

# Supply Chain Toolkit for Mountain Plains School Meal Partners

This toolkit for FNS school meal partner agencies and local school nutrition staff was created by the Mid-Atlantic, Midwest and Mountain Plains Regional FNS offices to assist in communicating about supply chain challenges.

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## Quotes:

*“USDA is taking an all-hands-on-deck approach to supporting the school meal programs, taking action to help schools get out in front of possible challenges and addressing other issues that arise from all angles and with all available resources. We are committed to the program’s success, and confident in its ability to serve children well.”*

*“Since the start of the public health crisis, school nutrition professionals have worked tirelessly to continue to serve nutritious meals. USDA has remained steadfast in its commitment to getting them the support they need to successfully operate meal programs amidst changing circumstances. Studies show school meals are the healthiest meals children receive in a day, which is why we must support schools any way we can to get those nutritious meals to our nation’s school children.”*

Agriculture Secretary Tom Vilsack



## Message for States

The COVID-19 public health and economic crisis continues to be bigger than any other we’ve seen in our lifetimes. It has disrupted our daily lives as well as supply chains and operations across the economy and across the world. USDA is aware that some schools are experiencing challenges purchasing and obtaining food for their meal programs due to supply chain

challenges. Some have received little notice that ordered food products will not be provided as planned. As a result, these schools have had to find other products to serve on the school meal menu.

Since the start of the public health crisis, school nutrition professionals have worked tirelessly to continue to serve nutritious meals, and they continue to do so now despite supply chain challenges they may be experiencing.

### ***Why are supply chain challenges occurring?***

The COVID-19 pandemic exposed a food system that was rigid, consolidated, and fragile. Major disruptions in supply chains have arisen from our ports to school lunchrooms. Staffing shortages at commercial truckers, farms, food distributors and manufacturers, processing facilities, warehouses, and schools contribute to these supply chain challenges. In addition, a shortage of adequate childcare and eldercare prevents some people from returning to the workplace.

USDA is committed to doing everything in its power, including working across the Federal government, to help ease the pressures on our food supply chain and overcome challenges in the food and agriculture sector. Through a wide spectrum of new flexibilities, resources, and hands-on support, USDA is being responsive to obstacles schools are facing and is taking steps to set school nutrition professionals up for success.

As supply chain challenges ease in the future, school meal programs will return to their pre-pandemic operations. In the meantime, USDA supports its school meal professionals as they continue to operate these critical school meal programs.



### **What is USDA Doing to Support Schools?**

USDA is offering schools and States a wide spectrum of flexibilities, resources, and hands-on support to help them adapt to any issues and unpredictability they may face this school year. Specific actions include:

- USDA is allowing for higher reimbursement rates for meals served to account for higher food and operational costs. USDA provided flexibilities for the 2021-2022 school year to allow schools to leverage the National School Lunch Program’s Seamless Summer Option (SSO) to serve all children nutritious meals at no cost while still receiving the Summer Food Service Program (SFSP) reimbursement rate. All schools that opt into SSO will continue to receive the higher reimbursement rate provided in the SFSP, which may be helpful in defraying additional costs.

