

# Wisconsin Local Food for Schools (WI LFS) Program Frequently Asked Questions (FAQs)

## Contents

Wisconsin Local Food for Schools (WI LFS) Program Frequently Asked Questions (FAQs) .....	1
Local and Regional Food .....	1
Beneficiaries.....	3
Allowable Costs.....	4
Reimbursement .....	5
Allowable Contracts.....	6

## Local and Regional Food

### Q1.1 What is the definition of “local and regional food” for this program?

Local and regional food is raised, produced, aggregated, stored, processed, and distributed in the locality or region where the final product is marketed to consumers, so that the total distance that the product travels between the farm or ranch where the product originates and the point of sale to the end consumer does not exceed 400 miles, or both the final market and the origin of the product are within the same State or territory. Food must also meet the requirements of the definition of “domestic food”.

### Q1.2 How do subawardees identify and report the farmer/producer for commingled products? For example, milk processing and beef processing.

In the situation where the aggregator/processor/producer is using multiple sources for local product, DPI will accept a statement with a list of farmer/producer sources. Ideally, the actual sources can be provided to the SFA for reporting purposes.

### Q2. What does “domestic” food mean?

**Domestic Food** means “Agricultural Commodity” product grown, processed, and otherwise prepared for sale or distribution exclusively in the United States or its territories, except with respect to minor ingredients. Minor ingredients from nondomestic sources will be allowed to be utilized as a United States product if such ingredients are not otherwise: (1) produced in the United States; and (2) commercially available in the United States at fair and reasonable prices from domestic sources. The following ingredients are determined by AMS Commodity Procurement as not available at fair and reasonable prices and are waived from U.S. origin

restrictions: (1) Vitamin A (Retinol Palmitate), (2) Vitamin D, (3) Carageenan (stabilizing agent), (4) Sorbic Acid (preservative), (5) Potassium Sorbate (preservative), (6) Rennet (coagulant), (7) Items excepted from the Buy American Act under FAR 25.104 Nonavailable Articles.

**Q3.1 Does the headquarters of a producer or supplier have to be in the same state or within 400 miles of the delivery destination to be considered a “local or regional” supplier?**

Yes. To be considered "local or regional," the producer or supplier **corporate** headquarters must be in the same state or within 400 miles of the delivery destination.

**Q3.2 Can I purchase local unprocessed or minimally processed food from my current prime vendor?**

It depends. If your prime vendor’s corporate headquarters is in Wisconsin or within 400 miles from the corporate headquarters to the SFA, it is allowable. If the prime vendor’s corporate headquarters is located out of state, or is more than 400 miles from the SFA, purchases are unallowable. If purchasing directly from a farmer/producer, the farmer/producer may subcontract with a commercial distributor for delivery. The DPI SNT could reimburse the producer/farmer for the eligible product.

**Q3.3 Our milk vendor corporate headquarters is in Minnesota, but the raw milk comes from dairies in Wisconsin. Can we use LFS funds to reimburse fluid milk purchases?**

It depends. If the milk vendor’s corporate headquarters is in Wisconsin or within 400 miles from the headquarters to the SFA, it is allowable. If the milk vendor’s corporate headquarters is located out of state or is more than 400 miles from the SFA, purchases are unallowable. As a reminder, if the SFA is using Supply Chain Assistance Funds (SCA) to cover fluid milk purchases, LFS funds cannot be used to reimburse invoices already paid by SCA.

**Q4.1 What does “unprocessed or minimally processed” food mean?**

Unprocessed or minimally processed means food that retains the inherent character. The following handling and preservation techniques are allowable:

- Refrigerating
- Freezing
- Size adjustment made by
  - Peeling
  - Slicing
  - Dicing
  - Cutting
  - Chopping
  - Shucking
  - Grinding
  - Pureeing
- Forming ground products into patties without any additives, preservatives, or fillers
- Drying or dehydration
- Washing
- Packaging (such as placing eggs in cartons)
- Vacuum packing and bagging (such as placing vegetables in bags or combining two or more types of vegetables or fruits in a single package)
- Adding of ascorbic acid or other preservatives to prevent oxidation
- Butchering livestock and poultry

- Cleaning fish
- Pasteurization
- Canning \*do not purchase/serve, or accept as donation, home canned or unlabeled
- product. All canned food must come from a licensed food processor

Examples of allowable food products include fruits and vegetables (including 100% juices); grain products such as pastas and rice; meats (whole, pieces, or food items such as ground meats); meat alternates such as beans or legumes, and fluid milk and other dairy foods such as cheese and yogurt. Foods in a wide variety of minimal processing states (e.g., whole, cut, pureed, etc.) and/or forms (e.g., fresh, frozen, canned, dried, etc.) are also allowable.

#### Q4.2 Is maple syrup allowable?

Yes.

#### Q5. What foods are considered unallowable?

Foods that are generally understood to be significantly processed or prepared are unallowable. Examples of unallowable products would include baked goods such as breads, muffins, or crackers; prepackaged sandwiches or meals; other prepared and/or pre-cooked items that come ready-to-eat or that require no further preparation beyond heating (e.g., chicken nuggets, fish sticks, pre-made pizzas, etc.).

