



# Food Distribution National Policy Memorandum

United States  
Department of  
Agriculture

Food and  
Nutrition  
Service

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Alexandria, VA  
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**DATE:** November 4, 2005  
**POLICY NO.:** FD-049: State Processing  
**SUBJECT:** Commodity Cheese Substitution

To assist school food authorities in reducing fat and providing healthier options for students we are allowing commercial food processors to substitute specific commodity cheeses with other varieties of cheese beginning July 1, 2006.

To further facilitate this type of substitution, we will allow processor's utilizing commodity cheese to commingle all commodity cheese, regardless of commodity code, into a single cheese inventory for each State agency. Processors must still report in Part A of the Monthly Performance Report all Delivery Orders received during the month and the appropriate pounds. All of the commodity codes for cheese may be reported on one Monthly Performance Report instead of reporting each commodity code of cheese on a separate Monthly Performance Report.

Due to food safety concerns, no substitution or commingling of backhauled commodity cheese is allowed.

This policy is applicable to all commodity cheeses except the twelve commodity codes listed below that are already of such a form and pack size that they are appropriate for recipient agency use in the form delivered by USDA. Processors, such as "pre-platers," that receive direct diversions of these twelve cheeses may commingle the cheese into one inventory, but may not substitute other cheeses for these twelve commodity codes.

<u>Commodity Code</u>	<u>Short Title</u>	<u>Commodity Code</u>	<u>Short Title</u>
B007	Chse Rdu Fat 2	B061	Cheese 24
B027	Ched Rd Ft Shd Y	B065	Cheese Sliced Yel
B028	Ched Rd Ft Shd W	B066	Cheese Sliced W
B031	Cheddar Shred Y	B119	Cheese Blend Slc
B032	Cheddar Shred W	B133	Cheese Blend Slc W
B059	Cheese Sliced	B157	Cheese Sliced Wh

Except for the "specialty" cheeses in the bullets below, processors may substitute any variety of cheese, full fat, reduced fat, low-fat, or fat-free, that is of domestic origin on a pound-for-pound basis for commodity cheese and draw down against a recipient's commodity inventory. For example, a processor may substitute one pound of Reduced Fat Pepper Jack cheese for one pound of commodity cheddar.

These “specialty” cheeses are an acceptable substitution for commodity cheese at the designated substitution rates:

- Gruyere, Parmesan, Romano, and Skim cheeses may be substituted for commodity cheese at the rate of 0.75 pounds of the substitute cheese for each pound of commodity cheese.
- Asiago, Blue, Gorgonzola, and Roquefort cheeses may be substituted for commodity cheese at the rate of 1.25 pounds of the substitute cheese for each pound of commodity cheese.
- Brie and Camembert cheese may be substituted for commodity cheese at the rate of 1.50 pounds of the substitute cheese for each pound of commodity cheese.
- Feta and Ricotta cheese may be substituted for commodity cheese at the rate of 1.75 pounds of the substitute cheese for each pound of commodity cheese.

Under no circumstances shall a processor substitute cheese that is “cheese food,” “cheese spread,” “artificial,” “alternate,” “analog,” “imitation,” “replacement,” “substitute,” or the like for commodity cheese.

The American Commodity Distribution Association Processing Committee is updating End Product Data Schedule (EPDS) 4 to accommodate this type of cheese substitution and any continued nonfat dry milk processing. Processors should use the revised EPDS 4 for end product formulations utilizing this cheese substitution.

Multi-State processors must submit EPDS to FNS for approval prior to any substitution under this policy. In-State processors must submit EPDS to the State agency for approval prior to substitution. All substitute cheeses are subject to the 100% Yield requirement. Value-pass-through must occur at the 33-month average price for cheese calculated and published by FNS for the specific school year.

Please contact Sherry Thackeray at (703) 305-2652 or David Brothers at (703) 305-2668 with questions about this policy or for assistance completing the end product data schedule.



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