

Missouri Department of Elementary and Secondary Education, School Food Services

USDA Foods Program

Commodity Expos

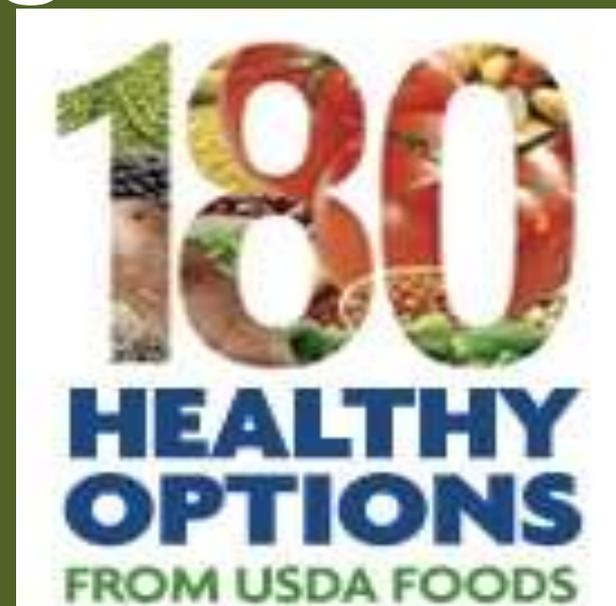
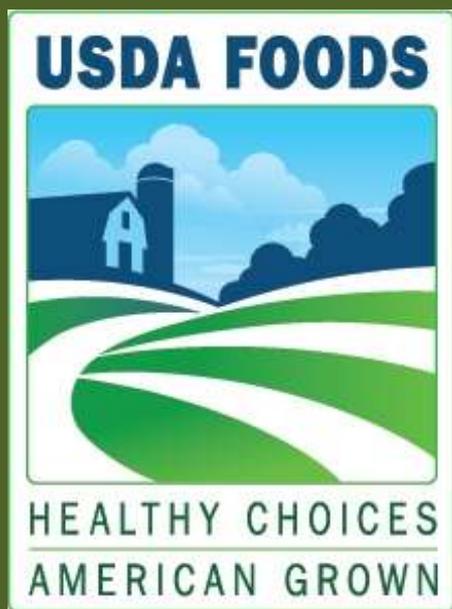
January 16-18, 2013

Matthew Essner

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Andy Dudenhoeffer

Supervisor, DESE-SFS



Introductions

Karen Wooton – Director – School Food Services
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Commodity Shelf Newsletter, oversight of USDA DF
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Amy Halderman – Administrative Assistant, Monthly Orders, Filing, Data entry
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Who's Confused??



NOI

SNA

FFS

ACDA

AMS

6 ¢ Cert

ProcessorLink

Rebates

FSA

WGR

DoD

Monthly Orders

Open Order

FDA

MFFS

FFVP

VPT

Processing Packet

K12Foodservice.com

FFAVORS

WBSCM

Commodities vs USDA Food

Abbreviations – Acronyms

- ACDA — American Commodity Distribution Association
- AMS — Agriculture Marketing Service
- DoD — Department of Defense
- FDA — Food Distribution Associates
- FFAVORS — Fresh Fruit and Vegetable Order Receipt System
- FFS — Fee For Service
- FFVP — Fresh Fruit and Vegetable Program
- FSA — Farm Service Agency
- MFFS — Modified Fee For Service
- NOI — Net-Off-Invoicing
- SNA — School Nutrition Association
- VPT — Value-Pass-Through
- WGR — Whole Grain Rich
- WBSCM — Web Based Supply Chain Management

VPT – Value Pass Through Systems (1)

- FFS — Fee For Service
 - Processor receives raw USDA Food, processes raw USDA Food into desired end product, only invoices customer Fee For Service
 - How you receive product on your Monthly delivery
 - Value is passed through by not charging for raw USDA Food
- MFSS — Modified Fee For Service
 - Processor receives raw USDA Food, processes raw USDA Food into desired end product, only invoices distributor Fee For Service
 - Distributor up-charges for service, customer pays distributor the bid price
 - Value is passed through by processor not charging distributor (who in turn doesn't charge customer) for raw USDA Food
 - Product can ONLY be sold to NSLP customers

VPT – Value Pass Through Systems (2)

- NOI — Net-Off-Invoicing
 - Processor receives raw USDA Food, processes raw USDA Food into desired end product, sells product to distributor for full price
 - Distributor up-charges for service
 - Distributor discounts product for raw USDA Food
 - Distributor is reimbursed value of USDA Food by processor who received the raw USDA Food
 - Customer pays distributor the bid price less the value of USDA Food
- Rebates — Rebates
 - Processor receives raw USDA Food, processes raw USDA Food into desired end product, sells product to distributor for full price
 - Distributor up-charges for service
 - Customer pays distributor the bid price
 - Customer submits rebate to processor for reimbursement of the value of the raw USDA Food

