

USDA Foods in Program Year 2023: How to Spend Not Knowing What's Around the Bend WEBINAR

December 15, 2021

Professional Standards Learning Code: 2430





Arizona Department of Education (ADE)

This training was developed by the Arizona Department of Education (ADE) Health and Nutrition Services Division (HNS).

Intended Audience

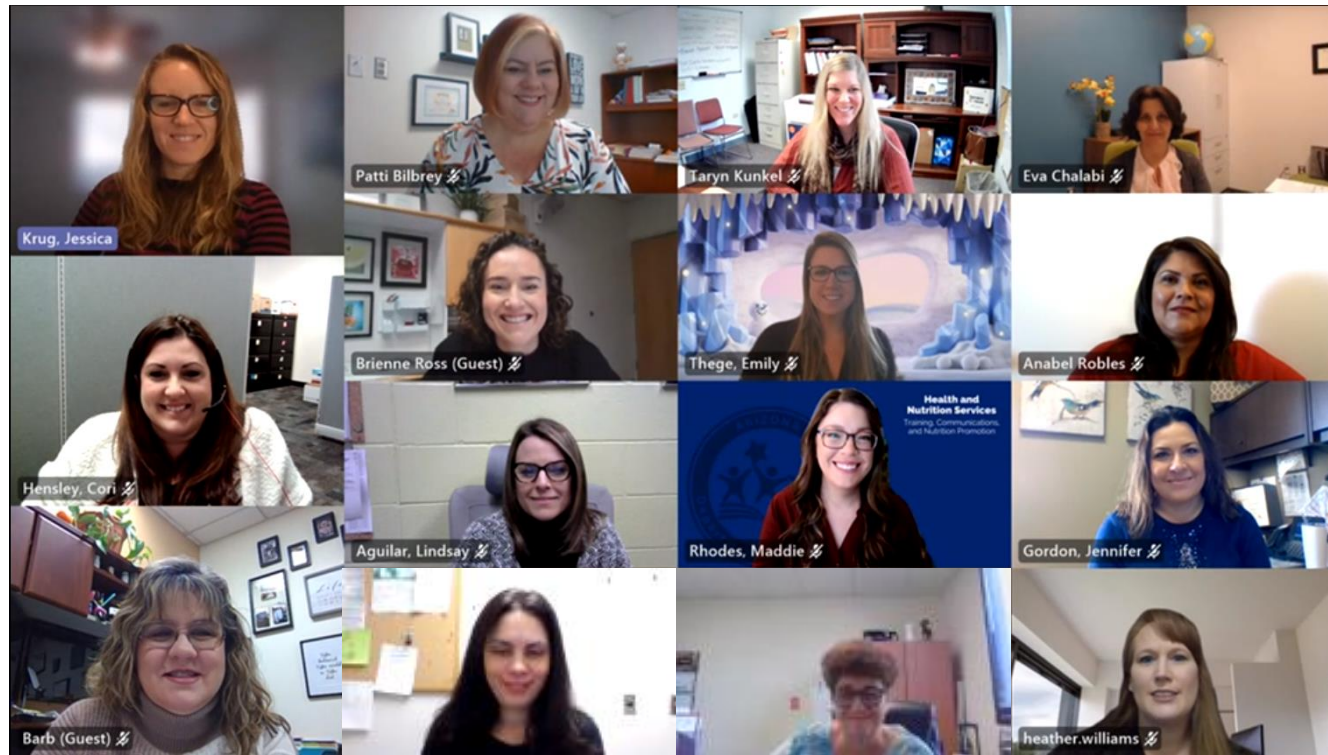
This training is intended for **School Food Authorities (SFAs) operating the National School Lunch Program (NSLP) and Seamless Summer Option (SSO)** that plan to participate in the USDA Foods in Schools program in Program Year 2023 (PY23). All regulations are specific to operating the programs under the direction of ADE.

Objectives

1. Understand the basic principles of the USDA Foods in Schools program and the timeline for the planning process.
2. Consider how you will allocate your entitlement dollars for next school year under the current circumstances.



School Nutrition Programs Advisory Council



The School Nutrition Programs Advisory Council (SNPAC) is a group of diverse SFAs who bring unique knowledge and skills to help guide HNS toward our mission of ensuring our customers receive the maximum benefit from the Child Nutrition Programs.

Today, a panel of council members will share their considerations and strategies for allocating their USDA Foods in Schools program entitlement while navigating supply chain disruptions and uncertainty surrounding next year's waivers.

