Leverage the Buying Power of a Co-op for Cleaner Labels and Healthier Items

Herding the Cats to Make Focused Purchasing Decisions!
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Introductions and Overview
Learning Objectives:
Key Area 2  Operations - Procurement

1. Identify resources for good food standards.
2. Outline steps for co-op coordination to review order guide.
3. Describe process for setting up order guides to align with good food and purchasing goals.
4. Describe activities and processes for educating co-op membership and developing distributor/manufacturer engagement in purchasing decisions.
What was the Situation?

- Huge prime vendor order guide lists
- Too many options
- Inability to leverage buying volume
- Order guide included items not NSLP compliant
- Co-operative coordination was difficult
- Missed opportunities to save money and maximize purchasing rebates/volume discounts
HERDING CATS:

“A futile attempt to control that which is inherently uncontrollable.”
Getting Started
Process and Goals

Goal of Steering Committee: To engage a steering committee of school district members to guide the development of the Co-op order guide. Focus on quality standards for products, product mix and strategic commodity utilization.

Objectives:
- Develop a set of criteria for evaluation of product items on the Co-op order guide including determining whether or not to keep an item, steps for removing underutilized items and setting criteria for evaluating new items to add to order guide
- Streamline and simplify the order guide and ordering process/workload
- Develop feedback process for product evaluation by district member schools, their students and staff/community.
Why did we do this?

• Focus our buying power on better quality foods (nutrition, cleaner label)
• Streamline order guide for easier ordering
• Guide purchasing decisions for better pricing (volume)
• Influence items that Prime Vendor will stock for the school market
• Identify product lines for planned shared database, including nutrition information, PFS, Buy American, USDA meal component compliance
• Simplify!
What we did:

• Determined standards
• Removed items that don’t meet standards or were duplicates
• Identified preferred items to be included
• Focused on quality, nutrition, price and acceptability
• Identified product lines for planned shared database, including nutrition information, PFS, Buy American, USDA meal component compliance
Parameters and Criteria
Criteria

- Compliance and meet meal pattern (meet/exceed USDA guidelines)
- Prefer to not have ingredients of concern*
- Certified Responsible Antibiotic Use (CRAU), Antibiotic Free (ABF)
- Packaging options
- Commercial Equivalent items for Directly Diverted items
- Origin/Source identified, Buy American
- Acceptable to students
- Big 8 allergens identified; No hidden ingredients
- Volume
- Price

*Reference List: Unwanted Ingredients List (Ingredient Guide for Better School Food Purchasing, School Food Focus)
The Harmful 7 Cheat Sheet (https://www.ltfoundation.org/the-harmful-7/)
The Harmful 7 Cheat Sheet

- Trans Fats & Hydrogenated Oils
- High-Fructose Corn Syrup
- Hormones & Antibiotics
- Processed & Artificial Sweeteners
- Artificial Colors & Flavors
- Artificial Preservatives
- Bleached Flour

https://www.ltfoundation.org/the-harmful-7/

<table>
<thead>
<tr>
<th>HARMFUL7</th>
<th>THE RISK</th>
<th>SHOWN ON THE LABEL</th>
<th>OFTEN FOUND IN</th>
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</thead>
<tbody>
<tr>
<td>Trans Fats &amp;</td>
<td>Heart Disease</td>
<td>Partially Hydrogenated Oils, Shuntinging</td>
<td>Baked goods, fried foods, potato or tortilla chips, refrigerated dough, margarine, non-dairy creamer</td>
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<tr>
<td>Hydrogenated Oils</td>
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</tr>
<tr>
<td>High-Fructose Corn</td>
<td>Weight Gain</td>
<td>High-Fructose Corn Syrup</td>
<td>Soda, bread, pizza, jelly, canned fruit, yogurt, cereal, baked goods, condiments, snack bars</td>
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<td>Syrup</td>
<td>Obesity</td>
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<tr>
<td></td>
<td>Type 2 Diabetes</td>
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<td></td>
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<tr>
<td></td>
<td>Metabolic Syndrome</td>
<td></td>
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<tr>
<td>Hormones &amp;</td>
<td>Hormones, Overexposure</td>
<td>Hormones, Hormone Free, No Added Hormones, REE, REH</td>
<td>Hormones, Beef, Milk, Dairy Antibiotics, Poultry, Pork, Beef, Eggs</td>
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<tr>
<td>Antibiotics</td>
<td>Antibiotic-Resistant Bacteria</td>
<td>Antibiotic-Resistant Bacteria, Certified Responsible</td>
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<td></td>
<td></td>
<td>Antibiotic Use C0MUL, No Antibiotics</td>
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<td>Artificial Sweeteners</td>
<td>- Overweight</td>
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<td>Artificial Sweeteners: Sugar, Agavetane, Acesulfame K, Sucralose, Nectarine, Aspartame</td>
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<tr>
<td></td>
<td>- Obesity</td>
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<td></td>
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<tr>
<td></td>
<td>- High Blood Pressure, High</td>
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<td></td>
<td>Triglycerides</td>
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<td></td>
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<tr>
<td></td>
<td>- Heart Disease</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Diabetes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Artificial Sweeteners</td>
<td>- Possible cancer risk</td>
<td></td>
<td></td>
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<tr>
<td>Artificial Colors</td>
<td>Hyperactivity</td>
<td></td>
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<td></td>
<td>Behavior problems</td>
<td></td>
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<tr>
<td>Artificial Flavors</td>
<td>May cause headaches</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Nausea</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Artificial Preservatives</td>
<td>Possible cancer risk</td>
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<tr>
<td>Bleached Flour</td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Banned in some countries</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Avoid due to unknown health</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>effects</td>
<td></td>
<td></td>
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https://www.ltfoundation.org/the-harmful-7/
Steering Committee Process & Strategy
Steering Committee Strategy

