

Background

This is the third study that provides national estimates of the type, quantity, dollar value and unit price of food acquisitions by public school districts participating in the National School Lunch Program (NSLP) and School Breakfast Program (SBP). The study examines the overall changes in the composition of the entire school food market basket including foods purchases for a la carte sales and the relative importance of donated USDA Foods. It also provides insight into the relationship between district characteristics, purchasing practices, and food costs.

Study Objectives

The key research objectives were to:

- (1) Develop national estimates of the types, amounts, and costs of food acquired (purchased food and USDA donations).
- (2) Describe changes in the mix of foods acquired by schools since the last study of school food purchases (School Year (SY) 1996/97).
- (3) Examine the mix of foods acquired and the prices paid by district characteristics such as enrollment size, urban vs. rural, use of food service management companies, etc.
- (4) Describe and identify relationships between food purchase practices, school district characteristics, and the cost of foods.

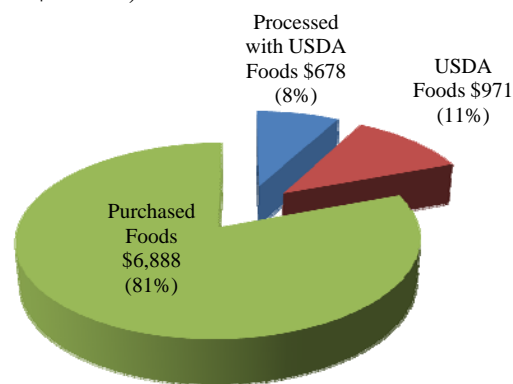
Methodology

A nationally representative sample of 420 public school districts provided source documents (vendor summaries, copies of invoices, etc.) of all food acquisitions for 3 months of SY 2009/10. School districts were randomly assigned evenly to all four quarters of the school year. The sampled districts also completed a procurement practices survey to collect basic descriptive information on the district, its food service operation, and procurement procedures.

Findings

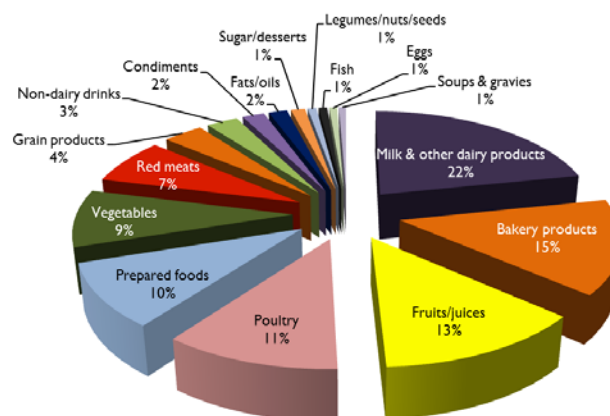
- **In SY 2009/10, unified public school districts acquired food valued at more than \$8.5 billion.** Of the total value of school food acquisitions, 81 percent was purchased commercially, 11 percent was USDA Food donations, and 8 percent was processed product containing donated USDA Foods.

Share of purchased foods, donated USDA Foods, and processed with USDA Foods in SY 2009/10 (fair market value in \$millions)



- **Milk and other dairy products represented the largest food group by value, accounting for 22 percent of the total.** Bakery product represented 14 percent, and fruits and fruit juices 13 percent. Poultry, prepared foods, and vegetables all fell in the 9-11-percent range.

Share of food product acquisitions in SY 2009/10 by public unified school districts (dollar value)



- **School districts acquired a wide variety of food products as evidenced by the 865 distinct products acquired.** However, the top 100 items accounted for 73 percent of the total value of foods acquired.
- **USDA Foods continued to be an important source for certain foods.** Donated USDA Foods accounted for 40 percent or more of the value of cheese, turkey, beef, and chicken acquired by school districts, and almost a third of the fruit.
- **Ongoing USDA efforts to improve the nutritional profile of school meals can be seen in the changes in food acquisitions between SY 1996/97 and SY 2009/10.** Poultry, bakery products, and fruits and fruit juice acquisitions increased by over 50 percent. The relative importance of fresh produce increased from 8 percent of total pounds to 13 percent. Acquisitions of fruit juices and water replaced fruit drinks and carbonated beverages. Acquisitions of vegetable oils and shortenings, margarine, butter, and sugar have noticeably decreased by at least one-third.
- **There is clear movement toward the increased acquisition of foods that offer more convenience in terms of preparation and service.** Purchases of prepared foods (pizza, prepared sandwiches, etc.) and soups increased by 39 percent and 63 percent, respectively.
- **Methods of food procurement varied among school districts and by food type.** Most school districts use formal bidding procedures (fixed price, fixed price with an escalator) to purchase most product lines. However, for fresh produce, where market conditions and prices can change rapidly, informal procurement methods (bids, quotes) are used frequently.
- **Almost half of all school districts participated in some form of cooperative buying with other districts, particularly for canned/staple foods and frozen foods.**
- **About one in five school districts purchased locally grown produce.** Of those buying locally, the majority (68 percent) were school districts with 1,000 to 4,999 students. Apples were the most common locally purchased item.
- **Approximately 13 percent of public school districts serving 15 percent of the student enrollment used food service management companies (FSMCs).** FSMCs have concentrated their operations in mid-sized school districts but are found in districts of all sizes.
- **No one procurement method produced the lowest food prices for all foods.** Formal bidding methods and formal contract price terms were most successful at achieving the lowest unit price.

For More Information

U.S. Department of Agriculture, Food and Nutrition Service, Office of Research and Analysis, School Food Purchase Study-III, by Nick Young *et al.* Project Officer: John R. Endahl, Report CN-12-SFPSIII, Alexandria, VA: March 2012.

Download full report at:
<http://www.fns.usda.gov/ora/MENU/Published/CNP/cnp.htm>

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