Panelists



Patti Bilbrey
Director, Nutrition Services
Scottsdale Unified School District
Self-operated
SNPAC Food Systems Chair



Barb Simington
District Food Service Liaison
Blue Ridge Unified School District
Food Service Management Company



Anabel Robles
District NSLP Coordinator
PPEP-Tec High Schools
Catered meals

Poll Question

What are your biggest concerns when planning for USDA Foods in Schools in Program Year 2023 (PY23)?

1. Supply chain/product availability
2. Student participation
3. Waivers
4. Menu planning
5. Price increases
6. What is USDA Foods in Schools?

Overview of USDA Foods in Schools





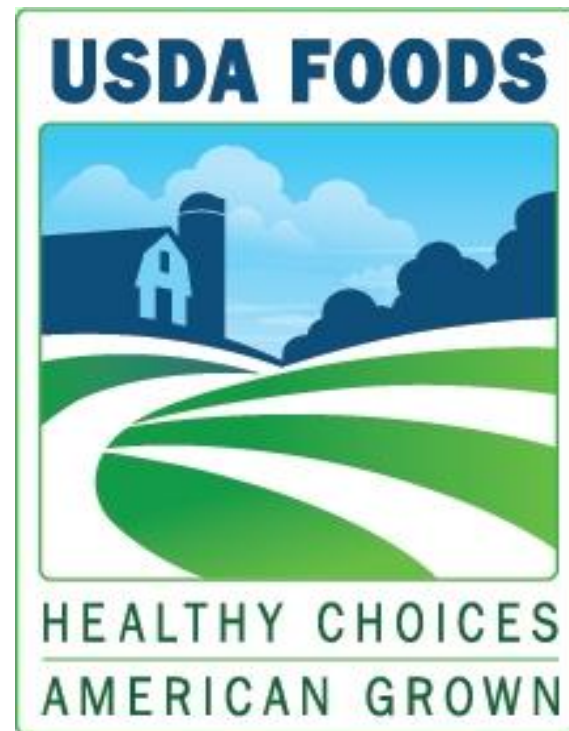
Program Overview

USDA Foods in Schools program

(USDA Foods, “commodities”)

Supports domestic nutrition programs and American agricultural producers through purchases of domestic agricultural products for use in schools and institutions.

Recipient Agencies (RAs): Entities participating in the USDA Foods in Schools program (e.g., schools)





Program Overview

USDA issues entitlement to states.



States use those entitlement dollars to purchase from a USDA Foods catalog.



States issue entitlement to participating RAs which they use to purchase foods in three ways:

Direct Delivery (*brown box*)

Unprocessed and minimally processed products

Processing

Raw, bulk products are sent to contracted processors to be converted to ready-to-use products

Department of Defense (DoD) Fresh Fruit and Vegetable Program

Fresh fruits and vegetables, with options for local purchases and processed items



How is Entitlement Calculated?

In a normal year...

Number of NSLP lunches served in the
preceding school year

x

Current cost per plate (value of donated foods)

= Entitlement dollars allocated to RAs/states

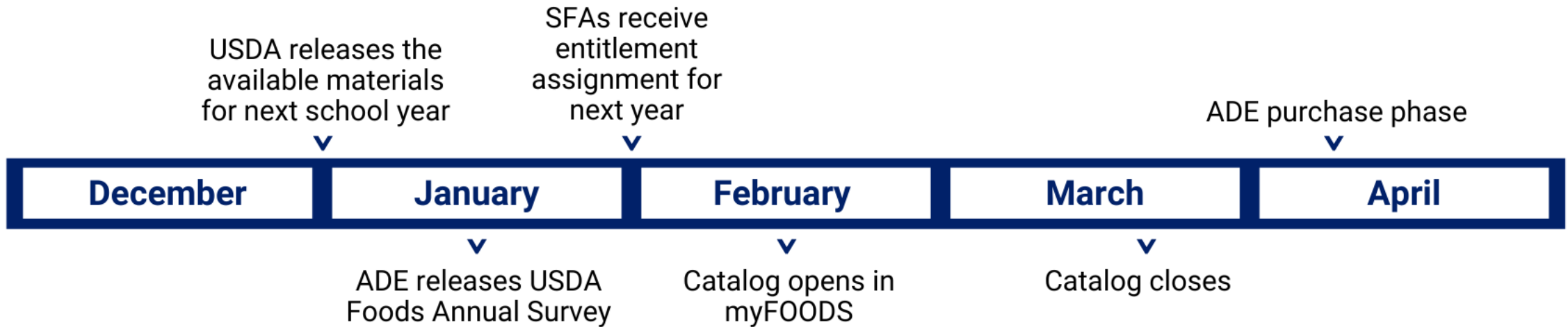
USDA has issued waivers for entitlement calculations for the last two school years.