VPT – Value Pass Through Worksheet

	FFS	MFFS	NOI	Rebate
USDA				
Processor				
Distributor				
Customer				
	<i>Invoiced by proc</i>	<i>Invoiced by dist</i>	<i>Invoiced by dist</i>	<i>Invoiced by dist</i>
Total Cost to Customer				

- Scenario (fictitious data in a vacuum.....unrealistic)
 - Chicken Fajita product = 30 lbs of USDA Food / case
 - Chicken = \$1 /lb
 - Processor charges \$20 to produce the Chicken Fajita
 - Distributor has a 5% increase on bid to determine school pricing
 - State pays distribution cost for public schools - \$2.50 / case

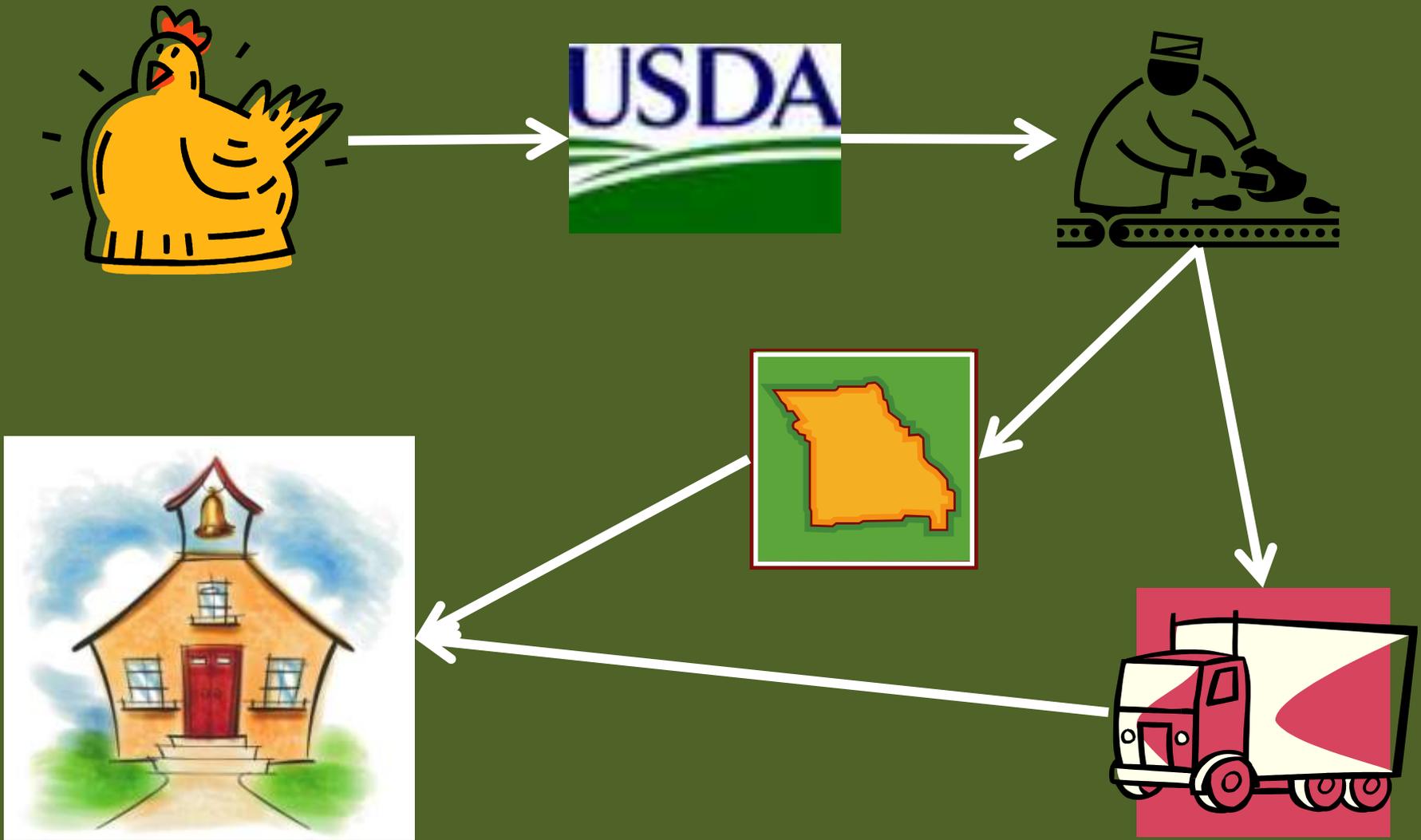
VPT – Value Pass Through Worksheet

	FFS	MFFS	NOI	Rebate
USDA	\$30	\$30	\$30	\$30
Processor	\$20	\$20	\$20	\$20
Distributor	\$2.50 (pd by State)	\$20	\$50	\$50
Customer	\$20	\$21 (\$20*1.05)	\$22.50 (\$52.50-\$30.00)	\$52.50 (\$50*1.05)
	<i>Invoiced by proc</i>	<i>Invoiced by dist</i>	<i>Invoiced by dist</i>	<i>Invoiced by dist</i>
Total Cost to Customer	\$20 (\$2.50 pd by State)	\$21	\$22.50	\$22.50 (after \$30 rebate)

