

## Supply Chain Toolkit for Midwest School Meal Partners

This toolkit for FNS school meal partner agencies and local school nutrition staff was created by FNS' Midwest Region to assist in communicating about supply chain challenges. For feedback or questions on the toolkit, please email [alan.shannon@usda.gov](mailto:alan.shannon@usda.gov)

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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

*"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

## **Message for Schools to Share**

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, 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. 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.

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.

- See also USDA and State of Wisconsin sample letters to parents below under “**Toolkit**”

## 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.
- 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 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 food products, 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 [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.
- 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
- Because SY2019-2020 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 (39 cents per lunch), alleviating potential reductions in the amount of USDA Foods available for school meals.
- USDA is providing up to \$1.5 billion to provide assistance to help schools respond to supply chain disruptions. Throughout the pandemic, school food professionals have met extraordinary challenges to ensure every child can get the food they need to learn, grow and thrive. But circumstances in local communities remain unpredictable, and supply chains for food and labor have been stressed and at times disrupted. These funds will support procurement of agricultural commodities and enable USDA's Food and Nutrition Service (FNS) and Agricultural Marketing Service (AMS) to enhance the toolbox for school nutrition professionals working hard to make sure students have reliable access to healthy 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 approved state plans to distribute 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.
- 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.

- 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.
- At USDA, we believe that creating and developing a series of local and regional food systems to supplement and complement our commodity-based system, nationally and internationally, will create greater resiliency and create better markets for our farmers, ranchers, and producers.
- USDA has a range of commitments that are putting us on a path toward more resilient and sufficient food system, including \$4 billion in investments to strengthen critical supply chains through the Build Back Better Initiative.
- Secretary Vilsack hosted a meeting on October 14 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.

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>

## **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.

## **Resources:**

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:** [fns.usda.gov/sites/default/files/resource-files/schoolmeal-flexibilities-summary.pdf](https://www.fns.usda.gov/sites/default/files/resource-files/schoolmeal-flexibilities-summary.pdf)
- **Table of Flexibilities:** [fns.usda.gov/sites/default/files/resource-files/schoolmeals flexibilities chart.pdf](https://www.fns.usda.gov/sites/default/files/resource-files/schoolmeals%20flexibilities%20chart.pdf)

- **Flexibilities in Practice:** [fns.usda.gov/sites/default/files/resource-files/schoolmeal\\_flexibilities\\_scenarios.pdf](https://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://fns.usda.gov/sites/default/files/resource-files/schoolmeals-supply-chain.pdf)
- [Planning for a Dynamic School Environment](#)
- [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://schoolnutrition.org/)

### Best Practices/Models:

- 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 look into **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.
- USDA is collecting best practices and success stories for dealing with supply chain challenges. If you have a story to share, please send it to [alan.shannon@usda.gov](mailto:alan.shannon@usda.gov)

### Q&A:

Why are there supply chain challenges?

- 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.

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

### School Meals Participation Data

	Average Monthly Lunches (NSLP + SFSP)
September 2018 - May 2019	496,397,905
September 2019 - May 2020	415,538,454
September 2020 - May 2021	333,207,160

- Schools served almost 500 million lunches on average per month between September 2018 through May 2019 (before the pandemic). During SY 2020-2021, schools served about 330 million lunches per month for during those same months.

For more information, see:

- [USDA ERS - Child Nutrition Programs](#)
- [USDA ERS - 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](#)

## Other Government Actions to Support Supply Chains

The White House has unveiled a new plan for addressing supply chain bottlenecks, mostly by accelerating the awarding of grants for ports, waterways and freight networks.

Within 45 days, the administration plans to launch programs “to modernize ports and marine highways with more than \$240 million in grant funding.” The Transportation Department will award \$230 million in funding for the Port Infrastructure Development Grant program and \$13 million for the Marine Highway Program to support waterborne freight service.

The White House also says it will identify projects for Army Corps of Engineers construction at coastal ports and inland waterways within the next 60 days, providing “a roadmap for more than \$4 billion in funding to repair outdated infrastructure and to deepen harbors for larger cargo ships.”

In addition, the administration will “prioritize key ports of entry for modernization and expansion within the next 90 days.”

(Source: [AgriPulse](#))

## **Toolkit for School Meal Providers:**

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

- 1) Letter to parents (created by State of Wisconsin). Can be sent to parents, posted on website, posted on social media, shared with local PTA, included in newsletters, shared with school board, etc. To find the letter, click this link: [Wisconsin letter to parents](#) Scroll down to “General Information and Program Outreach” and find “SSO Letter for Menu Changes Template”
- 2) 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 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.*

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*challenges. In addition, a shortage of adequate childcare and eldercare prevents some people, especially women, from returning to the workplace.*

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*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.*

- 3) **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 [here](#).
- 4) 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](#).