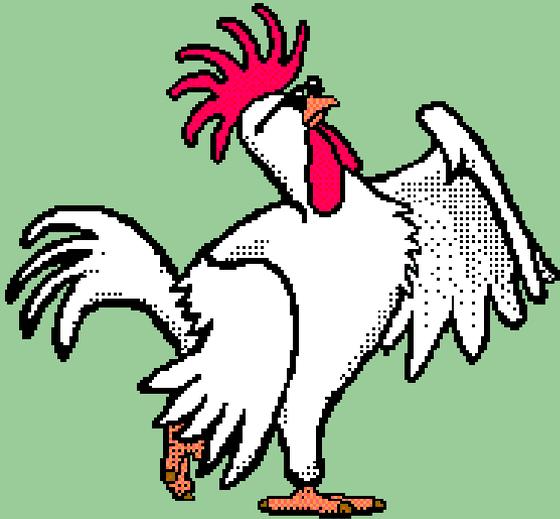


USDA Commodities



New Food Service Directors Training

What We Will Cover



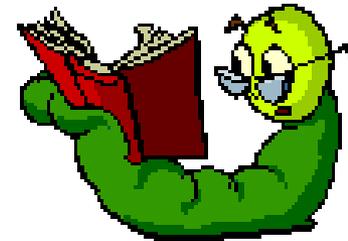
- Definitions
- Calculating Entitlement
- USDA Value
- USDA Replacement Value
- DOD FF&V Program
- Placing USDA Foods Orders
- Receiving USDA Foods
- USDA Foods Inventory Requirements
- Recalls
- Damage/Loss Reporting Requirements
- Disaster Assistance
- Complaints
- Reference for more Information

Definitions



- USDA Foods (formerly commodities)
 - Means foods donated, or available for donation, by the U.S. Department of Agriculture (USDA), under the National School Lunch Program.
 - Value - The value of a case of product. This is what the USDA pays for the product and then donates to the NSLP. This is the amount your entitlement is reduced by when you receive the product.
 - **Unprocessed** means donated food delivered directly to the distribution warehouse from the USDA processor. This product is almost free. The value is reduced from your entitlement and you pay delivery and administrative fees only.
 - **Processed** means unprocessed donated food diverted to a state-contracted processor for further processing into a different end product. The product carries an additional processing fee. The value is reduced from your entitlement but you pay processing, delivery and administrative fees.

Definitions - *Continued*



- Allocation
 - Is the distribution of USDA Foods to all RAs based on order requests, and USDA Foods available.
- Bonus Commodities
 - Are donated foods, available for allocation, which are NOT deducted from Entitlement dollars. These offerings are donated foods available “above and beyond” Entitlement. However, processing, administrative, and shipping charges are still applicable to bonus commodities.
- Recipient Agency (RA)
 - Refers to a school food authority.

What is Entitlement?

- Entitlement is the amount of funding made available to Recipient Agencies to obtain USDA procured food products.



- Entitlement must be fully utilized each year. Unused funds do not roll over to the following year.

How is Entitlement Figured?

- USDA sets a per meal rate in July of each year. Entitlement can be figured by multiplying this per meal rate by the total number of meals served.
- However, WDE figures entitlement by a fair share allocation, which actually works out to be more entitlement per RA than by figuring using the per meal rate method.



Example: Per Meal vs. Fair Share

January 2014

- School District #1 served 7,914 meals in SY2012-2013. The per meal rate for SY2013-2014 is \$.2225.
 - $7914 \times .2225 =$
\$1760.87 in entitlement for School District #1.

January 2014

- School District #2 served 7,914 meals in SY2012-2013 which represents .0867% of all the meals served in WY.
 - School District #2's fair share of WY total entitlement is **\$1,853.94.**

Why Does My Entitlement Amount Keep Changing?

- USDA is doing a better job of preventing entitlement from fluctuating so much. They have moved food due dates to May and are estimating entitlement based on what the July meal rate will be.
- Second in July the meal rate will be recalculated. It has always increased or stayed the same which causes entitlement to go up.
- Third in December the meal counts are updated with numbers from the year that just ended in June. If your participation went up your entitlement will go up. If it went down entitlement will go down.

USDA Replacement Value

- USDA Replacement Value
 - Includes USDA Value, processing, storage, administrative, and shipping charges.
 - This value is used in conjunction with Food Service Management Companies.
 - This value is used for inventory valuation during the auditing process.

In the event of damage or loss, this value would be used to make any necessary claims to your insurance company.