- USDA issued a [nationwide waiver](#) to allow for specific meal pattern flexibility for School Year 2021-2022, which allows flexibility in the meal standards and makes it easier for school lunch staff to prepare meals when there are shortages of certain food items. Under this waiver, schools may request targeted flexibility for select meal pattern requirements:
  - Sodium
  - Whole grain-rich
  - Vegetable subgroups
  - Milk variety (low-fat milk must be unflavored)
  - Age/grade groups
- When there is a supply chain disruption due to COVID–19 with respect to foods served, USDA granted a [waiver of meal pattern fiscal action requirements](#), which extends to the Seamless Summer Option. USDA is ensuring schools are not penalized for any meal pattern shortcomings that occur because of supply chain issues. Typically, schools would not be reimbursed for meals missing meal pattern components. This penalty will be waived if it is a result of supply chain issues.
- Federal regulations allow operators to enter emergency, noncompetitive one-year procurement contracts during a public health emergency.
  - Schools that have experienced unexpected cancellation of food and supply contracts, lack of availability of certain foods, unexpected substitution of foodproducts, or increased food and supply prices have the flexibility to make purchases through emergency noncompetitive procurements.
  - This allows schools flexibility to make last minute purchases, such as at a local grocery store, or to enter a new contract for the entire school year.
  - USDA approval is not required to implement this flexibility, which is a standing option available during any emergency. Schools may use this purchasing method for as long as the supply chain disruption occurs.
  - Guidance for using the emergency procurement method was published in [SP01-2022](#). This included guidance on record keeping requirements to justify the use of emergency procurements, including examples of what documentation is needed and acceptable. Schools should note that new documentation does not need to be created for record keeping purposes, so long as existing documentation contains the necessary information.
- Because SY 2019-2020 data and 2020-2021 data are skewed by fluctuations in school meal participation due to the pandemic, States can use SY 2018-2019 data for school lunches served to calculate their USDA Foods assistance levels for schools for SY 22-23 (.3960 cents per lunch), alleviating potential reductions in the amount of USDA Foods available for school meals.
- USDA is encouraging schools that are struggling to secure contracts to explore cooperative purchasing groups to increase their buying power for school meals.
- Through the Child Nutrition Emergency Operation Costs Reimbursement Programs, USDA has distributed nearly \$1.5 billion, including more than \$1.1 billion for school meals, in relief funds to help offset the costs child nutrition program operators

incurred during the early months of the pandemic. Though these funds were not allocated specifically for supply chain issues, schools are able to use them to address their current pressing needs.

## USDA's Commodity Credit Corporation



- **USDA's Commodity Credit Corporation**
- On December 17, 2021, Agriculture Secretary Tom Vilsack announced that the Biden-Harris Administration is providing up to \$1.5 billion to States and school districts to help school meal program operators deal with the challenges of supply chain disruptions brought on by the pandemic. As the administration continues to work toward Building a Better America by investing in our communities, this funding will help to provide our nation's children with the nutritious foods they need to thrive.
- **Supply Chain Assistance Funds** - USDA's Food and Nutrition Service (FNS) is providing \$1 billion to States for cash payments – known as Supply Chain Assistance funds – that school districts can use to purchase foods for their school meal programs. These funds deliver direct relief from ongoing supply chain issues and improve the quality and consistency of school meals for children in communities experiencing disruptions, making it easier for schools to

operate successful meal programs.

- In total, the Supply Chain Assistance Funds are expected to provide a boost in resources for up to 100,000 schools across all 50 States, D.C., Puerto Rico, Guam, and the U.S. Virgin Islands, including public, tribal, charter schools, and nonprofit private schools as well as residential childcare institutions.
- Supply Chain Assistance funding can be used by school districts to purchase unprocessed and minimally processed domestic food such as fresh fruit, milk, cheese, frozen vegetables, and ground meat. Each State will allocate the funds to schools based on student enrollment, with a minimum amount per district to ensure that small schools aren't left behind.
- To strengthen local food supply chains, States have the option of using up to 10% of the Supply Chain Assistance funds to make bulk purchases of local food and then distribute these foods to schools for use in their meal programs. States also have the option of targeting the funds to areas of highest need by limiting distribution to school districts where a quarter or more of students are from low-income households.
- For additional information on the USDA Commodity Credit Corporation please visit: [USDA Distributes \\$1.5 Billion to Strengthen School Meal Program | Food and Nutrition Service](#)

