

well-developed organic markets and countries with generally high consumer purchasing power, the messages and the target groups of the campaigns will be different.

It is a difficult exercise to make a consumer campaign that has the expected impact. Therefore, efforts should be invested in monitoring and evaluation of consumer campaign activities. A good practice is to collect and publish sales figures regularly (ideally annually). Such data can also be used as content for annual media conferences to present new statistics and consumer trends and show case developments, which is also a form of promoting the sector, both to potential investors and to the general public.

## **b. Public procurement**

### *Political justification*

Catering (the provision of food services) is an important and increasing part of the food sector. For example, the catering sector in Nordic countries accounts for one-third of total food consumption. Of this, public catering that is managed by the public sector (government institutions, municipalities, etc.) is a significant part<sup>106</sup>. This includes canteens of schools, hospitals, care homes, universities, government buildings, prisons, and armed forces. As the general demand for organic food increases, so does the demand for an offer of organic food in such canteens.

Aside from fulfilling the demand of canteen users and contributing to the growth of the organic sector by developing a strong demand factor for organic products, there are many reasons why offering organic products in public canteens is a powerful instrument for change towards sustainable organic food systems.

It is one of the most effective ways to raise awareness about organic food consumption and even to make it “fashionable”. Public procurement has a strong symbolic impact in influencing the increase in the consumption of organic products, and it can easily be combined with educational activities around the benefits of organic food, tasting events, nutrition advice, etc.

It provides access to organic food to a broad public, including children from poorer households, and those who would otherwise be unlikely to fall in the consumer group for organic products. It therefore contributes to reducing food and nutrition inequalities in society.

Government and public institutions, which serve the public good should operate in an ethical framework of care for their communities and the environment. Regarding food purchasing decisions they therefore should consider not only the price tag of food

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<sup>106</sup> For example, in the UK in 2007, the public sector provided approximately 1.8 billion meals every year, accounting for 7% of the entire UK catering sector.

ingredients but also how their purchases can maximize societal welfare. For example, the town of East Ayrshire, in Scotland, which invested in sustainable school meals that included organic and local products, calculated that it achieved a Social Return on Investment Index of seven Euros, meaning that for every euro spent the county is producing an investment worth EUR 7 in environmental and socio-economic benefits.

Schools embarking on efforts to source organic products are also more active to promote healthy eating among the pupils in general.

Besides organic food in public canteens, the concept of organic public procurement can include office food supplies for administrations, army food supplies, food aid, public event catering, but also non-food products such as textiles for uniforms. Similar justifications apply to those areas as well.

A large buyer, or collection of buyers, can significantly stimulate the demand for domestically produced organic products, thus providing markets for producers and stimulating the growth of organic production. Public institutions offer mostly long-term contracts that represent a reliable and stable source of income for organic farms. This is a good way to encourage existing organic farmers to invest in their production and expand and can also send strong signals to conventional farms that they should convert.

### Suitable contexts

Public procurement is feasible at various stages of development of organic agriculture and whether the country is a net-exporter or net importer of organic food. However, at very early stages of development, it won't be feasible to pass (or implement) regional or national policies regarding organic public procurement, as not enough organic products are available. It may be feasible on a very small scale, e.g. municipality school level and limited number of food items. If the country is essentially an importing country for organic products, public procurement as a major area of policy intervention is possible, but may be more difficult to get political support for, since it will not easily be linked to territorial development.

Actions for organic public procurement can take place regardless of the organic regulatory context, as individual canteens can set-up their own criteria for identifying credible organic products, but it will be easier in a regulated context or a context with an officially referenced organic guarantee system.

Organic public procurement is feasible and appropriate under any culture of government intervention on the agricultural sector, but is more strongly rationalized where there is a culture of government intervention in agriculture markets.

