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Discrepancy between theory and practice: procurement of local and organic food in public catering

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Core Organic II Project „HealthyGrowth - from Niche to volume with Integrity and Trust“



Funded by the German Ministry of Food and Agriculture with the Federal Program for Organic Agriculture and other forms of Sustainable Agriculture (BÖLN)



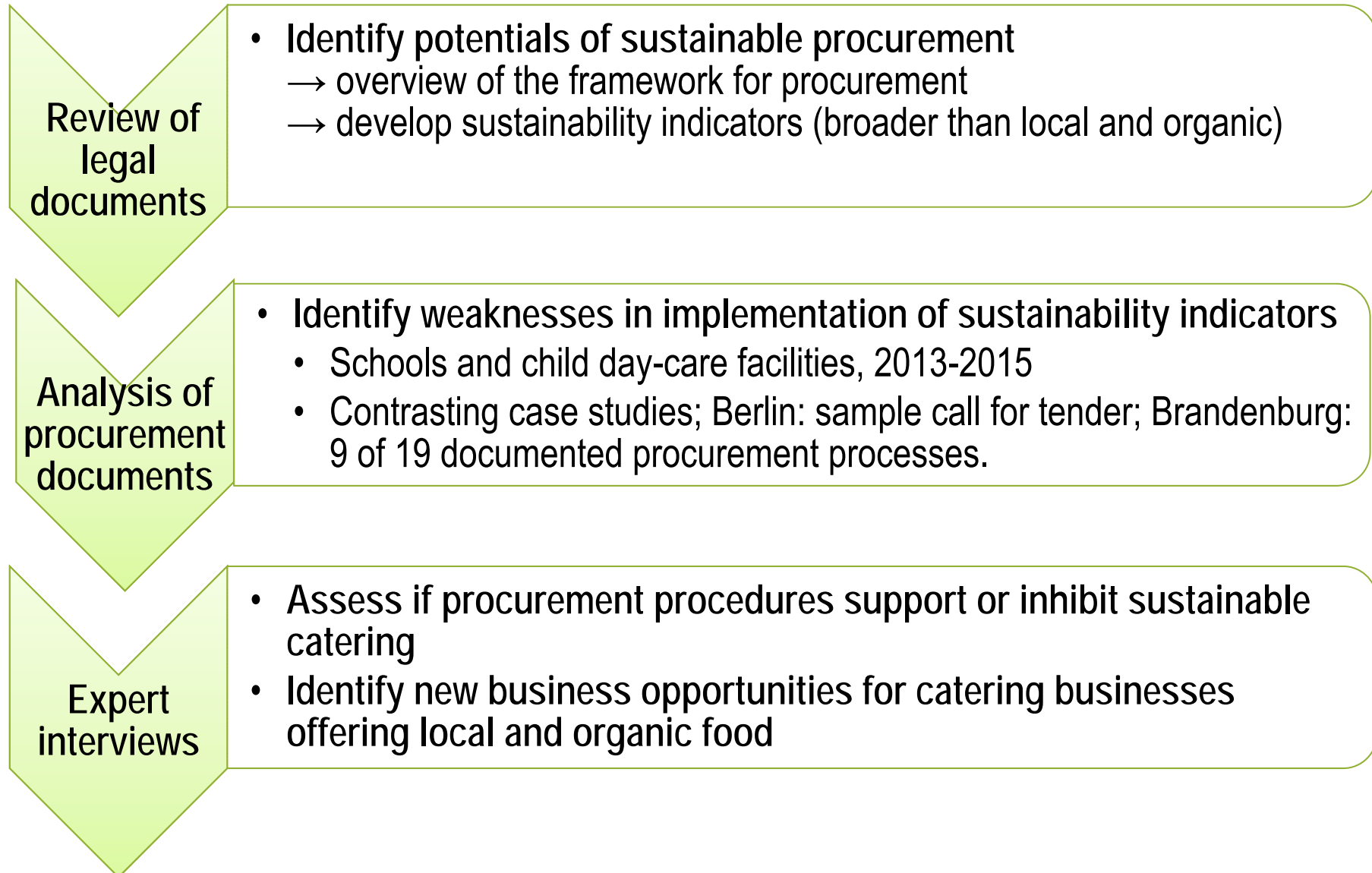
Background

- European public procurement legislation introduced sustainability aspects in 2004 & 2014
- Public authorities do not use their potential to procure sustainable goods, e.g. local and organic food
- Reasons for insufficient implementation of sustainability criteria:
 - ✓ a lack of political directives, e.g. procurement targets
 - ✓ insufficient political support
 - ✓ knowledge deficits, e.g. on legal aspects or benefits of sustainably produced goods
- By tapping into the potential of procuring local and organic food, SME and regional supply-chains could be promoted (policy priority)