- [Local Food Purchase Assistance Cooperative Agreement Program | Agricultural Marketing Service \(usda.gov\)](#)
  - The USDA Agricultural Marketing Service is establishing the Local Food Purchase Assistance Cooperative Agreement Program (LFPA). The LFPA program is part of the “Build Back Better” initiative, authorized by the American Rescue Plan. The purpose of this program is to maintain and improve food and agricultural supply chain resiliency. The program will award up to \$400 million through non-competitive cooperative agreements with State and tribal governments to support local, regional, and socially disadvantaged farmers and ranchers through the purchase of domestic local foods. Local and regional farmers and ranchers are those within the state or 400 miles of delivery destination. The cooperative agreements will allow for State and tribal governments to procure and distribute local and regional foods and beverages that are healthy, nutritious, and unique to their geographic area. The food will meet the needs of the population and serve feeding programs, including food banks, schools, and organizations that reach underserved communities. In addition to increasing local food consumption, funds will help build and expand economic opportunity for local and socially disadvantaged producers.

#### **USDA Releases Commodity Credit Corporation Funds for School Food Authorities (SFAs)**

- [\*SP 03-2022 - Allocation of Supply Chain Assistance \(SCA\) Funds to Alleviate Supply Chain Disruptions in the School Meal Programs\*](#) - This guidance describes \$1 billion being provided by FNS to enhance local school districts’ ability to purchase foods for school meals by offering resources needed to address supply chain challenges directly to schools and school districts.
- To assist school districts experiencing these supply chain disruptions, FNS will allocate \$1 billion in relief funding to State agencies, made available through the Commodity Credit Corporation (CCC), and authorized under the CCC Charter Act [15 U.S.C. 714]. These resources will be referred to as Supply Chain Assistance (SCA) funds. State agencies will distribute SCA funds to eligible SFAs to be used exclusively to purchase unprocessed or minimally processed domestic food products (also referred to as commodities) to help SFAs deal with challenges. Such challenges include unanticipated cancellations of food and supply contracts, reduced availability of certain foods, unexpected substitution of certain products, unpredictable increases in food and supply prices, and other obstacles related to pricing and/or availability that have been reported to or identified by State agencies administering the Child Nutrition Programs. As these challenges are both extensive and widespread, the SCA funds are targeted to provide a rapid and direct response via supplied commodities to affected school districts.
- For more information on the use of these funds please visit: [Allocation of Supply Chain Assistance Funds to Alleviate Supply Chain Disruptions in the School Meal Programs | Food and Nutrition Service \(usda.gov\)](#)

## **What is the future of School Meals?**

### **Q: How long will the school meals waivers be in effect?**

A: The package of school year flexibilities for SY 2021-22 is valid through June 2022.

### **Q: What will happen next school year?**

A: It is too early to speculate about next year currently. That will depend on how the pandemic progresses and the specific situation as we get closer to next school year. FNS is already looking ahead to the 2022-2023 school year, talking with States and stakeholders to discuss what will be needed long-term to ensure continued success.

## **Resources:**

- For a list of school year 2021-2022 flexibilities, visit: <https://www.fns.usda.gov/disaster/pandemic/cn-2021-22-waivers-and-flexibilities>
- For more information on FNS actions to address COVID-19 related supply chain disruptions, visit <https://www.fns.usda.gov/supply-chain>
- Flexibilities in practice: [fns.usda.gov/sites/default/files/resource-files/schoolmeal\\_flexibilities\\_scenarios.pdf](https://www.fns.usda.gov/sites/default/files/resource-files/schoolmeal_flexibilities_scenarios.pdf)
- School Meals Supply Chain Issues: [fns.usda.gov/sites/default/files/resource-files/schoolmeals-supply-chain.pdf](https://www.fns.usda.gov/sites/default/files/resource-files/schoolmeals-supply-chain.pdf)
- [Q&A Webinar with SNA & USDA](#) representatives on September 30 is now available on demand.
- Check out the [Planning for a Dynamic School Environment](#) website for information on the flexibilities and menu planning strategies.
- [SNA Supply Chain Resources \(schoolnutrition.org\)](https://www.schoolnutrition.org/sna-supply-chain-resources)

## **Communicating to Parents:**

Helping parents understand the reasons for the menu changes is important. This toolkit has two sample letters SFAs can use to inform the community about the steps districts are taking to work through supply chain concerns.