Public procurement does not serve all objectives for policy support to organic. It matches well with the objectives of encouraging the production of positive externalities (social and environmental benefits), and wanting to increase access to healthy food for all citizens. It doesn't serve the purposes of wanting to build the organic sector as a

foreign currency-earning sector, nor the objective of wanting to increase domestic self-sufficiency in the organic sector.

### Possible modalities of implementation

As shown by the series of examples above, the decision to source more organic products in public canteens can happen at various levels ranging from the individual canteen (school level, or hospital level) to municipality, region and up to a national government policy. Such decisions usually start with kindergartens and school meal services (because children are the most vulnerable group when it comes to pesticide residues in food), and then extend to an overall municipal policy for food procurement across different public services.

There are essentially two models through which public canteens are managed: one is direct management whereby the institution employs staff to purchase and prepare the food, and the other is where this service is outsourced to a private catering company. In any case, management of public canteens is often (at least in Europe) delegated to management committees composed of representatives of the public institutions and of users of the canteen (or for school canteens, the parents). Such a committee often has the responsibility to write the call for tender (when the food preparation is delegated to a private catering company) and to establish the contract with the catering company, or with the suppliers (in direct management). The decision on how much and which products should be sourced organically is typically taken at the level of this management committee.

Policy decisions at a higher level (e.g. regional or national) can be constraining, meaning that they oblige public canteens to source a certain percentage of organic/local/sustainable products. Alternatively, they can be incentivizing, meaning that they provide grants and technical support to canteens wishing to move in this direction, or financial incentives to canteens, which have reached a certain threshold of organic products. One example of such incentivizing regional policy is the region of Friuli Venezia Giulia in Italy, in which the Law no.15 / 2000 grants contributions to a maximum of 30% of the expenditure incurred in the previous year to the companies that use a share of organic products higher than 60%.

Many times, the decision, especially when taken at higher levels of governance, does not involve only support to organic products but also to local products, products from “family farmers” (as in the case of Brazil), or other “sustainability” certification schemes (such as Marine Stewardship Council for fish products). Those broader policies may be more easily accepted because they cover a broader range of policy objectives, e.g. promoting economic development of local farms and processors in the region, and because they do not appear to support only one particular scheme. Nevertheless, experience shows that even if the policy is written quite broadly (sustainable food in public procurement), it allows the development of selection criteria that usually give a very high priority to organic products.

Another type of incentive for public canteens to source a significant amount of organic products is the concept of a catering mark. An example, although developed by a non-government actor (the Soil Association) is the Food for Life Catering Mark in the UK, implemented since 2009. It is found to be a successful model<sup>107</sup> to incentivize caterers to source at least some organic ingredients and increase the share progressively. The mark is awarded, in different versions (Bronze, Silver and Gold) to caterers that meet certain requirements with regards to the sourcing of organic, ethical, local and environmentally friendly ingredients and meet nutritional guidelines for healthier menus.

Capacity building is an essential aspect in the process of sourcing more organic products. Policy decisions with targets to increase the share of organic products should contain budget provisions to support the training of public staff in charge of purchasing food, canteen staff, teachers (for schools), as well as the canteen suppliers, such as public catering companies. This can be in the form of grants to canteens that want to transition to organic. It can also be advice offered directly by a specially appointed unit in a government agency (in case of an ambitious national program, it is worth setting-up such an expert advice unit). It can also be in the form of a public-private cooperation wherein the government agency uses the expertise of one or several private sector organizations and actors. For example, in France, the public agency Agence Bio coordinates actions to increase organic food in public canteens. It hosts a national stakeholder committee on organic public procurement, it produces information, organizes the exchange of information and the trainings. It also maintains a directory of organic suppliers for public canteens and contributes to a website dedicated to organic public catering: [www.restaurationbio.org](http://www.restaurationbio.org), managed by the French Federation of Organic Agriculture.

