

Subject: School Year (SY) 2023-24 Wisconsin USDA Foods Program Back-to-School Information

Wisconsin USDA Foods and Procurement Updates

DPI USDA Foods Networking and Training Webinar, August 15, 1:00 PM

The Wisconsin Department of Public Instruction (DPI) USDA Foods team will be hosting a series of virtual training events. The first event will be part of the Virtual School Nutrition Summer Training (SNST) day on [Tuesday, August 15 at 1:00 PM CST](#). This USDA Foods session will be a helpful kickoff for the school year. Topics include using the DPI USDA Foods Ordering System, reporting delivery discrepancies, tracking direct diversion pounds, and managing inventory. Go to the [SNST webpage](#) to register for this event! If you miss the USDA Foods session, email us for a recording at dpisnusdafoods@dpi.wi.gov.

Program Year 2024 (SY 2023-24) and Uncertified Status

Welcome to Program Year 2024! When you login to the [DPI USDA Foods Ordering System](#), click on Program 2024. On the Welcome webpage, be sure to check out the “Product Cancellations, Delays and Updates” to see any changes for the delivery status of USDA Foods products for Direct Delivery and State Processed cases. On the Application tab, you may see your Application is in “Uncertified” status. This is pending information from Online Services Child Nutrition Contract and okay until the end of October.

Entitlement and USDA Foods Per Lunch Rate

Entitlement is a dollar value that USDA gives states to spend by ordering USDA Foods. To calculate our total state's entitlement, USDA multiplies the USDA Food meal rate by our state's previous school year lunch count. In mid-July, USDA released the USDA Foods meal rate for SY 2023-24. The rate is 29.50 cents per lunch, which is a half cent decrease from 30.00 cents per lunch.

In addition to the decrease in the per lunch rate, DPI has been estimating a decrease in the overall number of lunches served in the state last year, compared to SY 2021-22, when schools were serving free meals.

We've been planning for this decrease to our state's entitlement, and currently our ordering is still within our entitlement budget. Since we are still within our budget, we have no plans to cancel any trucks that we've ordered for this year. If this changes, we will let you know.

It is DPI's goal that all SFAs have had the opportunity to receive the value of USDA Foods that SFAs have earned by the end of a school year.

Handling Fee Rates, SY 2023-24

The [Wisconsin USDA Foods Handling Fee Charges](#) fact sheet is available on the [USDA Foods, Product Values and Fees](#) webpage. DPI administrative and storage fees have not changed from last year. For SFAs that opt for state contracted delivery, delivery fees increased from 4.3 cents to 10.47 cents per gross pound. This is due to significant increases in fuel and labor cost.

The handling fee rates for SY 2023-24 are:

DPI Fee Categories	Handling Fee Per Gross Weight Pound
Administrative Fee	\$.0150 per pound
Storage Fee	\$.0670 per pound
Delivery Fee (only for SFAs using state-delivery)	\$.1047 per pound
Total DPI Fees (for SFAs using state-delivery)	\$.1867 per pound
Total DPI Fees (for SFAs using a commercial delivery vendor) Vendors charge SFAs separately for delivery fees.	\$.0820 per pound

Direct Diversion/Cheese Processing Inventory Sweep Policy

The Sweep Policy is the same policy as last school year. DPI Sweep Policy states the bulk pounds for SY 2023-24 must be used within the school year allocated. SFAs will not be allowed to carry over unused pounds to the following school year. The goal is to use pounds in the school year it is allocated. The costs for processors to store pounds of unused USDA Foods directly affects the cost to your school. Please plan to utilize allocated pounds this school year. On June 30, 2024, any pounds that SFAs have left unused at the processor will be swept into the DPI State Account for redistribution.

State Processed Product C415 Tyson Beef Patties: Bulk Draw Down Increase

Tyson Foods, Inc. recently updated their Summary End Product Data Schedule (SEPDS), impacting State Processed Product C415 Beef Patties (commercial equivalent code 10000055425). The change increases the 100154 bulk beef inventory drawdown per case (column K of the SEPDS). The old drawdown was 26.05 lbs. per case, and the new drawdown is 26.87 lbs. per case.

The updated bulk inventory drawdown per case then impacts the USDA Foods Value per Case (column M of the SEPDS). This new calculation will draw down the SFA's entitlement allocation balance by an additional \$9.46 per case. The bulk entitlement dollar value *per pound* (column L of the SEPDS) remains unchanged.

bulk inventory drawdown per case X entitlement value per pound = bulk entitlement value per case

This value change does not change expected orders. There is no change to the out-of-pocket processing fee or other applicable handling fees, like administration, storage, and delivery. Further, the gross and net case weights remain the same, in addition to the servings per case, crediting information, and allergens.