States saw a decrease in meals served under NSLP due to school closures and waivers to operate SFSP. USDA has allowed states to use SY 18-19 lunch counts to calculate entitlement.

USDA has not yet announced how initial SY 22-23 entitlement will be calculated.

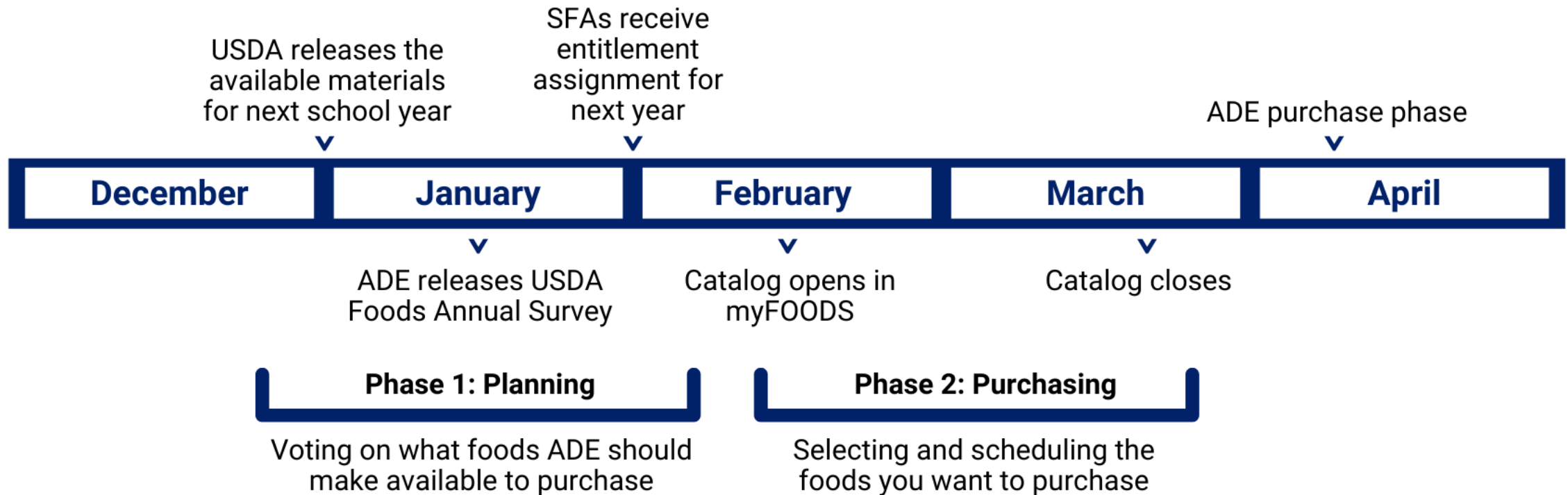


USDA Foods Annual Planning Process





USDA Foods Annual Planning Process







How do you effectively plan for what you will need from USDA Foods next year under these circumstances?

Patti Bilbrey, Scottsdale Unified School District





District Profile



- **Enrollment:** 22,500
- **Free/Reduced Percentage:** 23.60% Pre-COVID / 16.60% Currently
- **Number of sites:** 30 School Sites / 40+ contract and/or sponsored sites throughout the Phoenix metro area
- **Meal services operated:** Breakfast, Lunch, At-Risk Supper, At-Risk Snack
- **Current learning & feeding models:**
 - 98% In-person, 3% Online
 - Breakfast – Service to in-person learners only through BIC, hallway carts and traditional cafeteria lines
 - Lunch – Service to in-person learners only through traditional cafeteria lines



District Profile



Numbers are for District sites only (no contract meals):

Before COVID-19

- Number of meals served per day: 10,600
- Breakfast ADP: 2,800
- Lunch ADP: 6,600
- At Risk Snack/Supper: 660

Since COVID-19 (SY22)

- Number of meals served per day: 16,100
- Breakfast ADP: 3,300
- Lunch ADP: 12,000
- At Risk Snack/Supper: 800



Heading into USDA Foods Catalog and Processing Season



- So many changes due to COVID-19
- Let's talk all these challenges through and look for a new beginning, together!