Efforts are also necessary on the level of organizing producers in local supply chains to be able to respond collectively to the demand for particular products needed by the canteens and to organize storage, processing and deliveries. Sometimes this even involves setting-up projects to encourage conversion to organic, in order to anticipate the increase in demand when canteens shift to organic products. For example, the city of Lausanne (Switzerland) supported, in 2013, the set up of an organic cooperative to organize organic farmers in the Vaud cantons in order to deliver local and seasonal organic products to the 14 public canteens serving organic products.

When the municipality manages procurement, it can be a very good opportunity to combine several municipality policy objectives, for example to encourage conversion to organic around water catchment areas for productions that are in demand by municipality canteens. In Sweden there are some local governments that have bought own cattle for grazing which combines the objectives of landscape management and supply of organic meat. It also allows them to get local products, a demand that is not easily reconciled with the procurement rules of the EU.

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<sup>107</sup> For example, in 2013, the Soil Association reported that the number of Catering Mark meals served in UK hospitals has increased by 10 million in 12 months, and that Silver and gold caterers within the Catering Mark had spent EUR 2.2 million more on organic compared to the year before.

Good examples of efficient supply chain organization for public procurement are Piacenza (Italy), Andalusia (Spain), and Camargue (France) where groups of farmers, producing a variety of different products have joined together in order to be able to win the tender for food procurement in local schools, being able to provide the higher diversity possible.

It is recommended to adopt an incremental approach to increasing the proportion of organic products in the menu each year (starting with the easiest products), in order to give time for the suppliers to adapt and plan their production. A preliminary analysis of the organic products available in the locality, including their seasonality and available quantities, can assist in planning the menus and the tender.

It is easier to have some organic items offered every day (even if it is only a few products) rather than have meals that are fully organic once in a while. The items that are organic should be identified as such. A large consumption of organic food in schools is easiest achieved in “captive catering” situations, where all or most pupils participate in the food service and are offered complete meals. Highly flexible systems with many options are more difficult to manage in terms of planning the organic supply. In adult catering, where the canteen usually proposes different price categories for various meal options, organic options should be offered in all price categories so that they become accessible to everyone.

A significant shift to organic products will most often lead to a shift in the menu. Especially when it is accompanied by a policy to shift to more local, seasonable, fresh and healthy food, the impact on the menu can be significant. Also, a shift to organic products is also often accompanied by a reduction of meat products and an increase in vegetal proteins like beans and pulses. This is often a main part of a strategy to mitigate the cost differential between organic and conventional products. Communication to the canteen users is crucial to ensure acceptance of the changes and to combine the transition with education about organic farming and healthy eating habits. As part of their program to source organic in school canteens, some cities have developed resource toolboxes for the schools to use with their pupils in order to explain the changes on the canteen menu. One example is the BIOBOX games produced by the city of Vienna for use by kindergartens.

A perceived constraint when selecting tendered offers (in outsourced systems) or selecting suppliers (in direct management systems) is that general public procurement legislations (such as the EU directives 2014/24 on public procurement) may oblige the selection of the best offer (often understood as the lowest cost). However, legislation (such as the EU 2014/24) often allows the use of objective criteria and weighted scoring systems to evaluate the offers. Hence, not only the price of the menus needs to be considered as a selection criterion but also the ability to supply organic products according to the expectations detailed in the tender. If the price is not given too high a weight as an evaluation indicator, offers with more organic products have a greater chance to win the bid. In direct management systems, the call for offers of products should be split into smaller lots (for example individual products or categories of

products), which makes it more accessible for organic suppliers, as there might not be any supplier that can offer the whole range of organic products, especially not if also local products are strived for.

Budget increase is the main concern, when shifting to organic procurement. Municipalities and individual schools are implementing a range of mitigation strategies including changing towards lower cost ingredients, reducing waste, optimizing the cooking process to save energy, which bring further environmental benefits at the same time. Another approach is to get companies of all kinds to sponsor organic school menus financially (e.g. in Munich).