DOD - Department of Defense

FF&V - Fresh Fruit & Vegetable Program

- Allows schools to receive *fresh* fruits and vegetable products. There is no other way to get fresh product through the food distribution program.
- In November, you will be asked if you wish to participate for the following school year. If you choose to participate, you must commit to an amount of entitlement to be set aside for this program. I have to know this amount prior to January's order being released, so the amount for DoD can be withheld.
- If you participate, you do not get to choose your vendor. You will be assigned a vendor by the DoD.
- If you have trouble getting all your entitlement utilized on other products, this may be a way for you to utilize entitlement fully.
- I do not administer this program. My ability to provide assistance with the program is very limited.



USDA Foods Annual Order

- Annual Order **Requests** (called Surveys) are collected in March/April via the Child Nutrition Programs (CNP) website. This is what you are requesting to receive but there are no guarantees. I try to fill as many orders possible, but there are many variables.
 - Additional surveys may be released throughout the school year if USDA makes something available. Usually this is just Bonus items.

How do I know what to get?

- The RA needs to use the Pricing Sheet to assist in its decision making.
- This sheet provides information on serving sizes and how many servings are in each case. The RA will need to calculate how often this item will be served and how many servings will be utilized to figure out how many cases are needed. This sheet also includes cost per serving and value per serving.

Continued....

- The RA also needs to evaluate if it is less expensive to get these products as commodities or from the commercial market.
- Some items are available as “unprocessed” or as “processed” products. Processed items have a lower USDA value and an out of pocket processing fee but better delivery options.

Unprocessed vs Processed

Unprocessed vs Commercial

Beef Crumbles

Unprocessed	Processed
USDA Value \$65.76	USDA Value \$45.85
Cost \$ <u>delivery</u> +admin fee	Cost \$39.60+ <u>delivery</u> +admin fee
40 pound case, soy protein added	40 pound case
1 delivery per year; 50 cases at once	Monthly delivery; 5 cases per month
Unknown company	Pierre Foods

Sliced Peaches

Unprocessed	Commercial
USDA Value \$23.21	USDA Value \$0.00
Cost \$4.50 (delivery and admin)	Cost \$25.50 (<u>peaches+delivery</u>)
Total \$27.71	Total \$25.50
6/#10 cans	6/#10 cans

USDA Foods Monthly Order

- As food is delivered to the warehouses, it will be made available to you. You will have to place orders in the CNP website on a monthly basis.
- Food is allocated based on the total amount ordered and the number of cases there are available. If all the schools ordered 450 cases and I have 400 to distribute, you will get 80% of what you requested.

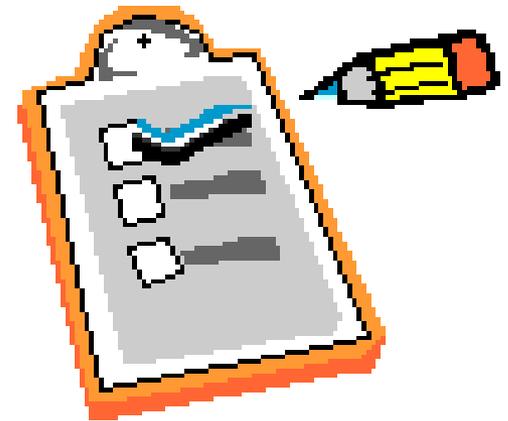
Receiving USDA Foods

- **Count** each and every commodity received.
- **Verify** amounts received match bill of lading.
- **Accept** only commodities listed. Do not accept substitutions or overages. Do not accept damaged product.
- **Visually Check** for signs of damage.
- **Note & Initial** shortages on bill of lading
- **Billing** will be based on the what the warehouses verify they delivered. If you find an error after the delivery you need to contact your warehouse representative to get that fixed.



USDA Foods Inventory

- Storage Requirements (*handout*)
 - Sanitary
 - Safeguard
 - Temperature
 - Store off floor
- Inventory Reporting
 - Still required to take physical inventories. Proof that inventories are being taken is required when your NSLP review is conducted. Must be able to trace which items are USDA Foods in the event of a hold or recall, but they can be co-mingled in storage areas with other inventory.



Request for Entitlement Refund

- In the case of a quality issue, a minimum quantity of one full case must be reported in order to receive credit
- Fill out a Request for Entitlement Value Refund for quality issues, damages etc.
- Refunds are not granted for things like freezer failures. That becomes an insurance claim

In order to report a quality issue, email or fax a credit request to:

roxann.greenlee@wyo.gov or
fax to (307) 857-9256

Attn: Roxann Greenlee

Recalls

- Further detailed information found in the publication “***Responding to a Food Recall***” by USDA with the National Food Service Management Institute.
- Each RA is responsible for appointing a food safety coordinator. This person is the Program Contact in the FDP Contract.

