



Oregon

Tina Kotek, Governor



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DEPARTMENT OF
EDUCATION

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Dr. Charlene Williams

Director of the Department of Education

December 20, 2023

TO: Oregon Child and Adult Care Food Program (CACFP) Center-Based Sponsors

RE: Choice of USDA Foods (commodities) or cash-in-lieu: Fiscal Year (FY) 2024-2025

Oregon Department of Education Child Nutrition Programs (ODE-CNP) is pleased to offer CACFP sponsors the option of receiving either USDA Foods Direct Delivery products or cash-in-lieu of those foods. CACFP operators cannot participate in USDA Foods Bulk Products for Processing.

Note: The USDA Foods Program operates on the school year (Year 2024-25 is 7/1/24 – 6/30/25), which crosses two CACFP Fiscal Years. Changes made as a result of this letter will go into effect July 1, 2024, and continue until June 30, 2025.

What is the USDA Foods Program?

The USDA Foods program provides a variety of food products that are 100% domestically produced and American grown. Products are delivered to the state warehouse, Gold Star Foods, then distributed in each state through their USDA Foods Distribution program. USDA creates the specifications for these products to align with meal pattern requirements, and as such are whole grain rich, minimally processed, and lower in fat and sodium than their commercial counterparts.

The products available in a state are request driven, and those requests must meet a quantity limit to be brought into the state. Once received in the state warehouse, they are available for the sponsor to request delivery to their site(s). ODE's USDA Foods Distribution team is responsible for managing requests, coordinating orders, and assisting sponsor staff throughout. Additional information about the foods offered and how those foods credit toward meal patterns is found in the [USDA Foods in Schools website](#).

Possible benefits of taking USDA Foods instead of cash-in-lieu

- USDA Foods purchases use entitlement, earned with each lunch and supper claimed, and not cash. Service fees for the foods are automatically deducted from meal claim payments in CNPweb.
- USDA has massive purchasing power, and many of the food items may be lower in cost than food you are purchasing commercially. USDA creates specifications and food products that align with meal pattern standards and dietary requirements.
- Food packaging and types of food align with Child Nutrition menus.
- Each USDA Foods product has crediting documentation posted publicly and does not require any other documentation.

Possible drawbacks of taking USDA Foods instead of cash-in-lieu-

- Your per-meal reimbursement will decrease starting with the July 2024 claim. If you participate in USDA Foods, you will be receiving food, not cash-in-lieu payments. The current payment rate is 30 cents per meal. Therefore, currently 30 cents are included in your total meal reimbursement for every lunch and supper reported on the claim.

- Delivery is made by commercial truck and may be an issue for your site.
- Your entitlement amount may not be enough to meet the delivery minimum of 20 cases. Sponsors can share a delivery site to meet 20 case minimum orders.
- Food is packed in commercial sizes, and you may not have storage capacity. Pack sizes are listed on the [USDA Foods in Schools website](#).
- USDA Foods have a shipping/service fee cost, currently 15 cents per pound for Direct Delivery USDA Foods. These fees are collected from meal reimbursements and visible in CNPweb.

Next Steps:

- If you wish to keep your current selection, no action is required.
- If you wish to change from cash-in-lieu and select USDA Foods for Program Year (PY) 2024-25 (July 1, 2024 - June 30, 2025), please indicate that choice on line 135 on your CNPweb sponsor information sheet in **Fiscal Year 2024** by **Tuesday, January 16, 2024**. Make sure to have your assigned specialist approve the change to your sponsor information sheet. See the below screen shot from CNPweb on sponsor information sheet, line 135:

For Sponsor of Centers Only

(135) In the next Federal Fiscal Year (2025), Sponsor will elect to receive:

Cash-in-Lieu of USDA Foods
 USDA Foods

Sponsor is currently approved to receive USDA Foods

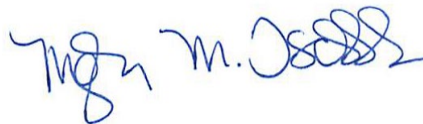
- If you select USDA Foods:
 - You will not receive cash-in-lieu payments on your claim for the USDA Foods PY 2024-25 (July 1, 2024 - June 30, 2025).
 - In January 2024, ODE Food Distribution Program staff will reach out to you to discuss the program and next steps. You will get to choose the foods you want to order and the month you want them. Ordering is set to commence February – March 2024.
- If you would like to further research USDA Foods, the [ODE USDA Foods website](#) has many resources and training materials. If you would like us to call you and personally discuss the program in advance, we would be happy to do so.

Please contact us at ode.fooddistribution@ode.oregon.gov with any questions.

Sincerely,



Damasita Sanchez, SNS
 Manager, USDA Foods and Procurement
 Child Nutrition Programs



Meghan Tschida
 Manager, Community Nutrition
 Child Nutrition Programs

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cc: ODE CNP Community Nutrition Team

Oregon Department of Education

255 Capitol St NE, Salem, OR 97310 | Voice: 503-947-5600 | Fax: 503-378-5156 | www.oregon.gov/ode