Objective

- Identify suitable approaches to overcome the barriers in public procurement of local and organic produce
- Provide policy recommendations on how to implement procurement of local and organic produce in public procurement

Approach



Analysis of legal and tender documents

Organic produce

- Minimum share can be defined (also for specific product group)
- Higher share can be useful to gain a contract

Regional produce

- Preference of regional enterprises against anti-discrimination legislation
- HOWEVER: legislation refers to “regional enterprises” not to “regional produce”
- Difficulty: clear definition of “regional”
- Opportunity: focus on seasonal produce, ban frozen food

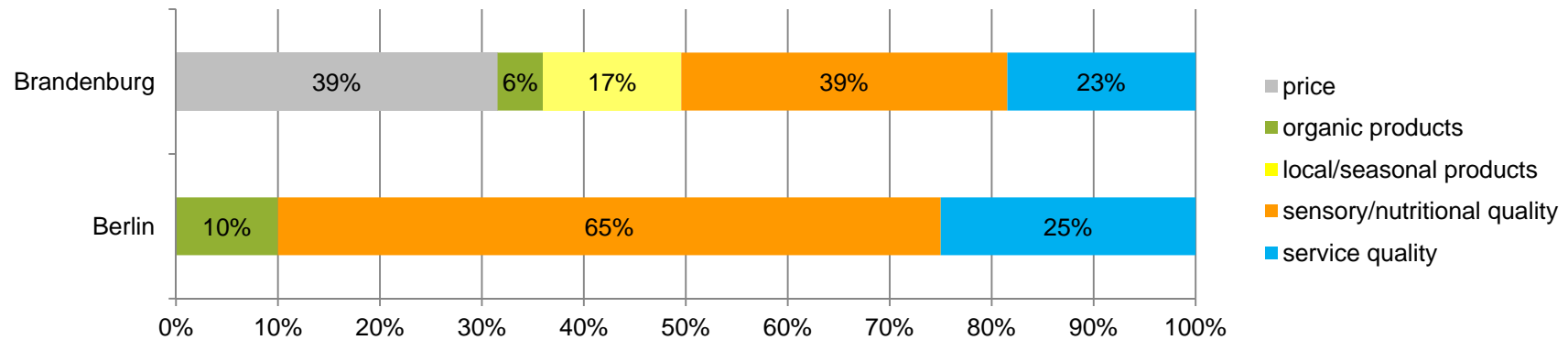
Support of SME

- Large contract volumes and lots can be split in smaller lots
- Commensurability of definition of economic prerequisites

Implemented criteria in procurement procedures (1)

- Only organic food is specifically mentioned
 - ✓ Berlin: 15% compulsory
 - ✓ Brandenburg: in one call for tender

- Applied weighing of award criteria



Source: Haack (2016)

Implemented criteria in procurement procedures (2)

- Contract volumes and lot sizes
 - ✓ Berlin
 - ✓ 100.000 meals per day
 - ✓ divided into lot sizes of 300 meals

 - ✓ Brandenburg
 - ✓ up to 2200 meals per day
 - ✓ often not split up into smaller lots

Expert assessments

(1) Regulated price of 3,25 Euro in the “Berlin Model”

- Quality vs. price competition: e.g. share of organic produce increased to >40%

(2) Uniform award criteria in the “Berlin Model”

- Transparency - equal opportunities for all enterprises
- but: suitability and weighing of the “test-meal” should be reassessed

(3) Regional sourcing

- origin of produce irrelevant - no incentive for catering enterprises to source regionally
- „regional“ difficult to define and monitor

(4) Support participation of SME in tenders

- Berlin: many SME competed for and gained contracts
- Brandenburg: entrance barrier for SME due to large contract volumes / lots

Conclusions and Recommendations

- Legal framework enables the implementation of sustainability goals in public procurement processes - full potential has not been tapped into
- Clear political signals / policy directives in terms of desirable product qualities
- Agreement on a fixed or minimum price
- Define procurement criteria, that are transparent, can be defined and monitored
 - “regional”?
- Split contract volumes or lot sizes
 - appropriate volumes?

- In order to meet these challenges, public authorities could use legal instruments such as “competitive / technical dialogue” with catering businesses to develop solutions

*Thank you for listening and
challenging questions!*

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BÖLN

Bundesprogramm Ökologischer Landbau
und andere Formen nachhaltiger
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Bundesministerium
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