1. Obtain velocity reports of all co-op items (purchased in the past year or two years).
2. Decide on categories to break out the order guide.
3. Decide on items that can be immediately removed from order guide:
   - Items that are not USDA meal component compliant
   - Redundant items
   - Items no longer in use or no longer stocked/special orders
Steering Committee Strategy

4. Decide on criteria to narrow focus to fewer but better products
5. Identify preferred items through committee discussion, focus on student preference, historical usage, nutritional profile, cost, etc.
6. Decide how to consider alternative/new items that may be options to bring in.
7. Establish ways to communicate to members, Prime Vendor.
Goals of Process:

- Assist members to order and service top quality foods to students.
- Increase buying power and obtain better pricing based on fewer and more focused product selection
- Maintain a manageable product (bid) list
- Improve member confidence in ordering
- Prime Vendor prepared for start of school
- Buy American Provision, USDA and state requirements met
- Standard identification of preferred items and why
- Management of order guide for adding/removing items
- Share knowledge of steering committee
Results:

Process to cull the order guide and communication to members - Preferred Product icon used to designate preferred products to make it easier for co-op members to find items in the prime vendor catalog.
Order Guide Review Process

Sample of the order guide work - Fruits and Vegetables group

- 673 items in this section at the start
  Each item in this grouping was reviewed against the set criteria. Items designated as preferred, acceptable or eliminated from order guide based on criteria and group discussion. An item may be listed preferred (or acceptable) based on usage history and commodity/diversion status.
- Upon completion of review: 201 items remained.
Perspectives and Results
Biscuit Perspectives -- Kentucky
Results: Biscuit (KEDC)

- More than 100 biscuit options on the order guide
- Analysis of ingredients
- Majority were not whole grain
- Narrowed down to 12 different biscuits
- Settled on preferred 1 biscuit, a whole grain frozen dough
Perspectives -- Kentucky
Results: Chili and Hot Dogs (KEDC)

- All Beef Hot Dog
- 3-way Chili
Perspectives -- Wisconsin
Results: WiSNP

- **August 2018**: 1,946 food items in order guide after an initial culling to remove out of stock and low volume items. A committee began scrutinizing items with set criteria.
- **July 2019**: 1,126 items in the Preferred and Acceptable list for the co-operative order guide.
## WiSNP snapshot of order guide worksheet - Hamburger

### Decision based on:

<table>
<thead>
<tr>
<th>Status</th>
<th>Vendor #</th>
<th>Description highlight green if Yes, yellow if No</th>
<th>Decision Based on:</th>
<th>price per serving</th>
<th>servings per serving size</th>
<th>Kcal</th>
<th>Na</th>
<th>US</th>
<th>meets NS</th>
<th>NOTES: All acceptable (a)</th>
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<tbody>
<tr>
<td>NO</td>
<td>1146610</td>
<td>BEEF PTY JUICY CATL WIDE 80-42 GFS</td>
<td>low usage, wheat, grain</td>
<td>0.64</td>
<td>60 1 each</td>
<td>300</td>
<td>250</td>
<td>90</td>
<td></td>
<td>multi-day lead item, hydrolyzed soy corn wheat gluten protein, CONTAINS WHEAT, S</td>
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<tr>
<td>NO</td>
<td>434500</td>
<td>ANGUS STYKB/GR PTY 3/4 F2 210 RAB</td>
<td>low usage, high price</td>
<td>1.07</td>
<td>60 1 each (5.2)</td>
<td>380</td>
<td>80</td>
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<td></td>
<td>clean label</td>
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<tr>
<td>MO</td>
<td>170000</td>
<td>BEEF PTY 2/8 80/20 HMSTY 15% GFS</td>
<td>low usage, high price</td>
<td>1.08</td>
<td>30 1 each</td>
<td>570</td>
<td>125</td>
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<td></td>
<td>clean label</td>
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<tr>
<td>P</td>
<td>482770</td>
<td>BEEF PTY 4/8 80/20 15% GFS</td>
<td>low usage, low price</td>
<td>0.54</td>
<td>60 1 each</td>
<td>290</td>
<td>65</td>
<td></td>
<td></td>
<td>clean label IQF</td>
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<tr>
<td>NO</td>
<td>766224</td>
<td>BEEF PTY 4/8 80/20 FISH 14% GFS</td>
<td>cooler, low usage, hi</td>
<td>0.78</td>
<td>56 1 each</td>
<td>280</td>
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<td>0.54</td>
<td>60 1 each</td>
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<td>clean label</td>
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<tr>
<td>NO</td>
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<td>low usage</td>
<td>0.56</td>
<td>60 1 each</td>
<td>290</td>
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<td>clean label&quot;homestyle&quot;</td>
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<td>NO</td>
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<td>BEEF PTY 3/8 80/20 15% GFS</td>
<td>low usage, smaller</td>
<td>0.44</td>
<td>75 1 each (3.1)</td>
<td>230</td>
<td>50</td>
<td></td>
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<td>clean label</td>
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</tbody>
</table>