In summary, to maximize the consumption of organic food in public canteens, particularly in schools, the meals should be complete meals, served without user payment, well embedded in public regulations and nutritionally calculated, with a high share of organic ingredients, in a market with well developed supply chains for organic catering. Carefully designed calls for tenders, based on dialogue and joint planning amongst the stakeholders (including local producers) in the municipalities in charge of food procurement are a key instrument to influence the quality of food. Training of catering companies and kitchen staff, as well as education and sensitization of canteen users are also important aspects.

The website of Agence Bio (France) has a wealth of resources in French relating to introducing organic food in public canteens.

### Country examples

**Europe** is in a phase of rapid change in the area Greening of Public Procurement, and many public authorities at the local, regional and national levels have adopted or are currently adopting sustainable procurement practices, including the inclusion of organic food in public canteens. This was also encouraged at EU level when, in 2008, the EU Commission started promoting Green Public Procurement as a voluntary instrument to promote green purchasing among public authorities<sup>108</sup>. When it comes to food and catering, increasing the share of organic food is proposed as a major strategy<sup>109</sup>.

In Europe, public organic procurement primarily takes place at three different levels: 1) locally (in public kitchens and institutions), 2) coordinated, initiated by local and regional administrative policies, and 3) nationally, in sector policies. There are many examples. Below is a selection of a few examples.

At the municipality level, Malmö (Sweden), Rome, East Ayrshire (Scotland), Copenhagen and Vienna triggered inspiring processes of change in their public procurement practices. These are often quoted as best practices.

In Copenhagen (**Denmark**), the Department of Technique and Environment, together with the staff of public kitchens, succeeded in developing one of the most ambitious

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<sup>108</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52008DC0400&from=EN>

<sup>109</sup> [http://ec.europa.eu/environment/gpp/pdf/toolkit/food\\_GPP\\_background\\_report.pdf](http://ec.europa.eu/environment/gpp/pdf/toolkit/food_GPP_background_report.pdf)

organic public procurement programs in Europe, especially since the program was developed within existing budgets. The successive goals of 75% organic food in 2012 and 90 % in 2015 were successfully met, without increase in meal prices.

In Malmö (**Sweden**), a city of 300,000 inhabitants, efforts started in 1997 to increase its organic food purchase for school lunches. In 2010, a policy for Sustainable Development and Food was approved by the local government council, which included the goal that 100% of food served in the city's public canteens should be organic by 2020. This policy produced rapid results. Nearly 40% of the food budget had been spent on organic food by end of 2012, valued at EUR 9 million. This example is one of many in Sweden, where municipalities and councils have adopted a policy aiming at using organic foods in public catering, in particular in school meal catering. The change is supported by a network called Ekoköket in which professionals and practitioners involved in organic conversion of catering get together and discuss common problems and potential solutions. In Sweden, a "KRAV" organic certification program for kitchens in restaurants and canteens has been running for many years, and more than a hundred establishments hold this certificate.

The city of Vienna has the most successful initiative in **Austria** in terms of sustainable public procurement. The program '[ÖkoKauf Wien](#)' ('[EcoBuy Vienna](#)') was launched in 1998 as part of the Vienna Climate Protection Program ('KliP Wien'). In 2012, the level of organic ingredients reached 38% in hospitals, 50% in kindergartens and schools, and 18% in nursing homes. The "ÖkoKauf Wien" program has received two prizes, namely the European Public Sector Award (EPSA 2011) and the Dubai International Award for Best Practices.

Rome (**Italy**) embarked on organic public procurement in 1999 when the city had a Green Party mayor. Since then, progressive phases have been implemented to gradually increase the proportion of organic products in the school canteens (feeding 150,000 children for 190 days per year, so around 150 tons of food per day). The tendering process for the period 2013 – 2017 has set a criterion that 70% of all foods are to be organic.

More details on public procurement of organic food in these municipalities can be found in the [2012 Foodlinks report](#).

