



United States
Department of
Agriculture

Food and
Nutrition
Service

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SUBJECT: Information and Guidance on the Domestic Beef Market

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

State Distributing Agencies
All States

The purpose of this memorandum is to provide information and guidance to State agencies and school food authorities (SFAs) on the current status of the domestic beef market.

As you may be aware, wholesale prices for ground beef have increased more than 30% since last year. Both commercially- and the Department of Agriculture (USDA)-purchased beef prices continue to rise, and supplies of domestic beef are tight nationwide.

USDA understands that lean beef is a popular ingredient in school cafeterias across the country, and that SFAs are working hard to plan menus and coordinate food purchases for the coming months. USDA continues to encourage schools to purchase and use beef in their menus as a good source of lean protein.

USDA's Agricultural Marketing Service (AMS) and Food and Nutrition Service (FNS) are working to address challenges related to the current market situation. States and SFAs should be aware that supply interruptions for USDA Foods are primarily limited to USDA beef that is purchased for further processing. Products that USDA delivers directly to States (i.e., USDA fine grind, patties and cooked meat items) have been steadier in supply and have experienced fewer related delays. However, AMS is engaging with the industry to increase the number of domestic beef suppliers by approving new processing plants, in addition to coordinating with FNS to ensure that beef purchases are equitably allocated to all States and processors.

In the short-term, should schools find that they are unable to afford or secure sufficient quantities of beef commercially or through USDA Foods, we are offering the following guidance on ways that schools can ensure they obtain protein sources to provide students with healthy, balanced meals. USDA offers a wide selection of lower cost protein-rich foods, including chicken, pork, fish, legumes, cheese, and eggs, that may be readily

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incorporated into local menu planning. In many cases, meal pattern crediting for these foods will be similar, particularly if their fat content is consistent with that of the beef that might have been used. Furthermore, other meat products are often available in the same forms that are available for beef (e.g., ground, patties, etc.), simplifying recipe substitutions. In addition to the protein products described above, fruits and vegetables continue to be plentiful and are available to expend USDA Foods entitlement dollars.

For more information on alternative purchasing options, please visit the Food Buying Guide for school meals at: <http://www.fns.usda.gov/tn/food-buying-guide-school-meal-programs> and USDA Foods List at: http://www.fns.usda.gov/sites/default/files/SY15_Foods_Available_List_5_14_14.pdf. USDA's Team Nutrition also offers helpful tips and guidance for SFAs interested in expanding the use of meat alternates such as legumes and cheese in their menu planning. Please see: http://www.fns.usda.gov/sites/default/files/jtf_beans.pdf and http://www.fns.usda.gov/sites/default/files/jtf_milk.pdf

USDA will continue to keep State agencies apprised of new developments regarding the beef market and related procurements. State agencies should immediately distribute this guidance to their SFAs and work with SFAs to adjust USDA Food orders as needed. SFAs with questions concerning this guidance should contact their State Agency. State agencies with questions should contact the appropriate FNS Regional Office.

Original Signed

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for
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