



Food Distribution National Policy Memorandum

United States
Department of
Agriculture

DATE: March 30, 2012
POLICY NO: FD-121: National School Lunch Program

Food and
Nutrition
Service

SUBJECT: Donated Foods Possibly Containing Lean Finely Textured (LFT) Beef

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The Department of Agriculture (USDA) considers donated foods that contain lean finely textured (LFT) beef to be safe and nutritious. LFT beef is derived from a process that separates beef from trimmings to reduce the overall fat content. USDA beef specifications for school year (SY) 2012 beef purchases allow vendors the option to use LFT beef in all such products except canned beef, boneless beef combos, and special trim products (which are whole muscle cuts, not ground). USDA beef specifications allow the inclusion of up to 10 percent of LFT beef in coarse grind and up to 15 percent of LFT beef in all other ground beef products. Therefore, current inventories and all pending deliveries up to June 30, 2012 of all ground beef products may or may not contain LFT beef.

SY 2012 Beef Orders and Current Inventories

USDA strongly encourages all State distributing agencies (SDAs) and school food authorities (SFAs) that have ordered donated beef products for use in the National School Lunch Program (NSLP) to use them as intended. However, USDA will permit SFAs not to use donated beef products in current inventories if the procedures below are followed. In making such a decision, SFAs should consider that USDA cannot provide entitlement credit or reimbursement for any processing-related fees or replacement product.

Reallocation or Transfer of Inventories at SDA Storage Facilities

If the SFA does not wish to use donated beef products at SDA storage facilities in its school food service, the SDA must determine if they can be reallocated to another SFA that is willing to use them in an efficient manner. If donated beef products in SDA inventories cannot be reallocated to another SFA, the SDA must determine if they can be transferred to another SDA for distribution to SFAs in NSLP, or if such foods can be transferred for use in the Emergency Food Assistance Program (TEFAP), or another eligible charitable institution. SDAs will be responsible for any transportation costs, and there will be no compensation to an SDA or SFA for lost entitlement.

Reallocation or Transfer of Inventories at Processors

If the SFA does not wish to use donated beef products at processors or distributors in their school food service, the SDA may reallocate such donated food inventories to another SFA that is willing to purchase end products containing such food. The SDA may also transfer such inventories to another SDA doing business with the same processor, if the receiving SDA can ensure that end products processed from such

donated foods will be purchased in a timely manner. However, donated beef products may not be transferred from one processor to another processor, except in those cases approved by the Food and Nutrition Service (FNS).

Donation of Foods in SFA Inventories

Donated foods received at SFA storage facilities may be stored and inventoried together with the SFA's purchased foods in a single inventory management system, and are subject to the same requirements as purchased foods. In accordance with Section 9(l) of the Richard B. Russell National School Lunch Act, the SFA may donate any food not used in NSLP to local food banks or other charitable organizations. Such provision is applicable to donated beef products in SFA inventories that SFAs decide not to use in their school lunches. Therefore, if SFAs decide not to use such beef products, they should make every effort to donate them to a food bank or other charitable organization that can efficiently use the foods to serve needy people.

SY 2013 Beef Orders

For SY 2013, USDA will offer a choice to order beef that does not contain LFT beef or to order beef that may contain LFT beef. USDA will be purchasing ground beef products without LFT beef using the current WBSCM material codes, as follows:

- 100130, beef spp patty, homestyle ckd
- 100134, beef crumbles w/spp
- 100154, beef coarse ground, frz - processing
- 100158, beef fine ground, frz
- 100160, beef spp patty, frz
- 100161, beef 100% patty, frz
- 100162, beef patty 90/10, frz
- 100163, beef patty lean 95/5, frz

New WBSCM material codes will be created for beef products that might include LFT beef. Orders already placed in WBSCM for SY 2013 will default to beef products without LFT beef.

Questions regarding current donated food inventories and future orders of beef products should be directed to Sherry Thackeray at (703) 305 – 2652 or David Brothers at (703) 305 – 2668.



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