The trend in favor of sustainable public procurement (which usually encompasses a strong component of organic catering) is spreading rapidly in European cities. Several big cities are now trying to catch up, including Paris (**France**), which has set itself an objective of 50% of organic food by 2020 for the 30 million meals that it serves every year in its 1,200 public canteens. The Department of Health and the Environment of the city of Munich (**Germany**) started the program "Organic for Children" in 2006, aiming to change to organic procurement in all Munich's kindergartens and schools. In 2013 the Munich City Council enacted a decree requiring 50% organic food in all public childcare and educational institutions, raising the percentage to 90% for animal and derived product.

For smaller municipalities it is even sometimes possible to achieve 100% or close to 100% organic food in school canteens. Some examples of municipalities achieving 100% are: Correns (“First Organic Village” in France), Langouët (France), Saint-Etienne (France), Argelato (Italy), Ravenna (Italy). Other examples of municipalities in Italy achieving more than 80% are Parma, Bologna, Cesena Ferrara, Gugliasco. In Denmark, the municipalities of Lejre, Albertslund and Aalborg Roskilde also have very high shares of organic food procurement.

A European network of cities going for organic public procurement is in the process of being created: the Organic City Network.

At the regional level, Andalusia in **Spain** has developed a program entitled “Organic foods for social consumption” as one of the main actions of the Andalusian First Organic Action Plan. The program is the result of an agreement among five different Regional Government Departments (Agriculture, Environment, Equality, Social Welfare and Health). It started in 2005 in school canteens providing organic food to around 3,000 students, involving four organic farmers’ groups supplying local canteens of 16 elementary schools, five nursery schools and one home for the elderly. In year 2007 the program has involved 56 schools with 7,400 students with a turnover of EUR 208,000. The program supports the creation of new farm businesses and cooperatives of organic farmers from different parts of Andalusia so that, together, they can offer a broad diversity of organic foods to schools and other public canteens.

Emilia-Romagna and Marche, in **Italy**, are other leading examples at a regional level. Since the 1990s, the government’s policy in Marche has been highly favorable to organic farming. Consumption of organic food is widespread and there is a tradition of organic catering in state schools. In 2015, in Emilia-Romagna, 172 public canteens served organic meals<sup>110</sup>. At regional level, the Law 29/2002 ‘*Standards for guidance in consumption, nutrition education and public procurement*’ requires that the share of organic, integrated, typical and traditional products supplied for the preparation of meals must be at least 70%, with priority given to organic products. However, all products used for catering services of nursery schools, kindergarten and primary schools must be organic. Some municipalities in the region have exceeded the target.

At the national policy level, among EU member states, **Italy** is the leading country in terms of quantity of organic products in public procurement. The country is an early adopter of policies favoring organic public procurement. In 1999, a national law<sup>111</sup> created a regulatory context that encouraged many municipalities to turn to organic. This regulation and related ones have resulted in an impressive 40% (by weight) of organic school food being organic on the national level in 2010. However this law failed to stimulate the introduction of organic food in other public catering than schools, such as in hospitals or governmental institutions. To overcome this problem, on February 2016, a new law<sup>112</sup> was passed, enforcing the adoption of organic food in all public

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<sup>110</sup> Biobank report (2015)

<sup>111</sup> Finance Law 488

<sup>112</sup> Law 221/2015

canteens. This law introduces at national level minimum percentages of organic procurement for specific categories of products (e.g. 15% of the meat should be organic and 20% of the fish should come from organic aquaculture).

In the **Netherlands** the National Action Plan 2005-2007 foresaw the action to introduce organic products in the government canteens as a measure to boost the demand of organic products. In the context of this plan, the Ministry of Agriculture set as a goal to bring the use of organic products in its canteens from 50% to 100% by 2007 and to increase organic procurement in other ministries, as well as to encourage semi-governmental institutions and civil society organizations to follow the example. The goal was achieved: by the end of 2007, 100% of the products in catering for the Ministry of Agriculture were organic. However this percentage could not be maintained after the Ministry of Agriculture merged with the Ministry of Economic Affairs in 2010.

