



529 Cedar Lane ♦ Florence, NJ ♦ 08518 ♦ Phone 1-800-220-6455 ♦ Fax 609-499-3896

October 31, 2023

Re: Carton Shortages

I am writing to inform you that effective immediately, you may begin to experience carton shortages on your orders. Pactiv Evergreen, which supplies cartons to Cream-O-Land Dairies and other milk processing companies across the United States are experiencing major production issues. These production issues have depleted much of our half pint (8 oz) and 4 oz cartons. Pactiv Evergreen has notified us that it will supply less than 50% of the weekly supply of cartons we need to meet customer orders in the eastern United States.

We alerted the United States Department of Agriculture and the United States Food and Drug Administration in late September that Pactiv Evergreen was having severe production issues. In the weeks since then, we have been working diligently to find solutions to meet our customers' needs. We tried to purchase cartons from Tetra Pak, the only other carton supplier in the United States. Unfortunately, Tetra Pak informed us that it is no longer accepting new customers because of the increase in demand for its products from its existing customers. We are actively searching for carton suppliers in other countries. However, due to federal laws regarding food safety, international suppliers may require additional time to be approved to sell cartons in the United States.

Beginning in the next few days, our customers will not receive the milk of their choice. We will only be able to ship the inventory that we have available. At this time, we can only obtain cartons labeled "1%" and "Fat Free Chocolate"; therefore, we will only be able to ship our customers 1% milk and fat free chocolate milk. We are doing our utmost to ensure that schools are able to serve milk to each child that wants it. Gallons, half gallon, and quarts are still available.

For information about the federal government's response to the carton supply chain challenges, see enclosed letter, dated October 25, 2023, from the United States Department of Agriculture to directors of state agencies and school food authorities that administer special nutrition programs and child nutrition programs.

We sincerely apologize for this inconvenience to you and your customers. We will keep you informed of any updates regarding the situation. If you have any questions regarding this issue, please do not hesitate to reach out to your sales representative.

Very truly yours,

Carl Swick
Chief Financial Officer



Food and Nutrition Service

DATE: October 25, 2023

MEMO CODE: SP01-2024, CACFP01-2024, SFSP01-2024

Braddock Metro Center

SUBJECT: Clarification of Allowable Flexibilities for Child Nutrition Programs Experiencing Milk Supply Shortages

1320 Braddock Place Alexandria VA 22314

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

Issuing Agency/Office:	Food and Nutrition Service/Child Nutrition Programs
Title of Document:	Clarification of Allowable Flexibilities for Child Nutrition Programs Experiencing Milk Supply Shortages
Document ID:	
Z-RIN:	
Date of Issuance:	October 25, 2023
Replaces:	N/A
Summary:	(1) This guidance applies to State agencies and school food authorities administering the Child Nutrition Programs. (2) This guidance provides clarification on allowable flexibilities for States experiencing milk supply chain challenges.

USDA's Food and Nutrition Service (FNS) is aware that schools in multiple States are experiencing milk supply chain challenges related to packaging issues. This memorandum provides State agencies with information about existing authority related to schools and other Child Nutrition Program (Program) operators experiencing inadequate milk supply. FNS encourages State agencies to use this authority when needed to support Program operators impacted by the current milk packaging challenges.

Under current Program regulations found at [7 CFR 210.10\(d\)\(2\)](#), [220.8\(d\)](#), [225.16\(f\)\(6\)](#), and [226.20\(e\)\(1\)](#), State agencies may allow Program operators experiencing milk supply shortages to serve meals during an emergency period with an alternate form of fluid milk or without fluid milk. Although Program operators are expected to meet the fluid milk requirements to the greatest extent possible, supply chain disruptions, including disruptions that limit milk variety or affect serving size, would be considered a temporary emergency condition for purposes of this flexibility. Because this is an existing regulatory flexibility, a waiver is not required for State agencies to exercise this authority. Additionally, State agencies are reminded that administrative

Regional Directors and State Directors

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reviews should take into account any waivers or flexibilities that have been provided to Program operators.

FNS appreciates the exceptional efforts of State agencies and Program operators working to meet the nutritional needs of children during this time. State agencies are reminded to distribute this memorandum to Program operators. State agencies with additional questions about this authority or reviews of Program operators using this regulatory flexibility should contact the appropriate FNS Regional Office.

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Tina Namian
Director
School Meals Policy Division