Planning for USDA Foods

How we plan for USDA Foods in "normal" years:

- Large district with low free and reduced
- Relatively low entitlement dollars due to high a la carte sales and low reimbursable meal participation
- \$9M in revenue typically earns us only \$400K in USDA Foods entitlement
- Average annual allocation breakdown:
 - 20% Brown Box
 - 25% DOD Fresh
 - 55% Processing
- Process starts with determining items for processing that saves us the most dollars and then working backwards
- What do we spend allocations on and where do we hope for bonus?
- Will that be our process this year? So many variables that will impact the outcomes and have us rethinking our needs and processes!



Planning for USDA Foods

					12/14/2021			
Processor	Commodity	Beginning Pounds	Balance	Remaining %	SY Remaining	92	Notes	
Ardellas	Cheese	5264	0	0%	51.11%		*Not using	
Bongards	Cheese	1438	0	0%				
Brookwood Farms	Turkey	7181	3401	47%				
Buena Vista	Mozzarella	1	0	0%			*Not using	
	Cheddar	1	0	0%			*Not using	
Cargill	Eggs	461	0	0%	51.11%		*Not using	
Chef's Corner	Chicken	4992	3574	72%				
Conagra	Cheese	9604	3588	37%				
Integrated	Cheese	509	1	0%				
	Beef	19581	13680	70%				
International Food	Chicken White	885	885	100%				
	Chicken Dark	885	885	100%				
Land O Lakes	Cheese	705	7	1%				
Pilgrims Pride	Chicken	82376	69890	85%				
S.A Plaza (Wild Mike's)	Cheese	3	1	33%				
Schwann's	Mozzarella	3810	2615	69%				
Tasty Brand	Cheese	1000	0	0%			*Not using	
Velmar Foods (AZ Gold)	Cheddar	179	161	90%				
	Eggs	291	256	88%			*Product unavailable	
Yang's	Chicken	54549	28441	52%				
Highliner	Pollock	3019	2597	86%	51.11%			
Jennie O	Turkey Dark	14249	10120	71%				
	Turkey White	10339	6894	67%				
JTM	Beef Ground	25892	8621	33%				
	Pork Picnic	4	0	0%			*Not using	
	Turkey Thigh	696	576	83%	51.11%			
	Cheese	8005	3397	42%				
McCain	Potatoes	2903	1	0%			Bonus	
Michael Foods	Eggs	3002	4	0%			Bonus	
Smuckers	Peanuts	190	0	0%			Bonus	
Tyson	Chicken Dark	14090	5936	42%				
	Chicken White	21011	7352	35%				
	Cheese	4103	1543	38%				



Let's Talk About the “Unknowns”



First and foremost, we are **ALL** operating in a world of unknowns! There is no insider track or secret bank of knowledge in any of our stakeholder groups.



Let's Talk About the “Unknowns”

A small list of the "Unknowns"

- Will rollovers be allowed, and if so, how much?
- Will there be sweeps done on large balances?
- What PY is the PY23 allocation being derived from?
- How will the allocations be determined since meals were served under SFSP?
- Supply chain challenges moving forward?
- Increased costs (both raw product, processing fees and unanticipated price changes)
- Will any waivers be extended and how will that impact your program?



Let's Ask Questions

Manufacturers & Brokers:

- What items are being discontinued, production slowed, production ramped up, items on hold, and for what period of time?
- Ask them to honestly tell you about their predictions for production, availability, and lead times for PY23.
- Ask them to help you with your planners and calculators.

Distributors:

- Will the items you have interest in be available through stocked inventory, through special order only, or will it likely not be stocked in their inventory at all?
- Ask them to honestly tell you what their inventory and contingency plans are for PY23.





Let's Ask Questions

ADE Food Acquisition and Nutrition Systems (FANS) Team:

- Be forthright on concerns and challenges and reach out on a regular basis with any questions and need for assistance you may have.

Peers:

- Call a colleague and brainstorm with them. If you aren't sure who to call, ADE and the SNPAC would LOVE to connect you with a colleague who would love to help.

Share your thoughts, questions, challenges and ideas for change with all the groups above. It will take **all** of us, working as a **creative and collaborative team**, to get through the challenging times ahead.



**IT'S OKAY
TO RETHINK
WHAT YOU
THOUGHT
YESTERDAY!**



Rethink Your Strategy and Reset Your Goals

Points to ponder...

- Is it all about bringing down costs or does it now include securing a sure thing?
- Is the biggest bang for our buck going to be available?
- Is the slightly more expensive item more solidly produced and more readily available?

Throw out the old projections and create a new playbook based on data.

