

Supply Chain Toolkit for Northeast School Meal Partners

This toolkit for FNS school meal partner agencies and local school nutrition staff was created by the FNS Midwest Region and adapted for Northeast Region states to provide resources and assist in communicating supply chain challenges. For feedback or questions on the toolkit, please email diane.pierzchala@usda.gov

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

“We know that districts are doing everything they can to put healthy, nutritious food on the plate for kids. We want to support that effort and reassure them that no one is going to get in trouble because of an unexpected difficulty.”

USDA, Food, Nutrition & Consumer Services Deputy Under Secretary Stacy Dean

Message from DUS Dean to Schools/School Meal Professionals:

I’d like to begin with a great big thanks to all of you for your inspiring, critical work to make sure kids in your communities have had food since the pandemic began.

While I may be new to USDA, I’m not new to school meals or other USDA nutrition programs. I’ve spent most of my career working on these critical programs and have always had great admiration for the work all of you do to serve our kids and to make sure they don’t experience hunger at school. Since the pandemic began, my admiration and respect has only deepened. No matter the situation, the school food programs and leaders show up to meet the needs of children. You are truly every day heroes and it is an honor to be able to work in support of your efforts. I know there have been difficult days and plenty of challenges, but you’ve overcome those. The latest challenge, supply chain issues, is yet another hurdle. 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 even the world.

All of us at USDA are aware that some schools are experiencing challenges purchasing and reliably obtaining food or other supplies for meal programs. Maybe it's your school that is experiencing this.

I want to assure you that we are working hard to provide flexibilities and are here to help ensure these issues don't interfere with your ability to safely provide nutritious meals to kids.

Across USDA and the federal government, we are committed and working to resolve supply chain issues and I am confident that these challenges will ease.

In the meantime, I and my colleagues across the country will continue to look for ways to support your work. With the always-unwavering dedication of school nutrition professionals such as you, I know that children can continue to rely on the program for tasty, healthy meals each school day.

With deep appreciation,

Stacy Dean, Deputy Under Secretary, USDA Food, Nutrition and Consumer Services

Supply Chain Challenges in Schools:

The COVID-19 public health and economic crisis continues to be bigger than any other we've seen in our lifetime. 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?

Reasons contributing to supply chain challenges include:

- 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.
- Truck driver shortages. Jon Samson of the American Trucking Association noted that more than 80 percent of U.S. commodities rely exclusively on trucks to be transported. Samson noted that the U.S. is 80,000 drivers short, and called it an "extraordinary difficulty tax" to retain employees. (Source: [Supply Chain Brain](#))
- Surges in demand for goods after communities reopened.
- Staffing challenges at farms, food distributors, food manufacturers, processing facilities, warehouses, and schools.
- A shortage of adequate childcare and eldercare that's keeping some people, especially women, 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.

What USDA is Doing to Support Schools:

Through a wide spectrum of new flexibilities, resources, and hands-on support, USDA is being responsive to any obstacles schools are facing and is taking steps to set school nutrition professionals up for success and 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. See SFSP rates here: [Reimbursement Rates for the Child Nutrition Programs](#). All schools that opt into SSO will continue to receive the higher reimbursement rate provided in the SFSP, which maybe helpful in defraying additional costs.
- When there is a supply chain disruption due to COVID-19 with respect to foods served, USDA granted the [Waiver to Allow Fiscal Action Flexibility for Meal Pattern Violations Related to COVID-19 Supply Chain Disruptions Impacting School Meals in SY 2021-22](#) which extends to the Seamless Summer Option. USDA is ensuring schools are not penalized for any meal pattern shortcomings that occur as a result 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 into 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 into 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 [Questions and Answers for Child Nutrition Programs Emergency Procurement Due to Supply Chain Disruptions 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.
- USDA issued the [Nationwide Waiver to Allow Specific School Meal Pattern Flexibility for School Year 2021-2022](#) 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
- Because School Year 2019-2020 data and 2020-2021 data are skewed by fluctuations in school meal participation due to the pandemic, states can use School Year 2018-2019 data for school lunches served to calculate their USDA Foods assistance levels for schools, 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.
 - With current labor shortages that School Food Authorities are facing, State Agencies are reminded that they have discretion to require or not require that temporary or acting Food Service Directors meet the Professional Standards hiring requirements. School Food Authorities should, however, ensure that Food Service Directors meet the required 8 hours of food safety training.
 - Secretary Vilsack hosted a meeting on October 14, 2021 to hear from industry leaders, including school food manufacturers, suppliers, and distributors to identify opportunities around the supply chain and nutritious food offerings for schools.
 - [Increased USDA Support to Nutrition Programs Strengthens Food Systems](#): USDA's Food and Nutrition Service recognizes the strides made toward advancing market opportunities in America's food and agriculture industries throughout year one of the Biden-Harris Administration. Through efforts to strengthen the food supply chain, USDA and the administration have demonstrated their steadfast commitment to creating economic opportunity and promoting fairness for American farmers, producers, and consumers. Visit the link in title for more information.