- ✓ Program Contact:
Sharon Campbell
(307) 856-6513 Ext. 5017
scampbell@fremont25.k12.wy.us
- ✓ Ordering Contact:
Dominique Kramer
(307) 856-8759
dominique.kramer@compass-usa.com
- ✓ Billing Contact:
Sharon Campbell
(307) 856-6513 Ext. 5017
scampbell@fremont25.k12.wy.us



In the Event of a Recall

- RA will receive notice from WDE including the following information:
 - Name of the product and product information
 - Additional information to respond to media, parents, school district officials and others
 - Transportation and timeframe for picking up the recalled product, working with the RA

Serving/School Site Level Responsibilities

- **Identify** the recalled food immediately
- **Hold** the food product and do not use until you know the final action
- **Determine** if the item has been used
- **Account for** all product received
- **If used** document the date(s) used and to whom it was served (classes, not individuals)
- **Direct** anyone affected with reports of potentially related health problems to appropriate medical personnel or school nurse

Information to Submit to WDE

- Inventory Counts.
- How the recalled product was segregated.
- Was the product served?
- Reports of symptoms.
- Follow instructions and complete documentation as necessary.

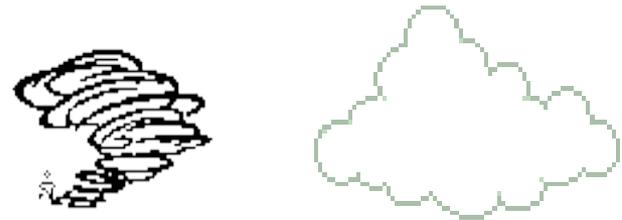
Documentation to Maintain for (3) Three Years *plus current year*

- **Communications** received and sent regarding the recall
- **How** the product was secured to prevent use
- **Return** of the product to the warehouse
- **Destruction** of the on-site product and accompanying written notification to do so
- **Records** showing the date used and to whom served
- **Reports from students** of symptoms of physical illness



Disaster Assistance

- USDA Determination
- RA may be required to provide:
 - Meals
 - Appropriated USDA Foods
- Identify and document
 - Quantities of food used
 - Number of people served
- USDA reimbursable



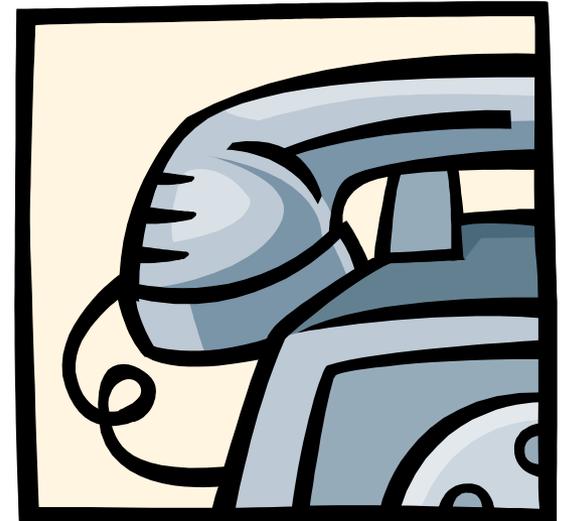
Transfer of USDA Foods

- Within a district - no documentation required
- From one RA to another RA - documentation is not required, but if you want the entitlement value transferred a transfer form must be completed.



USDA Foods Complaints

- ALL USDA Foods
 - Food Distribution Coordinator
 - (307) 857-9269 or
 - E-mail to roxann.greenlee@wyo.gov
 - Detailed description of problem, quality issue, color, taste, damage, pictures if at all possible. Can be texted if necessary 307-421-6890.



ACDA

- ACDA – American Commodity Distribution Association
 - Nationwide consisting of Agriculture, Industry and Government working together to improve the Food Distribution Program
 - Wyoming is a member
 - Schools can be members!
 - Conference next year is in Salt Lake City, May 2-5, 2015

For More Information

- Visit the following USDA Food Distribution website:
<http://www.fns.usda.gov/fdd/food-distribution-programs>
- Visit our Website:
<http://edu.wyoming.gov/beyond-the-classroom/nutrition/foods-distribution/>

