

USDA Foods: Lower Plate Costs AND Excellent Nutritional Value!



USDA Foods are part of the Solution:



- Help districts maximize USDA Foods planned assistance levels
- Improve supply chain/ordering
- Share promising practices

Food and Nutrition Service

- **Purchase Planning with Agricultural Marketing Service (AMS)**
- **Coordinate purchase schedules with AMS & Farm Service Agency (FSA)**
- **USDA Foods Specification Approval**
- **Complaint management**
- **Posts Foods Available List & WBSCM Catalog**

USDA's Role



- **Review and Approve Sales Orders from States**
- **Monitor funding, DOD fresh and entitlements**
- **Change orders and process contract modifications**
- **National Processing Agreement Administration**
- **Program Oversight**
- **Promote effective distribution**
- **Advocate for School Districts and States with AMS & FSA**

Challenge:



Schools need to stretch food dollars to meet new requirements

Offer fruits and vegetables as two separate meal components



Lunch: $\frac{1}{2}$ - 1 cup fruit +
 $\frac{3}{4}$ - 1 cup vegetable



Breakfast: 1 cup fruit (SY 14-15)

USDA Food Solution:



USDA Fruits

- **Canned-Extra light syrup; applesauce is unsweetened**
- **Frozen - no sugar added***
- **Dried fruit – counts for 2X volume**
- **Fresh – whole, fresh cut, bulk for processing**

*** Can use sweetened products SY 2012-2013**

USDA Food Solution:



USDA Vegetables

- Canned:
 - Low sodium
 ≤ 140 mg/ $\frac{1}{2}$ cup serving
 - No salt added corn & diced tomatoes
- Frozen – no salt added

USDA Food Solution:



USDA Vegetables

- **Red/orange**
- **Dark green**
- **Legumes**
- **Starchy vegetables**

Challenge:

Offer more whole grains:

- Half must be whole grain-rich beginning SY 2012-13
- All must be whole-grain rich beginning SY 2014-15

USDA Food Solution:



USDA Whole Grains

- **Whole grain pasta**
- **Whole grain tortillas**
- **Whole grain pancakes**
- **Whole wheat flour**
- **Rolled oats**
- **Regular and quick cooking brown rice**
- **Whole Kernel corn for further processing**
- **Exploring whole white wheat specification**

Challenge:



Offer protein foods that meet minimum and maximum ranges

USDA Food Solution:



Examples:

- **Diced chicken**
- **Chicken fajita strips**
- **Beef crumbles**
- **Beef patties**
- **Bulk meat/poultry/fish for further processing**
- **Exploring lower sodium sliced ham**

Challenge:



Reduce the sodium content of meals gradually over a 10-year period

USDA Food Solution:



Reducing Sodium

- **USDA vegetables, meat, poultry, pork, cheeses all have reduced or low sodium levels to help school meet or exceed the two-year target.**

- **Continue to dialog with industry to modify specifications for SY 2013-14**

(10-15% reduction from current levels.)

Where to find the USDA Foods Available List?



- <http://www.fns.usda.gov/fdd/foods/SY13-schfoods.pdf>

SY 2013 Foods Available List

May-12 SY 2013 National School Lunch Foods Available list				
Material Number	Group	Material Description	Code	Material Group
100206		APPLE SLICES CAN-6/10	A345	FRUIT, CANNED
100258		APPLE SLICES UNSWEETENED FRZ CTN-30 LB	A346	FRUIT, FROZEN
100523		APPLES BRAEBURN FRESH B CARTON-40 LB	A343	FRUIT, FRESH
100517		APPLES EMPIRE FRESH CTN-40 LB	A343	FRUIT, FRESH
110149		APPLES FOR FURTHER PROCESSING - BULK		FRUIT, FRESH
100284		APPLES FRESH SLC-100/2 OZ	A337	FRUIT, FRESH
100286		APPLES FRESH SLC-200/2 OZ	A339	FRUIT, FRESH
100285		APPLES FRESH SLC-64/2 OZ	A338	FRUIT, FRESH
100521		APPLES GALA FRESH G CARTON-40 LB	A343	FRUIT, FRESH
100512		APPLES GRANNY SMITH FRESH CTN-37 LB	A343	FRUIT, FRESH
100514		APPLES RED DELICIOUS FRESH CTN-40 LB	A343	FRUIT, FRESH
100206		APPLESAUCE UNSWEETENED CAN-6/10	A345	FRUIT, CANNED
100260		APRICOT FRZ CTN-40 LB	A447	FRUIT, FROZEN
100261		APRICOT FRZ CUP-96/4.5 OZ	A449	FRUIT, FROZEN