In **Denmark** substantial efforts have also been done at the national government level to promote organic procurement. In 2011 the government established a goal of 60% organic in all public kitchens by 2020. Almost EUR 8 million is allocated (under the 2015 organic action plan) for the period 2015-2018 for assistance to public kitchens to significantly increase their use of organic raw materials. Additionally, the government offers advice to public institutions wishing to change their kitchens to organic. An additional EUR 3 million is designated to support other public purchases of organic products. The Ministry of Defense has a pilot project to purchase organic products, and the Ministry of Health promotes organic procurement by hospitals. See more information in the Best Practice textbox below.

In **France**, several national policy documents<sup>113</sup> have set directions and goals related to organic public procurement, such as the goal of 20% organic products in State public canteens by 2012 set in 2008. This has encouraged many municipalities to take up organic products in their procurement: the percentage of public canteens that source some organic products rose from 4% in 2006 to 59% in 2015. However, organic sourcing in state-run canteens remains below the objectives.

In **Sweden**, there is a public target that 25% of all public procurement should be organic.

At the EU level there is also some policy support for projects related to encouraging public procurement of organic food. The EU Public Health Programme (PHP) and the European Action Plan for Organic Farming (ORGAP) recognize the value of including food in school menus as a tool to promote healthy eating and sustainable consumption patterns. In 2010-2010, the EU Commission funded the project “Increasing organic food in schools” which brought together various participating municipalities to exchange best practices and publish guidelines for inspiring others.

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<sup>113</sup> This includes: the Circulars of May 2, 2008 and December 2008 on the exemplarity of the State in terms of utilization of organic products in public catering; the law of August 3, 2009; the National Food Program (PNA) of September 2010; the Organic Plan to 2017 of 2013.

In other regions of the world, organic public procurement is also being increasingly considered, although currently, apart from Brazil, to a much lesser extent than in Europe.

In Latin America, **Brazil** is the leader in terms of organic purchases in public procurement. See best practice example textbox below for more information.

In the **USA**, California's Sausalito Marin City School District is the first in the nation to serve their students 100 % organic meals. Bayside MLK Jr. Academy in Marin City and Willow Creek Academy in Sausalito will serve organic food year-round to more than 500 students in a partnership with the Conscious Kitchen, a project of the environmental education nonprofit Turning Green. Meals are accompanied by nutrition and gardening education. The Conscious Kitchen first tested the program starting in August 2013. They noted that over the course of two years, disciplinary cases decreased and attendance increased.

In **Bhutan**, the government doesn't have a specific organic public procurement program but has programs where farmer groups (some of which are organic) are linked to school feeding programs and supply school canteens.

In **Taiwan**, the city of New Taipei (around 4 million inhabitants) has instituted an organic school lunch policy where students are required to have at least one organic lunch each week, the frequency planned to increase as supply increases. This school lunch program is starting to be replicated nationwide.

### [Best practice example\(s\)](#)

#### ***Best Practice Example 1: Organic Public Procurement in Denmark: from goals to achievements***

After 18 months of lobby activity, Organic Denmark succeeded in 2011 in gaining support from 4 left-center opposition parties for a goal of 60 % organic food in all public kitchens. Just weeks after this opposition gained power in October 2011, the goal was official. The government also allocated around EUR 3.7 million annually 2012-14 to support education in public kitchens that could drive the conversion. This was necessary because the plan was not just for replacing conventional food with organic food, but changing the way food is prepared in public kitchens. With Copenhagen, now at 90 % organic, as a leading example, kitchen staff began preparing more food themselves, buying in season, reducing amounts of meat and increasing greens, making the food healthier, better tasting and more climate friendly. Waste has been dramatically reduced in many kitchens. Together, this reduced waste, in-season buying and reduced meat consumption has paid for the organic premiums, allowing government institutions and municipalities to buy 60% organic within existing operating budgets.