### **Sample Letter Parents**

1. The Wisconsin Department of Public Instruction created a sample that can be sent to parents, posted on the website, posted on social media, shared with the local PTA,

included in newsletters, shared with the school board, etc. To find the letter, click this link: [Wisconsin letter to parents](#) and scroll down to “General Information and Program Outreach” and find “SSO Letter for Menu Changes Template.”

2. A customizable USDA letter to families is available [here](#).

### **Sample Message to Parents**

Sample message to include in digital or other communications from schools to parents:

*The COVID-19 public health and economic crisis continues to be bigger than any other we've seen in our lifetimes. It has disrupted our daily lives as well as supply chains and operations across the economy and across the world. USDA is aware that some schools are experiencing challenges purchasing and obtaining food for their meal programs due to supply chain challenges. Some schools have received little notice that ordered food products will not be provided as planned. As a result, these schools have had to find other products to serve on the school meal menu.*

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### **INFORMATION TO CONSIDER WHEN MAKING LAST MINUTE SUBSTITUTIONS:**

SFAs need to document menu substitutions. Many schools have received little notice that ordered food products will not be provided as planned. As a result, these schools have had to find other products to serve on the school meal menu. Schools can document how these substituted foods can meet meal pattern requirements in a variety of ways, as shown via [this link](#).

### **Best Practices/Models from Mountain Plains & State Agencies:**

- USDA is encouraging schools that are struggling to secure contracts to use **cooperatives** to increase their buying power for school meals.
- USDA encourages schools to investigate **connecting with local producers, farmers, fishers, and ranchers** to expand their options for getting healthy foods to put on kids' plates, while stimulating the local economy.
- SFAs may contract directly with local farmers and processors to purchase products like beef and chicken. In North Dakota, schools contracted with a local farmer to get ground beef and package it according to the weight required for common recipes. <https://www.tsln.com/news/brain-food-north-dakota-schools-serving-up-north-dakota-beef/>
- Missouri has surveyed schools to identify needs and identify opportunities to build

connections between the local school nutrition program operators and suppliers.

- For the Kansas City districts whose contracts were dropped altogether, the DESE Coordinator for Food and Nutrition Services, said the department is working to facilitate coordination among the districts to agree on a set list of menu items to increase their purchasing power, lower prices, and streamline delivery for suppliers.
- Nebraska SFAs are getting creative with menu planning and with communication with families.
  - The State agency hosted a buyer-grower matchmaking webinar with regional breakouts for SFAs and local farmers/suppliers to connect.
  - The State agency hosted a buyer-grower matchmaking webinar with regional breakouts for SFAs and local farmers/suppliers to connect.
- Wyoming had a representative from a food hub conduct a presentation on connecting to producers at the Wyoming fall SFA conference.
  - The State agency began RAW classes to learn how to use scratch product and use meat/meat alternate products in the meal pattern.
- In South Dakota, schools are purchasing their own cattle.
  - The South Dakota Department of Agriculture in collaboration with the South Dakota Department of Education offered mini grants to schools to assist with gardens and other farm to school projects.
- In Kansas, the Farm to School Team sent out a survey to learn more about local food purchasing in Child Nutrition Programs across Kansas so they can work to find solutions to the obstacles that are preventing farmers and schools/early childhood education centers from working together to strengthen local food markets.
- The Montana Office of Public Instruction and the Northwest Food Hub Network sourced Montana grown ingredients from small, sustainable family farms through the Western Montana Growers Cooperative to make homemade marina sauce. This locally crafted menu item, “Montana Marinara” sauce, is available to every K-12 school district in the state.
- In Colorado, SFAs purchase local food.
  - One SFA invited community members and parents to help process food to be served in school meals (7,000 ears fresh sweet corn).
  - SFAs purchased food items from local production facilities. Examples included tamales from a local production facility, which provides whole-grain gluten-free red pork and green chili cheese tamales. The SFA purchased dry pinto beans from a local farm and cooked them in the Cook-Chill System.