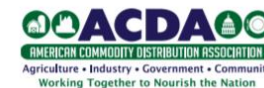
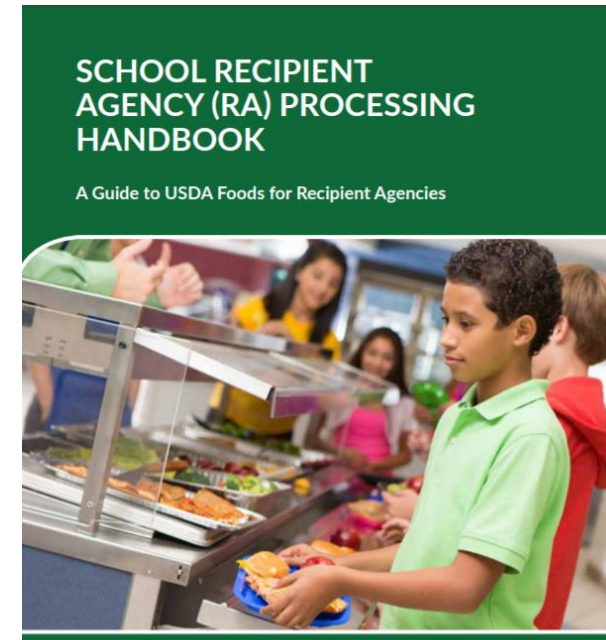
- Have a plan based on utilizing rollovers – break the cycle of excess
- Menu planning may need to be very targeted and yet creative – item flexibility
- Find a balance between current and previous usage – track your popularity!!!
- Seek information on product availability and SKU rationalization
- DOD Fresh may be a great cost savings program for you
- Project participation for PY23 (We all have that crystal ball ready, right?)



Resources

Resource from American Commodity Distribution Association (ACDA)

<https://www.commodityfoods.org/resources/Documents/Resources/Processing%20Handbook%20NEW%20DRAFT.pdf>



Revised October 2017



Resources

USDA has created a USDA Foods Cost Analysis Tool which can assist school districts in doing cost comparisons and assist with annual forecasting.

http://www.fns.usda.gov/sites/default/files/USDA_Foods_Cost_Analysis_Tool.xlsx

The screenshot displays the USDA Foods Cost Analysis Tool spreadsheet. The interface includes a ribbon with tabs for File, Home, Insert, Page Layout, Formulas, Data, Review, View, and Help. A status bar at the top indicates 'AutoSave' is off and the file is in 'Protected View'. A warning message states: 'Be careful—files from the Internet can contain viruses. Unless you need to edit, it's safer to stay in Protected View. Enable Editing'. The spreadsheet is organized into sections for different food items. The first section is for 'Ground Beef (A594)' with a WBSM # of 100154 and a USDA Value of \$2.2874. Below this is a table with columns for 'Manuf.', 'Product Description', 'Case Weight', 'Servings / Case', 'Process Cost', 'Storage / Delivery', 'DF / Case', 'DF \$/Case', 'Total Cost', 'Cost / Portion', 'Commercial Cost', 'Servings / Case', 'Cost / Serving', 'Savings / Serving', 'Annual Servings', and 'Annual Savings'. The second section is for 'Boneless Beef Combo (A704)' with a WBSM # of 100155 and a USDA Value of \$2.3941. This section also includes a similar table with the same columns. The bottom of the spreadsheet shows a navigation bar with tabs for 'Introduction', 'Direct Delivery Instructions', 'Direct Delivery Analysis', 'Processed Instructions', 'Processed Beef', 'Processed Cheese', 'Processed Chicken', 'Processed Eggs', 'Processed Fish', and 'Processed ...'. The Windows taskbar at the bottom shows the time as 10:05 AM on 12/13/2021.

Processed USDA Foods										Commercial Equivalent			Annual Savings		
Manuf.	Product Description	Case Weight	Servings / Case	Process Cost	Storage / Delivery	DF / Case	DF \$/Case	Total Cost	Cost / Portion	Commercial Cost	Servings / Case	Cost / Serving	Savings / Serving	Annual Servings	Annual Savings
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Processed USDA Foods										Commercial Equivalent			Annual Savings		
Manuf.	Product Description	Case Weight	Servings / Case	Process Cost	Storage / Delivery	DF / Case	DF \$/Case	Total Cost	Cost / Portion	Commercial Cost	Servings / Case	Cost / Serving	Savings / Serving	Annual Servings	Annual Savings
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And remember...



