



CHILD AND ADULT CARE FOOD PROGRAM
MEMORANDUM 25-08

DATE: October 21, 2025

TO: Child and Adult Care Food Program
Adult Day Service Program Operators

FROM: Becky Dragoo, Deputy Director *Becky D. Dragoo*

SUBJECT: MEMO No. 25-08
Child Nutrition Programs: Cash In Lieu Rate
Federal Register Vol. 90, No. 156 Released: August 15, 2025

SUMMARY: This Memorandum announces the 2025-2026 cash in lieu rate for all lunches and suppers provided under the Child and Adult Care Food Program (CACFP). The cash in lieu value of USDA Foods is equal to 30.50 cents.

DATES: The cash in lieu rate is effective from July 1, 2025, through June 30, 2026.

BACKGROUND: The Federal Regulations authorize a cash in lieu payment rate of 30.50 cents per each lunch and supper, as published in the Federal Register Vol. 90, No. 156 issued on August 15, 2025. Pursuant to sections 6(c) and 17(h)(1)(B) of the Richard B. Russell National School Act (the Act) 42 U.S.C. 1755(c) and 1766(h)(1)(B). Section 6(c)(1)(A) of the Act establishes the national average value of donated food assistance (i.e., cash in lieu funds) to be given to States for each lunch or supper served under the CACFP. Annual adjustments of the cash-in-lieu rate occur each July based on the average value of the Producer Price Index for Foods used in Schools and Institutions for March, April, and May. Section 17(h)(1)(B) of the Act provides the value of donated foods (or cash in lieu of donated foods) for lunches and suppers served under the CACFP.

[Click Here](#) for a Link to the Federal Register notice.

Questions regarding this Memorandum should be directed to Jennifer Morrell, CACFP Program Manager, at Jennifer.morrell@illinois.gov.

BD:jm

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