



**NORTH AMERICAN  
MILLERS  
ASSOCIATION**

The Link Between Grain and Goodness

November 2, 2021

Jessica Saracino  
School Meals Monitoring Branch  
Program Monitoring & Operational Support Division  
Child Nutrition Programs, USDA Food & Nutrition Service  
Braddock Metro Center II  
1320 Braddock Place  
Alexandria, VA 22314

Re: Docket No: FNS-2021-0027

Dear Ms. Saracino:

On behalf of our nation's grain millers, the North American Millers' Association (NAMA) is pleased to submit comments regarding the *Request for Information: Buy American in the National School Lunch Program and School Breakfast Program* (Federal Register Volume 86, Number 41943 (Wednesday, August 4, 2021) Pages 41943 - 41945).

NAMA represents millers of wheat, corn, oats, and rye across the continental United States, Puerto Rico, and Canada. Our members take raw grain and, through grinding and crushing, create flour and other products that are used to make favorite foods, such as bread, cereals, tortillas, pasta, cookies, cakes, and snack foods. As the link between producers and final products, our members are keen to provide thoughts on how Buy American provisions affect the National School Lunch Program (NSLP) and School Breakfast Program (SBP). Specifically, millers would like to share the nuanced challenges that would arise from a change in how the programs currently operate.

### **Current Buy American Program**

Under the current system, in order to claim federal reimbursement for meals served, school food authorities (SFAs) must follow federal procurement and program regulations, including Buy American provisions. Under these provisions, SFAs in the continental U.S. must purchase domestic agricultural commodities and food products. For foods that are unprocessed, the agricultural commodities must be domestic, and for foods that are processed, they must be processed domestically using domestic agricultural food components that are comprised of over 51% domestically grown items, by weight or volume. A domestic creditable food component is the portion that counts toward a reimbursable school meal (meats/meat alternates, grains, vegetables, fruits, and fluid milk).

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There are two exceptions when non-domestic foods may be purchased and these exceptions are determined by the SFA:

1. The food or food product is not produced or manufactured in the United States in sufficient and reasonably available quantities of a satisfactory quality;  
or
2. Competitive bids reveal the cost of a United States food or food product is significantly higher than the nondomestic product.

These Buy American exceptions in the NSLP and SBP allow for real-world flexibilities that reflect the reality that U.S. grain millers face while delivering highly nutritious foods to American consumers. Because of the unique issues faced by U.S. millers, it is vital that these exceptions remain in place.

### **Oat Sourcing**

Over ninety percent of the oats milled in the U.S. are currently grown in Canada. While U.S. millers source American grown oats, the reality is that oat acres have been on a steady decline as producers have shifted to growing other commodities, such as corn and soybeans. Hence, the oats harvested in the U.S. do not satisfy the U.S. consumer demand. Keeping the application of the rules consistent with what they have been over the past decade is critical to ensuring oat based products, found in everyday cereals, oatmeal, and breakfast bars continue to be a foundational component of the school breakfast program that gives children the fuel they need to learn and succeed in the classroom.

### **Wheat Sourcing**

Depending on the desired finished product, millers must source from different regions of the country. In some cases, particularly in the northern states bordering Canada, U.S. millers may use Canadian wheat in order to meet consumer demand in a cost-effective manner (just as Canadian millers may do the same with U.S. wheat). The use of Canadian wheat is important as the supply of specific wheat varieties to provide attributes required by bakers and other customers (pasta, for example) may not be available in the U.S. market due to many factors, including weather, farm policy, or specific issues from the farmer. This cross-border trade is fluid throughout the year and would be difficult to capture in a snapshot of one specific food product. Additionally, there are questions as to how ingredients in a product would be weighted. For instance, every wheat flour has a certain water content. How this water content is measured in a final food product could result in the product being deemed 51% domestically-derived, or not. These production realities could make products ineligible if 51% domestically-derived flexibilities were modified or eliminated.

## **Transportation Costs**

The special circumstances around the transportation of grains should also be taken into account as grains are moved predominantly by rail and truck. As evidenced by the current strains on the U.S. supply chain, transportation costs can have a significant impact on operational decisions and can make the procurement of domestic products cost prohibitive. All modes of transportation (truck, rail, barge, and ocean vessel) should be available as options to provide grain products to customers and consumers. Inclusion of grains in the diet of children is important as we as a nation provide more grain based solutions to customers and consumers. The option of transportation and origin of grain should not be an obstacle to that goal. It is necessary for the administration to continue to take such costs into account when determining if a product, while available domestically, must be imported due to prohibitive domestic transportation costs and should be allowed as an exception to Buy American rules.

## **Importance of Grains in the Diet**

It is imperative for America's school food authorities (SFAs) to have access to nutritional foods aligned with the 2020-2025 Dietary Guidelines for Americans. Per the guidelines, children between the ages of two and eighteen should consume between three and six servings of grains daily. These servings of grains perform an undeniable role in the success of children in school, ensuring that both breakfast and lunch provide brain power for our next generation. As such, it is important that exceptions are easily accessible to SFAs or school meal program operators so that the procurement process for grains does not become overly complicated and act as a barrier between students and the whole grains they need to begin their school day on the right path.

Whether it is a hearty morning cereal or a sandwich at lunch, milled grain foods are pivotal to ensuring that children are meeting the recommended servings in the dietary guidelines. Secretary Vilsack recently stated, "USDA's school meal programs have a wide-reaching impact on the health and well-being of our nation's children. Now, more than ever, America's children need access to healthy and nutritious foods, and our industry partners play a huge role in making that happen." It is crucial that any new regulations do not negatively impact the ability of SFAs to acquire high quality, nutritious grains for students, especially during a time when so many families are struggling at home and the majority of some students' nutritional needs are being met at school.

## **Conclusion**

Millers recognize the importance of Buy American provisions and are eager to meet those provisions whenever possible, while recognizing the importance of exceptions

so as to not create barriers between healthy foods and U.S. students. We look forward to partnering with USDA on this issue.

Sincerely,

A handwritten signature in black ink that reads "Jane B. DeMarchi". The signature is written in a cursive, flowing style.

Jane DeMarchi  
President  
North American Millers' Association