Barb Simington, Blue Ridge Unified School District





District Profile



- **Enrollment:** 1900
- **Free/Reduced Percentage:** 39%
- **Number of sites:** 3 school sites, 2 bus routes, 1 pick up site
- **Meal services operated:**
 - Breakfast, Lunch
 - At-Risk snack & supper as of March
- **Current learning & feeding models:**
 - 5% distance learning and 95% return to campus
 - Meal delivery to distance learning and community children via bus routes/pick up; onsite students through cafeteria service



District Profile



Before COVID-19

- Number of meals served per day: 1330
- Breakfast ADP: 452
- Lunch ADP: 878

Since COVID-19

- Number of meals served per day: 2470
- Breakfast ADP: 710 (550 onsite/160 delivery)
- Lunch ADP: 1360 (1200 onsite/160 delivery)
- At Risk Snack/Supper: 200 (20 onsite/180 delivery)



Best Practices In An Ever-Changing Time

Determining percentages of entitlement for DOD, Direct Delivery (brown box) and Processing

- **DOD:** With this product being completely free, ensure you have enough factored to provide fresh fruit and vegetables throughout the school year.
- **Processing:** Determine what pounds will be needed. Once the new catalog is released, update the pricing spreadsheet, Order in the importance to allocate funds to what drives meal participation. Focus on being able to be offer those at a reduced cost.
 - How? Look at your historical weekly average purchases and multiply by the number of weeks that orders will be received.
 - Additionally – cross check by looking at current pricing and typical weekly usage by site.
- **Brown Box:** with the remainder of \$\$\$

Blue Ridge percentages typically = 40% DOD, 40% Processing and 20% Brown Box

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Best Practices In An Ever-Changing Time

BRUSD Game Plan for USDA Foods Utilization

- Fresh fruits and vegetables – While they don't necessarily drive participation it still allows for a variety of options without worry of cost.
- Processing – Figure out the best way to provide popular offerings for the students at a lower cost to the District.
- Focus on items that are above and beyond requirement at Breakfast to drive participation and provide a protein with breakfast, without a significant cost to the program.
- DOD numbers were increased to reflect the need for fresh and pre-packaged produce for not only curbside and bus delivery but for Covid friendly salad bars.
- Brown Box changed to fruit cups which in the past we avoided because of cost but in this new world of labor shortages and portion cups, worked well.



Best Practices In An Ever-Changing Time

BRUSD Preparation For Catalog Requisitions

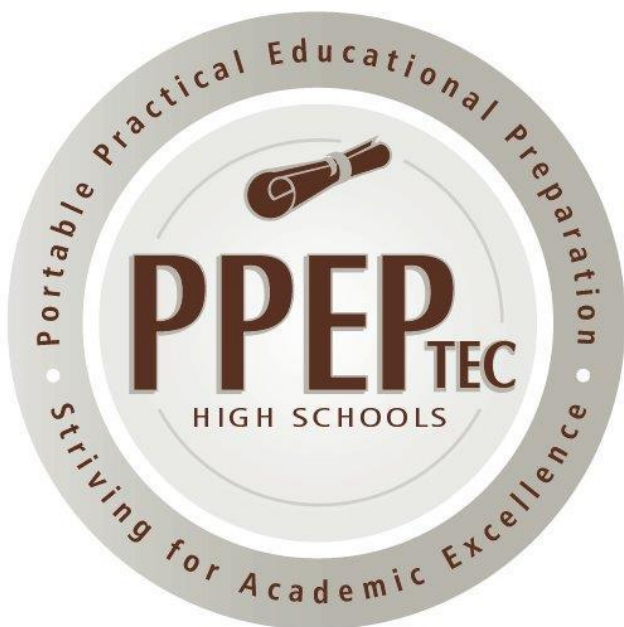
- Once catalog is released, update foodservice spreadsheet with cost of commonly used items, new entitlement dollars and the DOD amount determined to be needed (spreadsheet includes brown box, processing by vendor, DOD, total entitlement \$\$ remaining, historical processing info and balances.
- Print commodity planners for typically used vendors, determine based upon cycle menu and projected number of meals, how many pounds of each raw item needed to get through the school year.
- Using Processor Link and K-12, pull up current pounds on hand and estimate how many pounds will be available at the end of the school year. Number of pounds needed minus projected carry over = pounds number to be entered into spreadsheet.
- February we will begin a deeper dive to evaluate where we are in foodservice for 22/23, what is on hand, and what the outside influences seem to be reflecting.
- Lastly, breathe.....we can confidently prepare what we know based on our "data" but we will be ready to shift when the cards are dealt us. We are foodservice.

