

Single Use Styrofoam Meal Trays vs. Compostable Meal Trays

Why is our school district using Styrofoam Meal trays vs Compostable trays? Ultimately, it comes down to increased paper/chemical cost.

Food Service Breakdown

Food Services is reimbursed by the Federal Government for meals sold at different rates for Free Reduced & Paid Meals. Below is an example of the reimbursement rates for a Free (K-5) Breakfast & Free (K-5) Lunch.

Currently, the cost of producing a meal is as follows:

- Labor Cost- 78.1%
- Paper/Chemical Cost - 4.3%
- Overhead Cost – 13.2%
- Food Cost – 46.2%

Reimbursement rate from the Federal Government for a Free K-5 student:

Breakfast: \$1.81

Lunch: \$3.31

| Breakfast Cost Breakdown w/Styrofoam | |
|--------------------------------------|--------------|
| Labor | 1.41 |
| Paper/Chemical Cost | 0.07 |
| Overhead | 0.23 |
| Food | <u>0.83</u> |
| Total Cost | 2.54 |
| - Fed. Gov. Reimbur. | <u>-1.81</u> |
| Net loss | -0.73 |

| Lunch Cost Breakdown w/Styrofoam | |
|----------------------------------|--------------|
| Labor | 2.58 |
| Paper/Chemical Cost | 0.14 |
| Overhead | 0.43 |
| Food | <u>1.52</u> |
| Total Cost | 4.67 |
| - Fed. Gov. Reimbur. | <u>-3.31</u> |
| Net loss | -1.36 |

| Breakfast Cost Breakdown w/Compostables | |
|---|--------------|
| Labor | 1.41 |
| Paper/Chemical Cost | 0.19 |
| Overhead | 0.23 |
| Food | <u>0.83</u> |
| Total Cost | 2.66 |
| - Fed. Gov. Reimbur. | <u>1.81</u> |
| Net loss | -0.85 |

| Lunch Cost Breakdown w/Compostables | |
|-------------------------------------|--------------|
| Labor | 2.58 |
| Paper/Chemical Cost | 0.35 |
| Overhead | 0.43 |
| Food | <u>1.52</u> |
| Total Cost | 4.88 |
| - Fed. Gov. Reimbur. | <u>3.31</u> |
| Net loss | -1.57 |

The Cost of Switching:

Compostable trays are considerably more expensive than the Polystyrene trays; approximately three to four times the cost of Styrofoam trays. The Paper & Chemical cost would increase to 10.75%.

The Bottom Line:

At the end of the 16-17 School Year, the Food Service Department was running \$-524,555.

REPORT 1800 A
Public Schools Operating Federal Lunch and Breakfast Programs
REVENUES AND EXPENDITURES
Fiscal Year 2016–17
(In Whole Dollars)

| Co Dist Code | Public School Name | Meal Codes | Total Revenues | Expenditures | | | | | Capital Outlay | Total Expenditures | Revenue Less Expenditures |
|--------------|--------------------|------------|----------------|--------------|---------|----------|----------|-------|----------------|--------------------|---------------------------|
| | | | | Food | Labor | Supplies | Indirect | Other | | | |
| 31401 | STANWOOD | BL | 1,231,863 | 569,599 | 962,133 | | 52,445 | | 163,170 | 9,071 - 1,756,418 | -524,555 |

REPORT 1800 B
Public Schools Operating Federal Lunch and Breakfast Programs
EXPENDITURES AS A PERCENT OF REVENUE
Fiscal Year 2016–17

| Code Co.-Dist. | Public School Name | Meal Codes | Food Percentage Expenditures | Labor Percentage Expenditures | Supplies Percentage Expenditures | Indirect Percentage Expenditures | Other Percentage Expenditures | Capital Percentage Outlay | Revenue Excess Percentage or Shortage (-) |
|----------------|--------------------|------------|------------------------------|-------------------------------|----------------------------------|----------------------------------|-------------------------------|---------------------------|---|
| 31401 | STANWOOD | BL | 46.2% | 78.1% | 4.3% | 13.2% | 0.7% | 0.0% | -42.6% |

Meal Codes Breakfast = B
and Lunch = Lunch

Conclusion:

It is difficult to see how we can consider a change without increasing our losses. Ultimately, it is cheaper at this point to use the Polystyrene trays than to switch to the compostable variety.