

Supplying Food Products to School Nutrition Programs

Understanding the School Nutrition Market¹

School nutrition programs represent one of the largest and most stable food service markets in the U.S., backed by consistent federal and state funding. However, for a supplier to succeed in this channel, they must understand the unique financial, regulatory, and operational constraints these programs face. For the 2024-25 school year, the United States Department of Agriculture (USDA) per-meal reimbursements range from \$2.37 for breakfast to \$4.43 for lunch, with strict limitations based on student income levels. With only about 44% of that reimbursement assigned to the food costs per lunch meal⁶, product pricing must align with these tight financial parameters while still meeting all nutritional requirements. Despite these challenges, vendors meeting the needs of school nutrition programs will be able to access a market representing a wide geographical area with a reliable customer base and a consumer with little choice at the point of purchase.

Crediting and Meal Requirements¹

Creating a reimbursable meal involves fulfilling a set of nutrition crediting requirements based on the student's age and the meal period of service as defined by the USDA². In simple terms, crediting tells a school nutrition director how much of a food item counts toward the required components of a meal under the National School Lunch or Breakfast programs. Food groups with crediting requirements include protein, whole grains, fruit and vegetables, and milk, and are based on the Food Buying Guide according to the number of servings per purchase unit. For example, a one-ounce serving of peanut butter is considered a one-ounce equivalent of meat/meat alternate, but a two-ounce serving of Cottage Cheese is required for a one-ounce equivalent of meat/meat alternate.

Determining crediting for a food product is primarily done by comparing the potential product to the USDA Food Buying Guide³. For more complex items, especially those crediting as protein or grain, a Product Formulation Statement (PFS) is the preferred school nutrition program reference⁴. This document lists the ingredients contributing to the relevant credit, values according to the Food Buying Guide, and how the end product meets the crediting requirements. Successful products in school nutrition meet the school's requirements for price, crediting, and student acceptability. Beyond crediting, school meals must also align with (sometimes district-specific) health and consumer trends, like whole grain standards, reduced sugar or sodium, and increasing demand for plant-based or antibiotic-free proteins.

Entering the Market¹

There are several ways to gain a foothold in the school lunch program. Building relationships with school-focused distributors that can assess your product viability and identify interested programs can save time and increase a potential vendor's chances of success. In addition, a potential vendor should look for opportunities to participate in a local School Nutrition Association (SNA) event or food show (almost all states have one or more per year). Manufacturers must, however, not only be prepared for the operational demands and delays inherent in the public school system, but also understand that they must navigate a defined public procurement process with set timelines, procedures, and compliance requirements in the current academic year for the following academic year.

Preparing Product Information for Schools

AURI can assist in preparing a product-specific Product Formulation Statement, nutrition facts panel, and other information needed for schools. To prepare, a business will need:

- Detailed information on ingredients and processes
- Weight-based formulation⁵
- Product serving size

It is also advisable to prepare relevant product information in a one-page sales sheet that can be combined with the Product Formulation Statement. Sales sheet details should include:

- Product type
- UPC Code
- Size (Serving Size)
- Servings/Case
- Shelf Life
- Nutrition Facts
- Ingredient and Allergen Information
- Summary of crediting

To get started on creating compliant Product Formulation Statements for your food product, register for a consult at auri.org/focus-areas/food/how-auri-can-help/.

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References

1. Commentary from Minneapolis Public Schools Culinary & Wellness Services (Aaron Krulc), May 22, 2024
 2. USDA School Meal Pattern/Crediting Guidelines: www.fns.usda.gov/nslp/national-school-lunch-program-meal-pattern-chart
 3. USDA Food Buying Guide: foodbuyingguide.fns.usda.gov/
 4. USDA Resources for Food Manufacturers/Industry: www.fns.usda.gov/cn/labeling/food-manufacturersindustry
 5. Converting Your Food Product Recipe to a Formula: auri.org/guides/food-team-one-point-lessons/
 6. School Nutrition Association, School Meal Statistics: schoolnutrition.org/about-school-meals/school-meal-statistics/
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