For a complete list of School Year 2021-2022 flexibilities, visit: [School Year 2021-22 Waivers and Flexibilities](#)

For more information on FNS actions to address COVID-19 related supply chain disruptions, visit: [FNS Actions to Address COVID-19 Related Supply Chain Disruptions](#)

Data Points:

- The National School Lunch Program (NSLP) is typically the Nation's second largest food and nutrition assistance program. NSLP operates in nearly 100,000 public and non-profit private schools (grades PK-12) and residential child care institutions
- On average, the NSLP provided low-cost or free lunches to 29.6 million children each school day in fiscal year (FY) 2019, at a total cost of \$14.2 billion

- In FY 2020, NSLP participation averaged 22.6 million children each school day and total expenditures on the program amounted to \$10.4 billion. These declines are attributable to disruptions in the program's operations in the second half of FY 2020 due to the Coronavirus (COVID-19) pandemic, which forced the closure of many schools and child care institutions beginning in March.
- In response to these disruptions and to meet rising food needs during the pandemic, USDA issued waivers allowing for flexibilities in the implementation of the NSLP and expanding the scope and coverage of the program's Seamless Summer Option (SSO). Overall, about 3.2 billion meals were served through the NSLP or SSO, 33.4 percent fewer than in FY 2019.

([Source: USDA ERS - National School Lunch Program](#))

For more information, see:

- [USDA ERS - Child Nutrition Programs](#)
- [USDA ERS - COVID-19 Working Paper: Filling the Pandemic Meal Gap: Disruptions to COVID-19 Working Paper: Filling the Pandemic Meal Gap: Disruptions to Child Nutrition Programs and Expansion of Free Meal Sites in the Early Months of the Pandemic](#)

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 are valid through June 2022.

Q: What will happen next school year?

A: It is too early to speculate about next year at this time. 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.

Message for Schools to Share:

These resources may be helpful when communicating about supply chain challenges:

- A letter can be sent to parents, posted on a school website, posted on social media, shared with local PTA, included in newsletters, shared with school board, etc. to communicate supply chain shortages. Project Bread has developed a great resource with suggested messaging for school districts related to supply chain shortages and challenges. Check this out and more here: [Project Bread - Messaging for Supply Chain Shortages](#)
- Communicating with Families: Communication is key. Remember to communicate with parents and guardians about food substitutions as early as possible. Inform the community about the steps your district is taking to work through supply chain concerns in your area. Also, as substitutions are

incorporated into the menu, remember to continue to read ingredient lists for allergen information. A customizable USDA letter to families is available via this link: [Customizable Letter to Families About School Menus](#)

Resources/Best Practices:

- USDA's Team Nutrition initiative has developed tip sheets to help School Food Authorities navigate meal service flexibilities and supply chain issues during this dynamic school year:
 - **Summary of Flexibilities:** [A School Food Authority's Guide to School Meals: Summary of Flexibilities](#)
 - **Table of Flexibilities:** [A School Food Authority's Guide to School Meals: Table of Flexibilities](#)
 - **Flexibilities in Practice:** [A School Food Authority's Guide to School Meals: Flexibilities in Practice](#)
 - **School Meals Supply Chain Issues:** [School Meals Supply Chain Issues During School Year 2021-2022](#)
 - Check out the [Planning for a Dynamic School Environment](#) website for additional information on the flexibilities and menu planning strategies.
 - [Q&A Webinar with SNA & USDA](#) representatives on September 30 is now available on demand.
 - [SNA Supply Chain Resources \(schoolnutrition.org\)](#)
- USDA understands that many schools are experiencing supply chain issues during School Year 2021-2022. 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. Schools can document how these substituted foods can meet the meal pattern requirements in a variety of ways, as shown via this link: [Making Last-Minute Substitutions to your School Meal Menu](#)
- [USDA Child and Adult Care Food Program: Managing Virtual Monitoring and Supply Chain Disruptions](#): COVID-19: Child Nutrition Response [#95](#) and [#96](#) allow State agencies and sponsoring organizations to continue monitoring activities of CACFP operations offsite until 30 days after the official end of the public health emergency. During the public health emergency, State agencies and sponsoring organizations have created innovative solutions to conduct offsite reviews and provide oversight of the CACFP during this unprecedented time. FNS encourages collaboration, sharing of tips, and best practices among State agencies and sponsoring organizations. Click the link in the title for a useful fact sheet for resources and best practices for Virtual Monitoring.
- USDA continues to collect best practices and success stories for dealing with supply chain challenges. If you have something to share, please reach out to diane.pierzchala@usda.gov

Other Government Actions to Support Supply Chain Challenges:

- [FACT SHEET: The Biden-Harris Action Plan for America’s Ports and Waterways](#): On November 9, 2021, the Biden- Harris Administration announced a set of concrete steps to accelerate investment in our ports, waterways, and freight networks. These goals and timelines will mobilize federal agencies and lay the foundation for successful implementation of the historic Bipartisan Infrastructure Deal. This action plan will increase federal flexibilities for port grants; accelerate port infrastructure grant awards; announce new construction projects for coastal navigation, inland waterways, and land ports of entry; and launch the first round of expanded port infrastructure grants funded through the Bipartisan Infrastructure Deal.
- **The USDA Distributes \$1.5 Billion to Strengthen School Meal Programs:** Agriculture Secretary Tom Vilsack announced on December 17, 2021 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 towards Building a Better America by investing in our communities, the funding announced will help to provide our nation’s children with the nutritious foods they need to thrive.

