program year.
- The expected match funds were not met by grantees. This could be explained by the continual adjustments in grantee awards (see [Program Overview](#) section) and the significant impact of the pandemic, which resulted in supply chain disruptions and in-person/virtual formats affecting food service program operation.
- Refer to the [Technical Notes](#) section in the full report for definitions on the different types of vendors.

Most grantees that reported purchases (93%) used intermediary market channels to acquire Michigan-grown products. For 10 Cents, we define an intermediary vendor as a vendor or supplier that purchases products from Michigan farmers and then sells those products to another vendor or distributor before they reach grantees, as seen in the figure above. Throughout the year, 93 grantees reported purchasing from 40 unique intermediaries. Approximately 41% of all 10 Cents purchases (\$530,146) involved an intermediary, including broadline (or full-service) and specialty distributors, farmer cooperatives, food hubs, and processors. Of all the intermediary purchases that grantees reported, only one grantee provided the farm of origin for products purchased.



As seen in Table 14.2, half (50%) of all 10 Cents spending (in dollars) reported by grantees was from broadline distributors and one-third (34%) was from food hubs. Half of the grantees ($n = 51$, 51%) reported purchasing Michigan-grown products from only one market channel, although some grantees purchased these foods through multiple channels. Eighteen grantees (18%) purchased from three or more market channels, and the most market channels that a single grantee purchased from was five (broadline distributor, farm direct, food hub, processor, and specialty distributor).

Table 14.2. Spending Through Market Channels Used by 2020–2021 10 Cents Grantees

Market channel	Total reported dollars spent	Percent of total spending	Number of grantees
Broadline distributor	\$648,543	50%	70
Food hub	\$442,080	34%	47
Specialty distributor	\$114,326	9%	18
Farm direct	\$47,870	4%	21
Processor	\$25,375	2%	10
Farmer cooperative	\$24,612	2%	7
Grocery	\$554	<1%	1
Farmers market	\$21	<1%	1

Note: $n = 100$

Of all 10 Cents spending (in dollars) reported by grantees, 50% was from broadline distributors and 34% was from food hubs.

For 2020–2021, most 10 Cents food purchases (in dollars) through broadline distributors were from one distributor (76%), although three other distributors participated to a lesser extent (16%, 7%, and 1% of reported purchases in dollars, respectively). Grantees reported 24 different farms as the sources of their purchases from broadline distributors, and it is likely there were more farms than reported because many grantees did not include a farm of origin for their purchases.

Three food hubs supplied grantees with Michigan-grown fruits, vegetables, and dry beans, though almost all these purchases were from one food hub (96%). Grantees were more likely to report the farms of origin when they reported purchases from food hubs than from all other channels; grantees indicated 45 farms

of origin for purchases from food hubs. This is unsurprising because food hubs are designed as local and regional food aggregation and distribution operations with greater transparency in sourcing.¹

Additionally, our analysis showed that the number of grantees using a food hub to purchase Michigan-grown foods before and after participation in the 10 Cents program increased (13 grantees to 37 grantees).² The number of grantees using other market channel types, such as farm direct and distributors, seemed to remain steady before and after 10 Cents participation. Note that responses in applications are self-reported by grantees and cannot be verified.³

Five specialty distributors were involved in the 10 Cents food supply chain in 2020–2021. Seventy percent of these sales came from one distributor, with one-quarter (26%) coming from another. Within the category of specialty distributors, fruit made up more than half of sales (60%), with apples comprising 98% of those fruit sales.

10 Cents grantees purchased more than \$47,000 of Michigan-grown products directly from 21 individual farms (4% of total reported purchases). Most of these farms—all but three—sold directly to just one grantee. Three farms made up 60% of all direct sales reported, with one farm comprising nearly one-third of all reported direct sales (32% in dollars) to four different K–12 school district grantees. The farms with the second and third highest direct sales (17% and 12%, respectively, in dollars) sold to one grantee and two grantees, respectively.

Table 14.3. Top Three Farms Selling Direct to 2020–2021 10 Cents Grantees

	Percent of total reported purchases	Number of grantees	Products
Farm 1	32%	4 Public school districts	Fruits (4 types) Vegetables (1 type)
Farm 2	17%	1 Public school district	Vegetables (16 types)
Farm 3	12%	1 Public school district and 1 ECE	Fruits (3 types) Vegetables (9 types) Dry Beans (unspecified)

Purchasing data can help provide insight into 10 Cents' impact on Michigan farm and food businesses. We can examine grantee spending on Michigan-grown products and the various types of market channels these products are sold through. However, this data is limited to the purchases reported by food program managers, and more information is needed to examine the full scope of any potential increase in business and sales for farms and food suppliers. In future years, additional data (such as interviews) could be collected directly from farmers and food businesses to determine influence, if any, of 10 Cents on Michigan farms and food businesses.

1 According to the [USDA Regional Food Hub Resource Guide](#).

2 Analysis through the comparison of market channels that grantees listed in their applications and then in their purchasing reports ($n = 80$).

3 Refer to the [Recommendations](#) section for more information.

Evaluation of 10 Cents is led by the Michigan State University Center for Regional Food Systems (CRFS). The work presented here is part of *10 Cents a Meal 2020–2021 Evaluation Results: Expanded Eligibility Increased Impacts* by Colleen Matts and Megan McManus of CRFS and was generously funded by the W.K. Kellogg Foundation and 10 Cents administrative funds for partner organizations.

To learn more, visit tencentsmichigan.org, foodsystems.msu.edu/10-cents-a-meal, and mifarmtoschool.msu.edu.