## Beneficiaries

#### Q6. What is the definition of a small business? Is there a certification process?

A business that is: a for profit-business of any legal structure; independently owned and operated, not nationally dominant in its field, and physically located and operated in the U.S. or its territories. There is no required certification or validation process.

#### Q7.1 What is the definition of socially disadvantaged producers?

For the purpose of this program, "socially disadvantaged" is a farmer or rancher who is a member of a Socially Disadvantaged Group. A Socially Disadvantaged Group is a group whose members have been subject to discrimination on the basis of race, color, national origin, age, disability, and, where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program.

#### Q7.2 Does a woman owned business qualify as a socially disadvantaged group?

Yes. Woman owned businesses, including shared ownership, qualify as socially disadvantaged.

#### Q8.1 Is it required to target purchases from farmers and producers who are both small businesses and socially disadvantaged, or just one or the other?

Applicants should indicate in their plan the steps they will take to target both populations. The farmers and producers targeted can be either a small business, socially disadvantaged, or both.

**Q8.2 Is there a list of approved farmers/producers?**

There is not an approved farmers/producers list for the WI LFS program. A program goal is to create and expand on a list of industry partners that offer local foods to SFAs (farmers/producers/distributors/processors/aggregators/food-hubs, etc.).

Subawardees can use the WI LFS Subawardee and Eligible Beneficiary List as a starting place to connect. The file includes all subawardees both SFAs and Non-SFAs, along with all eligible SFAs in WI participating in the NSLP and/or the SBP. As of July 2023, the file also includes farmers/producers and eligible product(s) reimbursed to date. These lists will be updated throughout the program period of performance on the [Local Procurement webpage](#).

SFAs are not limited to purchasing from non-SFAs or the list of eligible food reimbursed to-date. Continue finding and making farmer/producer connections to expand our local supply chain.

Another resource to locate farmers/producers is the [AmeriCorps Wisconsin Local Foods Database](#). Both Non-SFAs and SFAs are encouraged to register in the database to continue connections beyond the WI LFS Program performance date.

**Q9. How can Non-School Food Authorities (Non-SFAs) (public or private, non-profit or for-profit organizations) connect with eligible program beneficiaries about opportunities to be a supplier or distributor?**

Organizations interested in participating as a supplier or distributor may contact SFAs on the Eligible Beneficiaries List (SFAs participating in the NSLP and or SBP), which is posted on the [WI DPI SNT Local Procurement webpage](#).

**Q10. Does all food purchased need to be distributed to School Food Authorities (SFAs)?**

Yes. Food purchased through the program must be distributed to schools that participate in the National School Lunch Program (NSLP) or School Breakfast Program (SBP).

**Q11. Can animals raised by Future Farmers of America, 4H Clubs, student clubs and/or culinary programs on school campuses be used in SFAs?**

Yes. If the sub-awardee is a Non-SFA, a FEIN and UEI number is required. Per USDA Memo SP 01-2016, CACFP 01-2016, SFSP 01-2016 meat, poultry, game, and eggs must be processed in a USDA or State Inspected facility. Additional requirements from local authorities may apply.

**Allowable Costs**

**Q12.1 What can be included in the final product cost?**

The final product cost can include the food along with minimal processing and packaging. See question 5 above for a definition of minimal processing. Packaging can include bulk or individual unit size packaging. Storage and distribution costs can be built into the final product unit cost or billed as a separate line item or invoice. Minimal processing and packaging costs cannot be billed as a separate line item or invoice.

**Q12.2 Can WI LFS Program funding be used to purchase livestock, live animals, or cattle?**

No. Funding can only be used to purchase unprocessed or minimally processed food. DPI will reimburse SFAs for the hanging or product received weight, not the live weight. At these stages, the meat has been minimally processed. We recommend any processing be included in the final product unit cost. For example, ground beef, sirloin, ribeye, stew meat, chuck roast, etc.

**Q13. Can funding be used for infrastructure investments, such as equipment purchases?**

No. LFS program funding is for food purchasing. [Per the AMS Grants Division General Terms and Conditions \(pdf\)](#), acquisition costs of general purpose equipment or lease agreements to own (i.e., lease-to-own or rent-to-own) are not allowed. Equipment rentals are allowed, but the lease or rental agreement must terminate at the end of the grant cycle. These equipment costs must be disclosed and pre-approved by DPI SNT prior to the rental.

**Q14. What types of costs are allowable for the LFS program under the categories of storage and distribution?**

Allowable costs under the categories of storage and distribution may include any typical direct costs associated with the storage and distribution of commodity products. Examples include direct salaries for temporary warehouse workers; lease or rental of delivery trucks or other equipment (forklifts, refrigerators, freezers, etc.); payments/fees for common carriers for transporting or storing commodities; lease or rental of warehouse space; or supplies used in the storage and handling of commodity products (boxes, pallets, etc.). Applicants that have questions concerning the allowability of specific costs should contact the DPI SNT Procurement team at [dpisntlfsprogram@dpi.wi.gov](mailto:dpisntlfsprogram@dpi.wi.gov).