With funding made available through USDA’s Commodity Credit Corporation, USDA will provide \$1 billion for schools to purchase food for their meal programs and another \$300 million for states to purchase foods to be distributed to schools. An additional \$200 million will be used for cooperative agreements to purchase local foods for schools with a focus on buying from historically underserved producers. A state-by-state breakdown of funds can be found in this table. A state-by-state breakdown of funds can be found in this table: [Commodity Credit Corporation Funds by State](#)

To view this announcement and more information about visit [FNS Actions to Address COVID-19 Related Supply Chain Disruptions](#).

- **The Local Food Purchase Assistance Cooperative Agreement Program:** 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 and 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.

For more information, visit [Local Food Purchase Assistance Cooperative Agreement Program](#)

See table on the page below for an overview of all USDA local food funding opportunities:

Overview of USDA Local Food Funding Opportunities

	What is it?	Who may apply?	Beneficiaries	Timeline	Reference
<p>1 billion Supply Chain Assistance Funds</p> <p>Up to 10% Supply Chain Assistance Funds</p>	<p>State agencies have the option to utilize up to 10% of their total SCA funds allocation from FNS for State centralized procurement and distribution of unprocessed and minimally processed local foods ('local' as defined by the State) for use by SFAs in the school meal programs. These local foods may then be distributed to SFAs at the State agencies' discretion.</p>	<p>State National School Lunch Program implementing Agency may elect to employ option as part of their SCA award agreement with FNS NERO</p>	<p>SFAs in the State</p>	<p>State agencies must sign 529s as quickly as possible. Determination about whether or not to elect this option must take place before SCA funds are allocated to SFAs, as it will impact the allocations. Period of Performance is 1/1/2022 to 9/30/2023.</p>	<p>See materials sent by NERO to State Agency Director, including Award Letter, Q&A, and Terms & Conditions on December 28, 2022.</p> <p>Webinar January 5 and 12, 2022 at 3pm (attached)</p> <p>Allocation of Supply Chain Assistance Funds to Alleviate Supply Chain Disruptions in the School Meal Programs</p>
<p>Local Food for Schools Cooperative Agreements</p>	<p>This is the <u>ONLY</u> paragraph we have about this program: USDA Agriculture Marketing Service (AMS) will award up to \$200 million to states for food assistance purchases of domestic local foods for distribution to schools. This program will strengthen the food system for schools by helping to build a fair, competitive, and resilient local food chain and expanding local and regional markets with an emphasis on purchasing from historically underserved producers and processors.</p>	<p>Uncertain, the term "states" is used. These will be cooperative agreements with AMS.</p>	<p>Uncertain, presumably SFAs in the State.</p> <p>Emphasis on purchasing from historically underserved producers and processors.</p>	<p>Uncertain</p>	<p>USDA Distributes \$1.5 Billion to Strengthen School Meal Program</p> <p>FNS is working to schedule a webinar in late January to go over guidance for these funds.</p>
<p>USDA Foods Purchases</p>	<p>USDA will also purchase about \$300 million in 100% domestically grown and produced food products, known as USDA Foods, for states to distribute to schools to offset the impact of</p>	<p>NA</p>	<p>SFAs</p>	<p>SY 21/22</p>	<p>Additional guidance on these funds is in clearance.</p>

	<p>disruptions to their normal supply chains. Conducting market research and working with USDA's qualified small to large vendors, USDA has identified a large list of available products. States will be able to order these additional foods within the coming weeks, with deliveries to occur as soon as possible.</p>				
<p>Local Food Purchasing Assistance (LFPA) Cooperative Agreements</p>	<p>AMS 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 (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.</p>	<p>Eligible entities include the State agencies, commissions, or departments that are responsible for agriculture, procurement, food distribution, emergency response or similar activities within the State. AMS will make only one award per State or territory; agencies within the State must coordinate if more than one agency wishes to implement this program. Additional separate awards will be made to Tribal Governments.</p>	<p>Must target food purchases from producers and distributors defined as socially disadvantaged.</p> <p>Eligible beneficiaries to receive the food are those members of communities in need of food. Food distribution may occur through state agencies, non-profit organizations engaged in food distribution, and other entities capable of ensuring program requirements are met. Food from this program is not to be used in school meals but may be distributed through schools through programs such as school-based pantries, backpack programs, or weekend food distribution programs.</p>	<p>Applications are due April 5, 2022 in grants.gov. Period of performance is two years from the time of award.</p>	<p>Press Release December 6, 2021</p> <p>Request for Applications: LFPA RFA 2022</p> <p>Local Food Purchase Assistance Cooperative Agreement Program (Webinar, slides, and additional resources)</p> <p>FNS is working to schedule a webinar in late January to go over guidance for these funds.</p>