### Notes:

**Preferred** = meets criteria

**Acceptable** = meets most of criteria, note what is lacking

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Results: Hamburger Patty (WiSNP)

- 40 burgers to start
- Narrowed down by eliminating duplicates and items not available
- Eliminated burgers not meeting nutrition criteria – high sodium, hidden ingredients, TVP/soy, caramel color, carrageenan
- Identified sizes needed - crediting at 1.5 M/MA, 2 M/MA and 2.75 M/MA oz patty
- Reviewed pricing and eliminated those >$1.00 per portion
- Included a commodity equivalent

Result: 2 preferred, 3 acceptable burgers for order guide
Cheese Perspectives – WI & KY
Pizza

Preferred
Acceptable
No recommendation

% Change in Pounds of Cheese Diverted for Pizza
Leveraging the Cheese buying power...

- Increase in pounds of cheese diverted to one cheese processor: 1.2%
- Reduction in cheese price per pound (Average) 2.14% (range of 1.7 to 20.7%)
- Total savings on 8 items estimated to be $12,817
Communicating the Order Guide Changes

- KEDC video that inspired WiSNP
- Video link if you’d like to view later:
  https://drive.google.com/file/d/13AXNMbDjSEpQFnatkI1acfAv5BtCD108/view?usp=sharing
Communicating the Order Guide Changes

● Both KEDC and WiSNP steering committee members shared the “why” and “how” the order guide was changing with their full membership at in person and virtual meetings.

● Both co-ops kept the prime vendor up to date on changes.
Communicating the Order Guide Changes

BREAKING NEWS:

The GFS order guide now has the icons designating Acceptable and Preferred products in place.

- This compass icon designates WiSNP Acceptable items. The compass icon is only found in the catalog. If an item is in the order guide, it can be considered acceptable unless it has the P icon for Preferred.

- This P icon designates WiSNP Preferred items. Preferred items in the Order Guide and in the catalog are indicated with this icon.

The WiSNP GFS Order Guide has slimmed down...

A small steering committee took on the challenge of reviewing all items in the WiSNP/GFS order guide. The goal was to streamline the guide and provide choices of products that meet nutritional and other set criteria, were creditable for USDA and were reasonable priced.
Successes, Benefits
How to start on this journey...
...or how to become a cat herder

- Take time to prepare and organize for the task.
- Realize that the process takes a significant amount of time.
- Break it down into manageable chunks or groups.
- Don’t reinvent the wheel!
- Expect incremental progress and delays.
- Keep members involved and informed.
- Have a plan for implementation.
- Need to stay focused on set criteria to be consistent throughout evaluation of product groups.
- Allow for members to step in/out of process.
Resources

- School Food FOCUS *Ingredients of Concern*
- Lifetime Fitness *Harmful 7 Cheat Sheet*: [https://www.ltfoundation.org/the-harmful-7/](https://www.ltfoundation.org/the-harmful-7/)
- Minneapolis Public School *Nutrition Parameters*
- Center for Good Food Purchasing
- *Ingredient Guide for Better School Food Purchasing, School Food Focus*
- [https://gocleanlabel.com/](https://gocleanlabel.com/)
What’s next?

- Plan for continual maintenance of order guide. Not a one and done process.
- Determine process to capture and update for manufacturer reformulations.
- Determine process to vett and update for new products.
- Acknowledge preferences and differences between districts. The order guide is not locked, districts can continue to purchases items in the vendor's catalog that have not been identified as Preferred or Acceptable
- How do we scale up the process?
- Menus? Recipes?
Questions?
Evaluate This Session

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