

MoneyWatch

USDA cancels \$1 billion in funding for schools and food banks to buy food from local suppliers

Updated on: March 13, 2025 / 10:56 AM EDT / CBS News

The U.S. Department of Agriculture is cutting two federal programs that provided about \$1 billion in funding to schools and food banks to buy food directly from local farms, ranchers and producers, part of what the agency said was a decision to "return to long-term, fiscally responsible initiatives."

The move cancels about \$660 million in funding this year for the Local Food for Schools program, which is active in 40 U.S. states, as well as about \$420 million for a second program called the Local Food Purchase Assistance Cooperative Agreement, which helps food banks and other local groups provide food to their communities.

"USDA can confirm it has provided notice to States, Territories and Tribes that the FY 2025 funding previously announced for the pandemic-era Local Food for Schools and Child Care Cooperative Agreement and pandemic-era Local Food Purchase Assistance Cooperative Agreement program is no longer available and those agreements will be terminated following 60-day notification," a spokesperson with the agency said in an email to CBS News.

The decision comes as the Trump administration and Elon Musk's Department of Government Efficiency, or DOGE, say they are slashing federal spending to reduce government waste. The USDA programs were funded through the agency's Commodity Credit Corporation, a Depression-era fund created to buy products directly from farmers.