

# School Meals Supply Chain Issues During School Year 2022-2023



During school year (SY) 2022-2023, some Child Nutrition Program operators are concerned about possible challenges in purchasing and receiving food through their normal channels. Specifically, some School Food Authorities (SFAs) have experienced unanticipated cancellation of food and supply contracts, lack of availability of certain foods, unexpected substitution of food products, and increased food and supply prices. As a result, some SFAs are voicing concerns about their ability to obtain the types, amounts, and variety of foods needed to serve reimbursable meals consistent with prior planning.

The United States Department of Agriculture (USDA) is committed to working together with State agencies, SFAs, the food industry, and other stakeholders to communicate school food supply chain challenges and identify solutions. For SY 2022-2023, USDA is able to continue providing some limited flexibilities within existing authority and is committed to helping States and Programs operators leverage those options to support their meal service to children.

## Procurement Strategies

The methods of procurement authority under **2 CFR 200** provide SFAs with the flexibility to conduct emergency noncompetitive procurement(s) when an urgent need or emergency arises, such as the need to replace missing foods or paper goods with alternative sources or products quickly. Emergency noncompetitive procurement methods are a standing flexibility and **do not require a waiver**.

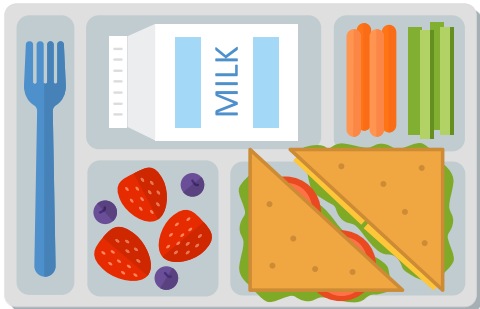
If SFAs experience canceled or reduced orders, they can consider purchasing smaller quantities of the product(s) through one or more local producers or small businesses instead of purchasing products in a single, large transaction through a broadline distributor. Leveraging local foods may help form new connections with small, local business and producers entering into the school nutrition market, which can help create a more resilient food system.

USDA has provided close to \$2.5 billion in Commodity Credit Corporation funds to the school meal programs to help schools purchase foods for their meal programs and offset challenges related to rising food costs.

## USDA Department of Defense Fresh Fruit and Vegetable Program (USDA DoD Fresh)

States and school districts receive an allocation (USDA Foods entitlement) to order foods from USDA directly and fresh fruits and vegetables through the USDA DoD Fresh Program. States have the flexibility to utilize their USDA Foods entitlement funds for processed and direct ship food items from USDA and USDA DoD Fresh food items. There is no limit on the amount of entitlement funds that can be used to place USDA DoD Fresh orders.

Use of the USDA DoD Fresh Program allows SFAs to order fresh fruits and vegetables on a weekly basis for use in their Child Nutrition Programs. This flexibility allows States to adjust their purchasing from USDA and to meet school district needs.



### Meeting the Meal Patterns

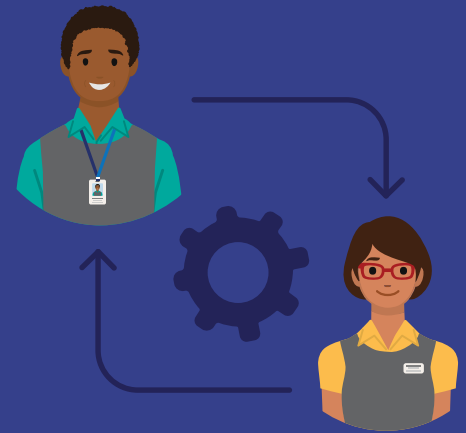
Flexible menu planning methods may be needed in SY 2022-2023, including the development of plans for incorporating product substitutions or alternate menu items when supply chain issues arise. When storage space permits, SFAs may wish to keep some back-up food products on hand.

USDA is also providing State agencies with flexibilities such as waiving financial penalties for schools unable to meet the meal patterns due to supply chain disruptions and allowing school districts and Program operators to extend their existing Food Service Management Company contracts.

Some SFAs have reported challenges with procuring the appropriate type and variety of fluid milk needed to meet meal pattern requirements. Existing milk-specific flexibilities ([7 CFR 210.10\(d\)\(2\)](#)) may be used to address supply chain issues in a disaster, such as disruptions caused by COVID-19. If emergency conditions temporarily prevent a school that normally has a supply of fluid milk from obtaining delivery of that milk, a State agency may allow the school to serve meals during the emergency period with an alternate form of fluid milk or without fluid milk.

## Working Together on Supply Chain Issues

Below are ideas of how State agencies and SFAs can work together to address supply chain issues.



### State Agencies:

- ✓ Communicate with SFAs to inform them about supply chain issues for commercial and USDA Foods.
- ✓ Help share best practices observed as SFAs make adaptations.
- ✓ Provide training and technical assistance for SFAs on procurement strategies, targeted meal service waivers, local foods, and menu planning.
- ✓ Help SFAs make connections with regional cooperative purchasing groups and local or regional food distributors and producers that may fill a gap in supply.
- ✓ Promote existing State buyer-grower matching tools or partner with your State's Department of Agriculture or University Extension agricultural marketing team to develop one.
- ✓ Evaluate USDA Department of Defense Fresh allocation to determine if additional fresh fruits and vegetables can be obtained from those sources.

### School Food Authorities (SFAs):

- ✓ Communicate with food distributors regularly to identify any emerging supply chain issues for commercial and USDA Foods and to understand what products are available.
- ✓ Partner with the State and/or neighboring SFAs to communicate with food distributors about products, identify alternate non-traditional sources of supplies, or explore ways to purchase and store foods.
- ✓ Explore local or regional cooperative purchasing groups to increase buying power and access to products and services.
- ✓ Create menus that use products and recipes that are substitution friendly. For example, if chicken is not available, ham or turkey can be used instead in salads, sandwiches, and meal bowls.
- ✓ Use 2- or 3-week cycle menus, standardized recipes, and the USDA **Food Buying Guide for Child Nutrition Programs** as tools to improve the accuracy of food procurement forecasts for food distributors.
- ✓ Place product orders earlier and forecast food needs for a longer period.
- ✓ **Communicate** potential changes to school meals with families.
- ✓ Work with the State agency to conduct emergency procurement processes, as appropriate.

## Training and Technical Assistance

Through a partnership with USDA, the Institute of Child Nutrition (ICN) offers a variety of training and resources for States and SFAs related to procurement, forecasting and inventory management, flexible/transitional menu planning, and budgeting. ICN offers a virtual group training on *Forecasting the Procurement of Foods*. Representatives of State agencies administering Child Nutrition Programs, USDA Regional offices, and allied organizations may request this virtual group training through ICN's website: [theicn.org/virtual-group-training](https://theicn.org/virtual-group-training).

ICN and USDA encourage SFAs and State agencies to share procurement and menu planning resources through the Child Nutrition Sharing Site (CNSS): [theicn.org/cnss](https://theicn.org/cnss).



To view this publication online and access linked resources, please visit [TeamNutrition.USDA.gov](https://TeamNutrition.USDA.gov).