**Q15. Can LFS Program funds be used to purchase seeds, hydroponic units, maintain school gardens, or support nutrition education events?**

No. These activities are unallowable costs for the WI LFS Program. SFAs can use other funds in the non-profit school food service account to cover these expenses. Non-SFAs will need to use alternative funding, if these activities are desired, to coordinate or compliment WI LFS food purchases. For forward contracting and investment costs, see FAQ 19.

**Reimbursement**

**Q16. Will advance payments be available?**

No. Sub-awardees will request reimbursement after qualified purchases are made. Reimbursements can be submitted to the DPI SNT using the reimbursement form along with supporting invoice(s) and receipt of delivery to an eligible SFA beneficiary (as applicable).

**Q17. Can SFAs partner with Non-SFAs who purchase from local and regional, small businesses, and/or socially disadvantaged farmers/producers? If yes, who submits the claim to DPI SNT?**

Yes. SFAs can partner with Non-SFAs. Consider the following for submitting an allowable reimbursement:

**SFA Beneficiary *Subawardee***

The SFA may purchase directly from the farmer or indirectly through a food-hub/aggregator, or other type of organization. The SFA will first pay the farmer/other organization for the cost of the allowable products. The SFA will then request reimbursement with DPI SNT. The farmer/other organization cannot also request reimbursement with DPI SNT for the same product.

**SFA Beneficiary *Non-Subawardee***

The SFA will receive the food free from either an SFA-subawardee or a Non-SFA subawardee. The subawardee requests reimbursement with DPI SNT along with a delivery receipt to an eligible SFA(s). Subawardee will also need to provide DPI SNT with invoices from qualified farmers/producers. More detailed instructions on the reimbursement process will be provided to subawardees, upon notification of award. Subawardee administrative costs are unallowable.

SFAs need to be aware of supplanting. The funds awarded through the LFS must supplement (by increasing or expanding) but not duplicate, existing food procurement and food distribution activities of the non-profit school food service account. For example, food already paid for using Supply Chain Assistance Funds (SCA), Fresh Fruit and Vegetable Program (FFVP), DoD Fresh Produce, etc., cannot also be claimed under the LFS Program.

**Allowable Contracts**

**Q18. Can SFAs and Non-SFAs use LFS funding to facilitate a multi-school year contract?**

Yes. DPI SNT guidance for multi-year contracts is one base year, with the option to renew four additional school years. This is a total of 5 years. The LFS Program funds would only cover part of that contract duration, but SFAs can continue to purchase using other non-profit school food service funds. Non-SFA can continue selling non-LFS funded product to SFAs. During the procurement, SFAs should determine the price escalator (e.g., Consumer Price Index (CPI) to justify a requested price increase at renewal time. A core objective of the LFS Program is to create sustainable partnerships beyond the life of this program.

**Q19. Can SFAs and Non-SFAs use LFS funding to award forward contracts?**

Yes, within program limitations. The LFS Program funds can only be used to reimburse for the final allowable food product. However, contracts can be entered into at any time in the growing process. Advance payments for forward contracts are an allowable non-profit school food service account expense. Non-SFAs would need to utilize alternative funding sources for advanced payments.

For LFS reimbursement purposes, DPI SNT will need to review the invoice for delivered products, including any other invoices paid prior to the final invoice. For example, if the contract is for 100 bushels of corn at \$5 per bushel, \$500 may be broken out into three payments over the life of the contract. The SFA would submit all three invoices to total the \$500 in product to DPI SNT for payment.

**Q20. Is the Wisconsin Local Food for Schools (LFS) Program the same program as the Supply Chain Assistance Funds (SCA)?**

No. These are two separate funding opportunities. Supply Chain Assistance (SCA) Funds can be used exclusively for the purchase of unprocessed or minimally processed domestic food products. However, the funds are not limited to local purchases. Furthermore, SFAs received payment allocations directly prior to purchasing to use funding. These funds are provided to help SFAs deal with challenges such as unanticipated cancellation of food contracts, reduced availability of certain foods, unexpected substitution of certain products, unpredictable increases in food and supply prices, and other obstacles related to pricing and/or availability. For additional information, please consult the [SCA Policy Memo and Q&A](#) and the [DPI SNT February 1, 2022 School Nutrition Bulletin](#).

**Q21. Are SFAs under a Food Service Management Company (FSMC) contract, Vended Meal Agreement (VMA), or Joint Meal Agreement (JMA) eligible to participate in the LFS program?**

Yes. SFAs operating under a Fixed Meal Price contract (FSMC, Vended, Joint) will require an amendment. Contact [dpisntlfsprogram@dpi.wi.gov](mailto:dpisntlfsprogram@dpi.wi.gov) to request the contract amendment template. No additional steps are needed for Cost Reimbursable FSMC contracts.