Where to find UPDATED USDA Foods Fact Sheets?



<http://www.fns.usda.gov/fdd/schfacts/default.htm>

USDA Foods Entitlement and Ordering



- Planned assistance level
- Ordering timeline
- Purchase cycle

First, a few questions for you...

What's the per-meal-rate?



- **School Year 2012?**
- **School Year 2013?**

Almost....25 cents!!



School Year July – June Entitlement ESTIMATE !



**PRIOR YEAR MEALS
X
JULY RATE
+
12% FUNDING
+/-
PRIOR YEAR BALANCE
=
TOTAL ENTITLEMENT \$\$**



Funding Sources – Child Nutrition Programs



- **SY 12 entitlement about \$1.2 billion**
- **Section 32 – Surplus removal**
 - \$ 50 Million for DOD Fresh Program
 - \$ 465 Million for poultry, livestock and, fruit and vegetable purchases
- **Section 6e**
 - Remaining balance of entitlement funds
 - For grain, peanut, oil, dairy, additional DOD fresh and some meat and poultry
- **BONUS**
 - **Section 32C** Surplus removal Bonus for poultry, livestock, fruit and vegetable purchases
 - **Section 416** Price Support Bonus for grain, peanut, oil, dairy purchases

Bonus Planning ?

Making the right food choices, together.



Entitlement & Order Timeline



Jan

Enter catalog material offerings for States

Enter preliminary SY entitlement

Preliminary purchase plan

March

Value added (brown box) turkey orders due for the SY
FV orders due for early crops/harvest

April/May

Most other orders are due for July-November delivery

June

Cheese orders due for Jan-Dec of next calendar year delivery

July

“Published” rate in Federal Register- estimate 12%

August

Reopen catalogs for November- June deliveries

Calculate prior SY balances over and under

November

Update current SY entitlement w/ final meals from prior year

December

Reopen catalog for Feb-June deliveries



January/February

Preliminary Information from Current SY
Catalog available to States
States survey districts



Estimated Per Meal Rate

Estimated Meal Count

Estimated Cost per Lb.

Average percentages for School Purchase Planning & Ordering



Beef	22%
Tuna	0
Pork	5%
Chicken	13%
Eggs	1%
Turkey	9%
Fruits & Vegetables - DOD fresh	25%
Grains, Peanuts, Oils	3%
Cheese	22%
TOTAL	100%



Competing for Entitlement Dollars

**Who should decide
how
dollars are spent?**

Program Partners

Distributing Agency (DA) – State government agency which enters into an agreement with FNS for the distribution of Donated Foods to eligible RAs

Recipient Agency (RA) – Organizations within a State eligible to receive Donated Foods

Schools (public and private), RCCI, CI, NPE/NSIP, SFSP, summer camps, soup kitchens and food banks



USDA Foods Ordering & Procurement





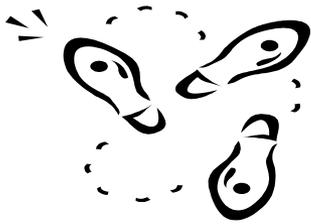
Ordering Cycle



12

Steps!