The organic sector and ministry officials toured the country presenting the new goal and the help available to municipalities and regional governments. Private consultants, such as the Copenhagen House of Food, and Øko ++, assisted interested municipalities. About 30% of all municipalities have completed conversion and many others are on the way.

In the same period, Organic Denmark led a mobilization in the supply chain, bringing farmers, food companies and food service firms together to ensure supply and widen the assortment of organic food being offered in the food service industry. This was supported by financing from The Fund for Organic Agriculture and the Ministry of Environment and Food. Organic Denmark also trained sales staff in the food service industry, many of whom never had bought an organic food item in their life. The staff, and thousands of kitchen workers have since visited organic farms, seeing first hand the difference organic farming makes for animals, nature, water protection and the farmers themselves.

The result was that the public sector and the food service industry went from “waiting on each other” to “motivating each other” and a considerable momentum exists now. An additional motivator is the government organic labeling scheme for restaurants and canteens. Bronze (30-60% organic), Silver (60-90% organic) and gold (90+% organic) organic labels are highly motivating, and, at the same time, provide public and private food service operators with documentation of their organic conversion efforts, as well as a platform for dialogue with their customers and guests about organic food.

In 2012, the government agreed to establish a team of advisors to help municipalities write their tenders for public procurement, so that organic purchases could be prioritized. This was financed with around EUR 2.3 million over three years. The public subsidy for public procurement (around EUR 3.7 million) was extended two additional years, under the RDP, and since 2016 has been funded with around EUR 1.3 million from the Fund for Organic Agriculture.

### ***Best Practice Example 2: Organic Public Procurement in Brazil***

Brazil is at the forefront of sustainable food public procurement policies in Latin America. Policy initiatives exist at various levels, including the national level, the state level, and the municipality level.

At the national level, the Food Acquisition Program (PAA), launched in 2003, supported the purchase of diverse, locally produced food from family agriculture and preferably from sustainable systems, which helped small organic farmers gain market access for their products. In 2009, the National School Feeding Program (PNAE) set an objective to purchase at least 30% of the products for school meals from local family farmers, prioritizing organic foods. It also required that organic products be purchased from farmers at a 30% price premium. The program feeds 47 million students each day in Brazilian public schools.

In 10 years, more than 3 million tons of food from over 200,000 family farmers has been purchased. The annual budget was around EUR 1.6 billion in 2013. These programs have not only provided strong incentives for conversion to organic, but also provided universal access of organic food which was beforehand only affordable for an elite population, and income generation for smallholder farmers.

At the state level, a leading example is the State of Parana that, in its law 16751 of 2010 has also set a target of 100% organic school meals served daily to its 1,3 million pupils (the current value is 25%).

At the municipality level, there are also impressive commitments. A few municipalities and states in Brazil have passed laws that set targets beyond what the national Brazilian School Feeding Program requires. A leading example is the city of Sao Paulo, whose school meal

program is one of the biggest in the world. In 2016, the city passed a decree setting a target that by 2026, 100% of the two million school meals offered in the city every day should be organic. This [decree No 56913 of April 2016](#) contains a detailed plan of how this target is to be progressively achieved over the next 10 years.

### Pitfalls and challenges

On average, going organic may potentially increase the cost of canteen ingredients. However, the cost of ingredients represents on average only around 25% of the total cost of a meal in public catering in developed economies. Moreover, several characteristics of organic products lead to savings: in particular, certain fruits and vegetables do not need to be peeled; cereals and meat are more nutritive than their conventional counterparts<sup>114</sup> and therefore portions can be reduced; rebalancing of meals with more vegetal proteins and less animal proteins can also reduce the cost. In France, experience with organic public procurement shows so far that 60% of the canteens managed to reduce the cost increase from a starting point of 23% to 16%. Cost reduction strategies of some of the canteens resulted in zero cost increase.