Anabel Robles, PPEP-Tec High Schools





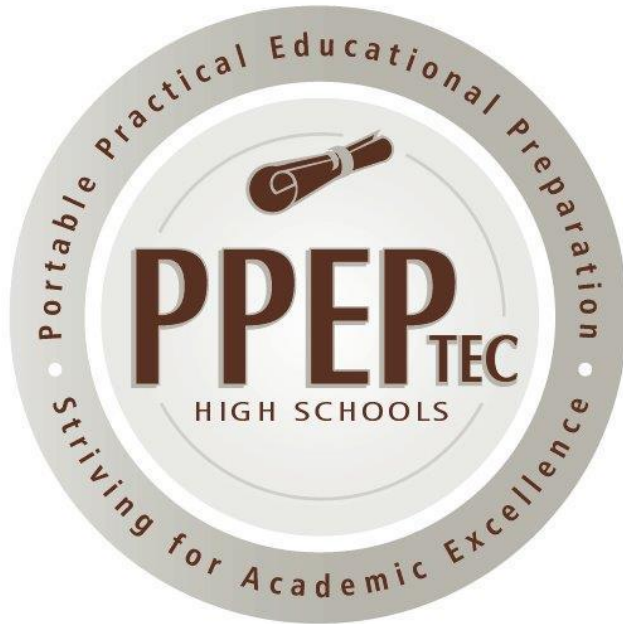
District Profile



- Catered Charter Schools
- **Enrollment:** 684
- **Free/Reduced Percentage:** 72%
 - District-wide CEP
- **Number of sites:** 6
- **Meal services operated:** Breakfast and Lunch
- **Current learning & feeding models:**
 - ✓ 95% in person, 5% distance learning
 - ✓ Breakfast in the Classroom
 - ✓ Grab and Go
 - ✓ Patio and halls used for social distance
 - ✓ Parents are allowed to pick up meal for the students



District Profile



Before COVID-19

- Number of meals served per day: **738**
- Breakfast ADP: **248**
- Lunch ADP: **490**

Since COVID-19

- Number of meals served per day: **659**
- Breakfast ADP: **273**
- Lunch ADP: **386**



Best Practices In An Ever-Changing Time

Ideally

- Talk to your Caterers in December/January
- Share what's available on Brown Box
- Discuss what percentage they would need for DOD

Pre-Covid usage

- Brown Box 75% DOD 25%

La Cocina		31-Jul	15-Aug	15-Sep	15-Oct	15-Nov	15-Jan	15-Feb	15-Mar	15-Apr
100012	CHEESE CHED RDU FAT YEL SHRED BAG-6/5 LB	1		1		1	1			
100307	BEANS GREEN CAN-6/10				1		1			
100351	BEANS GREEN FRZ CTN-30 LB				1		1		1	
100362	BEANS REFRIED CAN-6/10	1		1		1		1	1	
100158	BEEF FINE GROUND FRZ CTN-40 LB	1					1			
110711	Beef Patty Ckd Frz 2.0 MMA Ctn-40 LB	1	1	1	1	1	1	1	1	1
Blueberry Café		31-Jul	15-Aug	15-Sep	15-Oct	15-Nov	15-Jan	15-Feb	15-Mar	15-Apr
100514	Apple Red Delicious Fresh				2	2	2	2	2	
100365	Beans Pinto Low Sodium Can -6/10	1		1	1	1	1	1	1	1
100158	BEEF FINE GROUND FRZ CTN-40 LB	1		1		1	1		1	
110711	Beef Patty Ckd Frz 2.0 MMA Ctn-40 LB	1		1		1	1		1	
110623	BLUEBERRY Highbush FRZ CTN-12/2.5 LB						1		1	
100003	CHEESE CHED YEL SHRED BAG-6/5 LB	1		1		1	1			



Best Practices In An Ever-Changing Time

What changed last year:

- We incorporated Processing into our operation, we had the goal for SY 19-20, but the pandemic made it a necessity.

What have we learned?

- Have an open communication with caterers about which products had worked for them, what are the trends with the students, etc.
- Take advantage of the calculators and share with your caterers.
- Talk to the representatives of the companies that offer the products that you are interested in, early on in the process.
 - Ask which vendors carries those products.
 - Establish a relationship and open an account with them if you don't have one already (the caterer may have one already but if you are going to use the pounds your district needs to have one).