12 Step Cycle

1. **Entitlement in WBSCM**
2. **WBSCM catalog: Orders due and delivery dates - Foods Available to WEB**
3. **SDA/RA enter requisitions – SDA use RA data to enter req**
4. **State submits Sales Orders (SO) **Approved by SDA** to FNS**
5. **FNS (sponsor agency) review orders & funds & approves SO**
6. **AMS/FSA create purchase requisitions & issue solicitations**
7. **Vendor Bid – USDA Analyze Bids Contract Award**
8. **AMS/FSA issue Purchase Orders – **SO Purchased – MENU IT!****
9. **Vendor Produce - AMS Grade/Certify - Advance Shipment Notice**
10. **Vendor delivers / BL / Proof of Delivery**
11. **Goods receipt entered – **SO Received – MOVE IT OUT!****
12. **RA notified by warehouse, processor, or State**
13. **Vendor invoice to FSA/AMS for approval & paid**



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REVISIT your PAL

August

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REVISIT your PAL

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Endure your district receives your USDA Food PAL

- **Work with your State DA... learn & JUST ASK**
- **Goal: NO homeless commodities...**
 - **REQUEST driven ordering – menu driven USDA foods**
 - **ON line access to order and PAL status information**
- **Anticipate increases in meals served & shortfall exceed PAL + 5-10%**
- **District opportunities to revisit their PAL**
- **Remember it is a moving target !!**



Questions for me?



Do USDA Foods really help lower plate costs and provide good nutritional value?



Cost Analysis



Ingredient	100 Servings	Commercial Price/ingredient	USDA Food Value/ + dist costs
Rice, brown, dry	10.6 lbs	\$4.52	\$4.08 ↑
Corn, canned	14.2 lbs	\$11.79	\$8.19 ↑
Tomatoes, canned, diced	2 #10	\$8.60	\$7.41 ↑
Pinto Beans, canned	2 #10	\$7.92	\$5.26 ↑
Mini whole wheat tortillas	5 lb	\$19.86	\$15.06 ↑
Chicken, Fajita strips,	12.5 lbs	\$75.56	\$27.37 ↑
Reduced Fat Cheddar	1.5 lbs	\$3.55	\$ 2.98 ↑
Spices	various	\$2.73	\$2.73
	Total	\$134.53	\$73.08 ↑
	Cost per entrée	\$1.35	\$0.74

45% Savings!

Nutrient Analysis

Nutrients/Serving	Commercial		w/USDA Foods	
Calories	550		474	↑
Protein	30 g	↑	31.06 g	
Carbohydrate	70 g		68.5 g	↑
Total Fat	10 g		9.5 g	↑
Saturated Fat	2.8 g		2.3 g	↑
Cholesterol	52 mg		52 mg	
Vitamin A	88.9 RE	↑	137.02 RE	
Vitamin C	7.38 mg	↑	9.04 mg	
Iron	3.56 mg	↑	3.73 mg	
Calcium	112.10 mg	↑	148.78 mg	
Sodium	1224.24 mg		731.28 mg	↑
Dietary Fiber	7.76 g	↑	9.3 g	

40% reduction

Looking to the Future...

- **Centralize nutrition information
“OHIO”**
- **Easily accessible, web-based
database**
- **Easily updated/maintained**
- **Requirement as part of bid package?**
- **Links to USDA recipes?**

Looking to the Future...



- **On-Line specification library**
- **Consistent language across product categories**
- **Encourage USDA Foods attributes**
- **Tips reinforce procurement process**

Promoting USDA Foods

Upcoming Initiatives

- USDA Foods Mobile site
- CN labeling for USDA Foods
- Updating Food Buying Guide information

Visit our website:

www.fns.usda.gov/USDAFoods/

Check out our Tool Kit!

We want to hear from you!



USDAFoods@fns.usda.gov

BEFORE YOU LEAVE:

- ✓ Please complete the Evaluation Form for this Session!
- ✓ The drop-off box for COMPLETED Evaluation Forms is located on the backroom table.
- ✓ Thank You!