The catering market differs very much from the retail market. There are many obstacles that have to be overcome in order to make organic foods flow easily through the catering chain. For catering operators barriers are in finding new suppliers, finding the right products, finding products with the desired convenience level, establishing reliable deliveries, the right packaging sizes and to bring about the organizational change that is needed if a catering organization is to go organic<sup>115</sup>.

Fair competition laws that apply to public procurement may seem like an obstacle to purchasing organic foods (which are not price competitive), but these can be circumvented through a range of creative procurement approaches, such as the use of quality criteria published in the call for tender, or through the establishment of parallel support processes for local organic catering companies. For example, in the case of Copenhagen, due to EU law the canteens were obliged to tender for suppliers in all EU countries. Their success was possible only because an overall support program of organic catering was installed at the same time. Rome has achieved the same objective through the identification of innovative award criteria, such as "foods from bio-dedicated food chains" and freshness requirements. Another common strategy is to break the contract into as many lots as possible to promote the participation of small-scale local suppliers. Vienna's hospital awarded a contract for dairy produce by writing into the tender that, if required, replacement milk must be delivered within two hours of the request, which in practice excludes remote suppliers.

One challenge, like for many policy aspects, is the continuity of political commitment after election of a different political majority. Decision makers in public institutions

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<sup>114</sup> See for example Lairon, D. 2010, *Nutritional quality and safety of organic food. A review*; AFSSA, 2003, *Report on Evaluation of the nutritional and sanitary quality of organic foods*; and S. Kamihiro et al, 2015, *Meat quality and health implications of organic and conventional beef production*.

<sup>115</sup> Organic Foods in Catering – the Nordic Perspective, Danish Veterinary and Food Administration, 2002

change; it is a big challenge not to lose momentum and to re-establish the importance of the program. However, several experiences show that even with decreasing political support, if momentum has been created at the level of the individual kitchens, with kitchen staff and communities supporting the transition to organic, it can sustain itself and even continue developing with reduced high-level public support. For example, in Denmark, in 2011 the government established an ambitious target of 60% organic in all public kitchens, and it allocated around EUR 3.8 million annually to support the organic education of kitchen workers. After a change of government in 2015, the target was dropped and the level of financial support reduced to EUR 1.3 million annually. However, many cities and food service companies are still increasing their share of organic supplies. In 2015, there was still a 20% food service sales increase in organic, resulting in political pressure to maintain the program.

In the catering supply chain, like in the rest of the economy, concentration is occurring. In many advanced economies catering wholesalers are becoming fewer and larger. They are supplying a broader range of products (one stop shopping) with very competitive prices. The pressure from big catering companies towards central kitchens and towards cook & chill systems is very high, which is a factor to take into account when planning to go organic in canteens. In addition food markets are increasingly de-localized.

Although experiences with 80-90-100 % organic food in public canteens are impressive and inspiring, it is safer and more effective to adopt a progressive, incremental approach to the organic procurement process, which can help cities to calibrate demand and supply of organic products.

### **c. Support to domestic trade/ retail uptake**

#### *Political justification*

Availability of organic products in market channels that are frequently used by consumers (whether they be street markets or supermarkets) is a major precondition to consumers buying them. Offer creates demand, at the level of retail. Sometimes the best way to boost organic consumption is simply to increase the number of organic products placed on supermarket shelves. We have seen that the decision of one supermarket chain to offer (more) organic products can have a bigger impact on boosting demand than any consumer awareness campaign. This is particularly true when mainstream supermarkets or regular street markets begin offering organic products: they reach consumers who would not have otherwise gone the extra miles to buy products in a specialized organic shop. But even increasing the number of specialized organic shops, or farmers' markets is a very effective way to create demand: make organic products available to consumers in their neighborhood, where they normally shop.

Some striking examples where uptake of organic in conventional retail has had a major impact on sector growth are Denmark and Switzerland.