The entitlement dollar value per case for C415 has been updated on the [Product Values and Fees webpage](#) (formerly Financial Information), in addition to posting a new product specification sheet on the [Product Information webpage](#).

SFAs should note this per case value change when comparing planned budgeted entitlement values against the actual/received value or conducting end-of-year reconciliation. The updated per case value will be reflected in the CARS report.

Wisconsin Local Food for Schools Program (LFS)

The DPI School Nutrition Team was awarded \$3,447,772 from the USDA Agricultural Marketing Service to purchase local unprocessed and minimally processed food. The funding was made available through USDA's Commodity Credit Corporation, to help states deal with the challenges of supply chain disruptions. The Wisconsin Local Food for Schools Program (WI LFS) has already started to build a more resilient local food chain by connecting schools with local, small, and/or socially disadvantaged farmers and aggregators around the state. We have had some great success stories shared with us already, but we want to hear from as many schools as possible!

If you are a school that has received an award, you have until December 31, 2023, to make purchases for this program. DPI is going to request an extension from the USDA, but you should still try to spend your funds as if it ends this year. If you think you will not be able to use your funds, contact us so we can redistribute those funds before December. If you did not receive a sub-award but want to take advantage of the free local foods via the WI LFS Program, please visit our website to find a [list of local aggregators](#) with available funds. There you will find the information you need to contact an aggregator to discuss the LFS Program, their local product offerings, delivery schedules, and any other logistics you need to work out before you place your first order. If you have any questions, please attend our [WI LFS Program Office Hour](#), every Tuesday from 2-2:30 PM.

Procurement

Procurements that involve USDA Foods (both new awards and renewals) for prime vendor/commercial distributor contracts should be started in fall of 2023 with awards or signatures made by the end of January 2024. This timeline accommodates SY 2024-25 USDA Foods Annual Ordering, which happens in mid-February 2024, and applies to contracts that deliver USDA Food Direct Delivery (Brown-Box) items, or for SFAs who do Direct Diversion. For Direct Diversion, SFAs will need to know which processors their commercial distributors use for allocating pounds on the Annual Order. If pounds are allocated to a processor that your commercial distributor does not carry, the SFA (School Food Authority) will not be able to access end-products in SY 2024-25. Consider having a spend down plan for your pounds at a processor. Work with your distributor to ensure you are purchasing/ordering using your pounds first before ordering the commercial equivalent product(s).

The maximum contract duration is 5 years, the base year of the awarded contract with up to 4 optional renewal years. SFAs have local control to set shorter duration contracts or can always go back out to bid earlier than planned.

Although the noncompetitive procurement method option will not be used as frequently as it was during the pandemic, agencies can still conduct emergency purchases as needed, per [2 CFR §200.320](#). This option ensures the continuation of uninterrupted food service. The purchase is short term or for the duration of an emergency event. Emergency Contracts cannot be renewed. Records must be kept for tracking purchases, justification for emergency contracts, and future audits.

Back-to-School Resources

The following items have been updated for SY 2023-24 and are available on the [DPI USDA Foods](#) website:

- [Policy and Procedures for the Wisconsin USDA Food Program](#)
- [Wisconsin USDA Food Distribution: Frequently Asked Questions](#)
- [SY 2023-24 State- Processed USDA Foods Fact Sheets](#)
- [SY 2023-24 Product Entitlement Value, Processing and Handling Fee Charges](#)
- [USDA Foods Recall Procedure for Wisconsin Recipient Agencies](#)
- [USDA Foods Program Timelines \(Calendar\) for Schools](#)
- [Ordering System – Instructions for using the WI USDA Foods Ordering System](#)

USDA Foods Webpage Updates Under Construction

This summer we've been rolling out some webpage changes. It was time to update the information, links, PDF handouts, and general content. We hope these updates are more appropriate for training and overall user accessibility, so you have the tools to run a successful USDA Foods Program. If you have any trouble locating your bookmarked favorites or have ideas you would like to contribute for the redesign, please do not hesitate to contact us at dpisnusdafoods@dpi.wi.gov.

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U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410; or
2. **fax:**
(833) 256-1665 or (202) 690-7442; or

3. **email:**

Program.Intake@usda.gov

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