# DATE: November 2022

TO: School Food Authorities (SFAs) Participating in the USDA Foods Program

FROM: DPI USDA Foods Team, School Nutrition

SUBJECT: Wisconsin USDA Foods Cheese Processing Program

For the School Year (SY) 2023-24, SFAs have the option of participating in the Wisconsin USDA Foods Cheese Processing Program. This program gives SFAs the opportunity to order pounds of USDA Food item Cheese Mozzarella Bulk (110244) on the annual order survey in February 2023, to be sent to a contracted processor for further processing into pizza and pizza like products.

SFAs determine the processor(s) they will utilize for their selected pizza like finished end product through a competitive procurement process. The most current list of eligible processors for SY 2023-24 is posted on the [DPI Cheese Processing Program](https://dpi.wi.gov/school-nutrition/usda/cheese-processing) webpage.

When calculating the number of pounds to commit to the processor(s), each SFA will want to commit as close as possible to what their SFA will use during the next school year. Carry over will not be allowed at the end of SY 2023-24 as the [DPI’s Inventory Sweep Policy](https://dpi.wi.gov/school-nutrition/usda/direct-diversion/sy-2023-24) indicates.

**The Annual Order Survey in February 2023**

The Department of Public Instruction (DPI) offers two processing programs, and the Cheese Processing Program is available in both processing programs: 1) state processing or 2) direct diversion processing. In February 2023, the Annual Order Survey will open and participating SFAs will indicate the contracted processor(s) and number of pounds of cheese 110244 pounds for order.

**Receiving Cheese Products in SY 2023-24**

Throughout SY 2023-24, SFAs will order finished pizza like end products through their contracted distributor(s). SFAs should track pound usage and balances.

**Submitting Rebates to Processors for the Value of USDA Foods Cheese**

SFAs receive the value of USDA bulk cheese used in the processed product through a rebate. SFAs will complete a rebate request form and submit the complete form to the processor(s). Rebate checks will be issued by the processor and mailed directly to SFAs. Once your SFA has utilized the allocated pounds of the USDA bulk cheese for your selected processor(s), you are no longer eligible for a rebate on purchases.

The following example shows how this program can benefit the SFA participating in this program, this is not the current value of Cheese Mozzarella (110244):

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| USDA Donated Food (DF)  | End Product Price without DF | Dollar Allowance per pound/DF | Pounds of DF Product per Case | Rebate Per Case | End Product Net Price using DF |
| Mozzarella | $57.50 | $1.6208 lb. | 5.68 lbs. | $9.21 | $48.29 |

Please review the following documents posted on the [DPI Cheese Processing Program](https://dpi.wi.gov/school-nutrition/usda/cheese-processing) webpage for more information.

* Frequently Asked Questions
* Inventory Sweep Policy

**List of Eligible Processors for SY 2023-24** (as of November 2, 2022)

ConAgra Foods

Nardone Brothers Baking

S.A. Piazza

Schwan's Food Service

Tyson/Bosco's

If you have any questions regarding this program, please contact dpisnusdafoods@dpi.wi.gov or (608)267-4599.