Best Practices In An Ever-Changing Time

- Have an open communication with ADE FANS Team since they are great resources of information, but also can advocate for you with the processing companies.
- Be patient, very patient... we are still waiting to be able to place our first order

Moving Forward

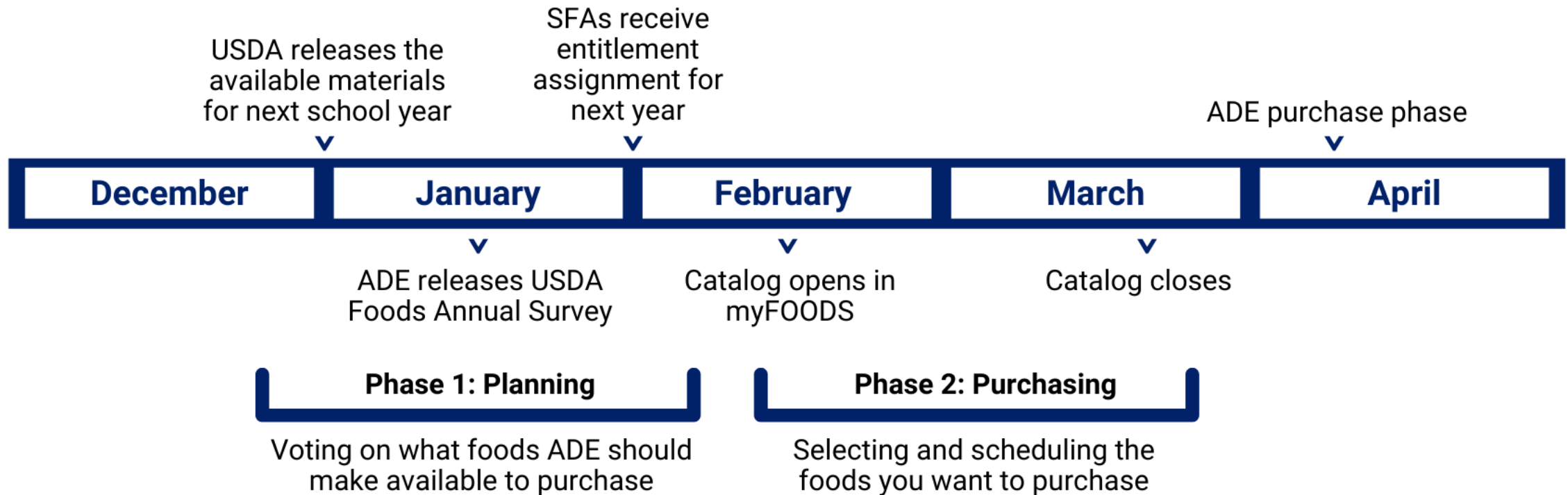
- Change the percentage that we use for Brown Box, Processing and DOD.
- Adapt to the needs of the caterers, since they are adapting to the needs of our students.
- It's ok not to know everything, be flexible, remember you are not alone.

Recap & Next Steps





USDA Foods Annual Planning Process



Poll Question

For which phase of the USDA Foods Annual Planning Process do you need more support/resources?

1. Phase 1: Planning
2. Phase 2: Purchasing
3. Both
4. None - I'm good



What Next?

HNS Communications Program Alerts

- USDA Foods Annual Survey – expected release in mid-January
- Notifications
- Reminders

Coming soon: Online self-paced how-to guides on catalog requisitions



We Are Here to Help!

Food Acquisition and Nutrition Systems (FANS) Team

ContactHNS@azed.gov

(602) 542-8700, option 2

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Anabel Robles

arobles@ppep.org

(520) 741-4374



Q&A

Please enter your questions into the Q&A.

Thank you!

If you are attending the live webinar, you will receive a link to complete the survey in EMS. After completing the survey, you can print a certificate of completion.

If you are watching the recorded webinar, you can access the survey link and certificate of completion at the end of the webinar slides.



Congratulations!

You have completed the *Recorded Webinar: USDA Foods in Program Year 2023: How to Spend Not Knowing What's Around the Bend.*

To request a certificate, please go to the next slide.

In order to count this training toward your Professional Standards training hours, the training content must align with your job duties.

Information to include when documenting this training for Professional Standards:

- **Training Title:** Recorded Webinar: USDA Foods in Program Year 2023: How to Spend Not Knowing What's Around the Bend
- **Learning Code:** 2430
- **Key Area:** 2000-Operations
- **Length:** 1 hour

Please Note: Attendees must document the amount of training hours indicated regardless of the amount of time it takes to complete it.



Congratulations!

Requesting a training certificate

Please click on the link below to complete a brief survey about this webinar. Once the survey is complete, you will be able to print your certificate of completion from Survey Monkey. **This will not appear in your Event Management System (EMS) Account.*

<https://www.surveymonkey.com/r/RecordedWebinarOnlineSurvey>

The information below is for your reference when completing the survey:

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