



**Arizona Department of Education**  
Health & Nutrition Services Division

**HNS 23-2021**

**MEMORANDUM**

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**To:** All School Food Authorities Participating in the USDA Foods in Schools Program  
**From:** Melissa Conner, Associate Superintendent  
**Date:** July 23, 2021  
**Subject:** Changes to USDA Foods Material Prices and Updates in myFOODS

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The purpose of this memorandum is to provide guidance for School Food Authorities (SFAs) participating in the USDA Foods in Schools program during school year 2021-2022 (SY 21-22) on the recent updates to material prices in myFOODS on July 21, 2021. This guidance will provide background on why material prices change, why material prices were updated in myFOODS, the frequency with which ADE will update material prices in myFOODS moving forward, recommended actions for SFAs related to material price updates, and specific questions and answers intended to provide clarification to SFAs that experienced a change in their entitlement due to these price changes.

**Background on Material Price Changes**

USDA shares initial costs of materials in November of the previous year to help states begin the pre-order process for USDA Foods materials for the upcoming school year. The prices of materials that are ordered by the state fluctuate throughout the year due to changing market conditions. These price fluctuations directly affect the total amount of entitlement that Recipient Agencies (RAs) have spent on materials pre-ordered during the catalog requisition process. Periodically updating the prices of materials in the myFOODS ordering system provides a more accurate representation of entitlement balances throughout the school year. This helps RAs manage their balances with more accuracy.

**First SY 21-22 Material Price Updates in myFOODS Occurred on July 21, 2021**

On July 21, 2021, ADE made the first material price adjustments for SY 21-22 in myFOODS. These changes will be most noticeable in the 'View Entitlement' tab in myFOODS as the amount of entitlement remaining in your account may have been affected by an increase or



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decrease in the cost of specific materials. Protein items such as chicken, turkey, beef, and pork were a few of the materials that experienced large increases in cost reflected in this adjustment.

**Frequency of Updates to Material Prices in myFOODS Moving Forward**

Effective immediately, ADE will be adjusting material prices in myFOODS on a weekly basis to ensure they reflect the changes in market value of the materials as they arrive at the warehouse. Updates will be imported from the Web Based Supply Chain Management (WBSCM) website to myFOODS on Fridays.

**Recommended Actions for SFAs**

At this time, RAs of the USDA Foods in Schools program are strongly encouraged to check their myFOODS account balances every Monday to determine if any changes in the market costs of materials affected their remaining entitlement balance.

**Questions and Answers Related to the July 21, 2021 Material Price Updates and Future Material Price Updates**

**1. What does it mean if my entitlement balance is negative?**

You are still able to schedule materials for shipment as they arrive at the warehouse with a negative entitlement balance. You are also still able to order from the surplus list with a negative entitlement balance. Surplus materials will be processed as 'bonus' and your account will not be charged entitlement. Delivery fees are still applicable, and US Foods will invoice your purchase order for these deliveries.

**2. Can I still order surplus if my entitlement balance is negative?**

Yes, you can still order surplus even if you are out of remaining entitlement. Adjustments to unit cost of materials will not affect this option to purchase additional materials.

**3. Can I still transfer funds to DoD Fresh Produce Program if my balance is negative?**

No. If your balance is now negative, the account has no funds to transfer to DoD Fresh. You must have a positive balance in your account and there must be funds available in the state DoD Fresh account for any entitlement balances to be transferred.

**4. What if my remaining entitlement still has a positive balance?**

If your remaining entitlement has a positive balance, continue to order surplus and schedule materials for shipment as normal. Your entitlement balance will be drawn down



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for surplus requisitions until your balance is at zero or no longer meets the total of your order. Once that happens your materials will be processed as 'bonus' and your remaining balance will no longer be charged.

- 5. Can I request a transfer to DoD Fresh Produce Program if my balance is positive?**  
Yes. However, there must be entitlement funds available in the state DoD Fresh account to complete that transfer. If all funds set aside for DoD Fresh for the state are allocated, additional transfers cannot be completed, and requests will be added to a waitlist until funds are available to complete transfers.



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