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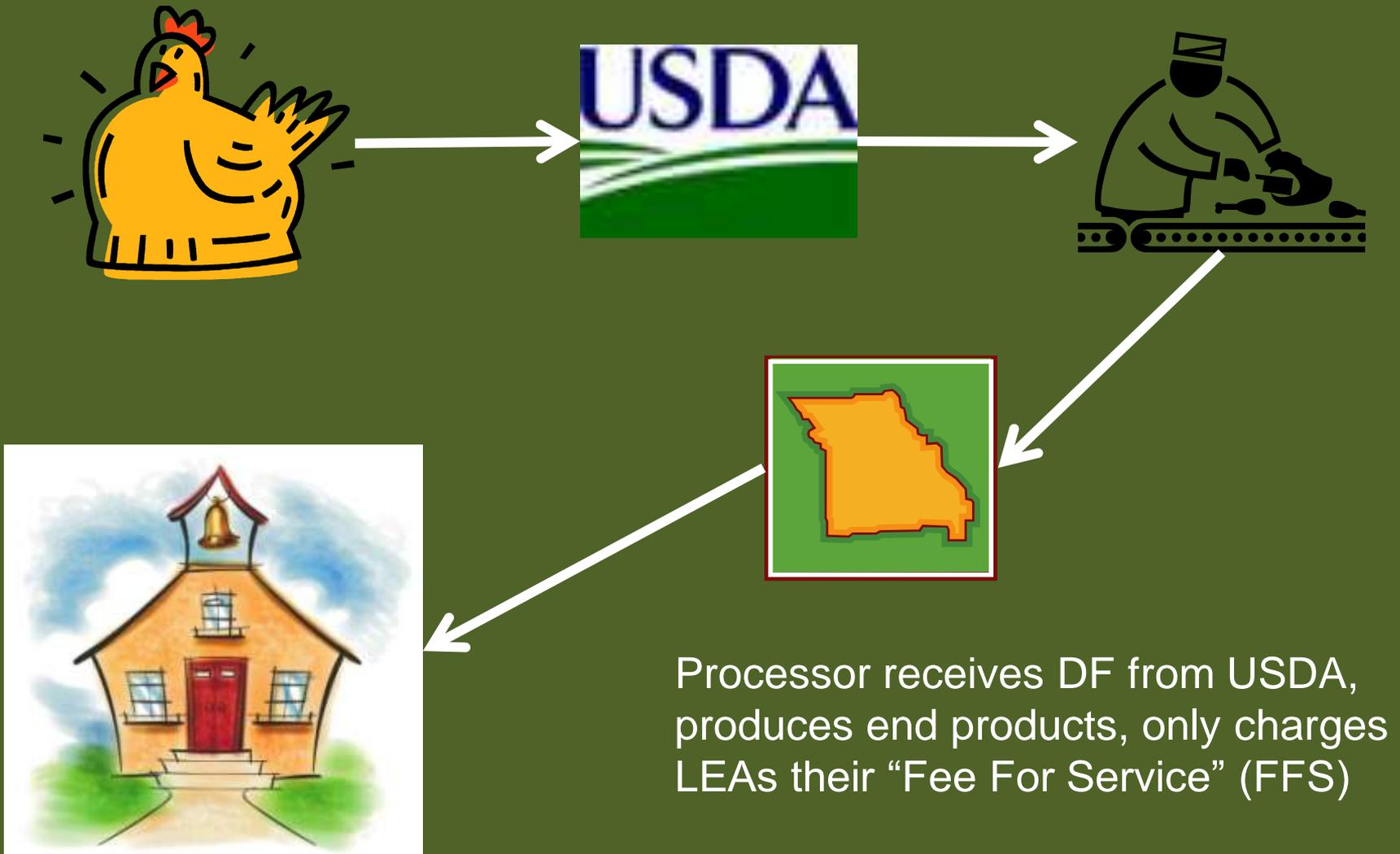
NOI vs. FFS Example

(hypothetical and assuming a “vacuum” scenario or everything equal)



FFS

(hypothetical and assuming a “vacuum” scenario or everything equal)



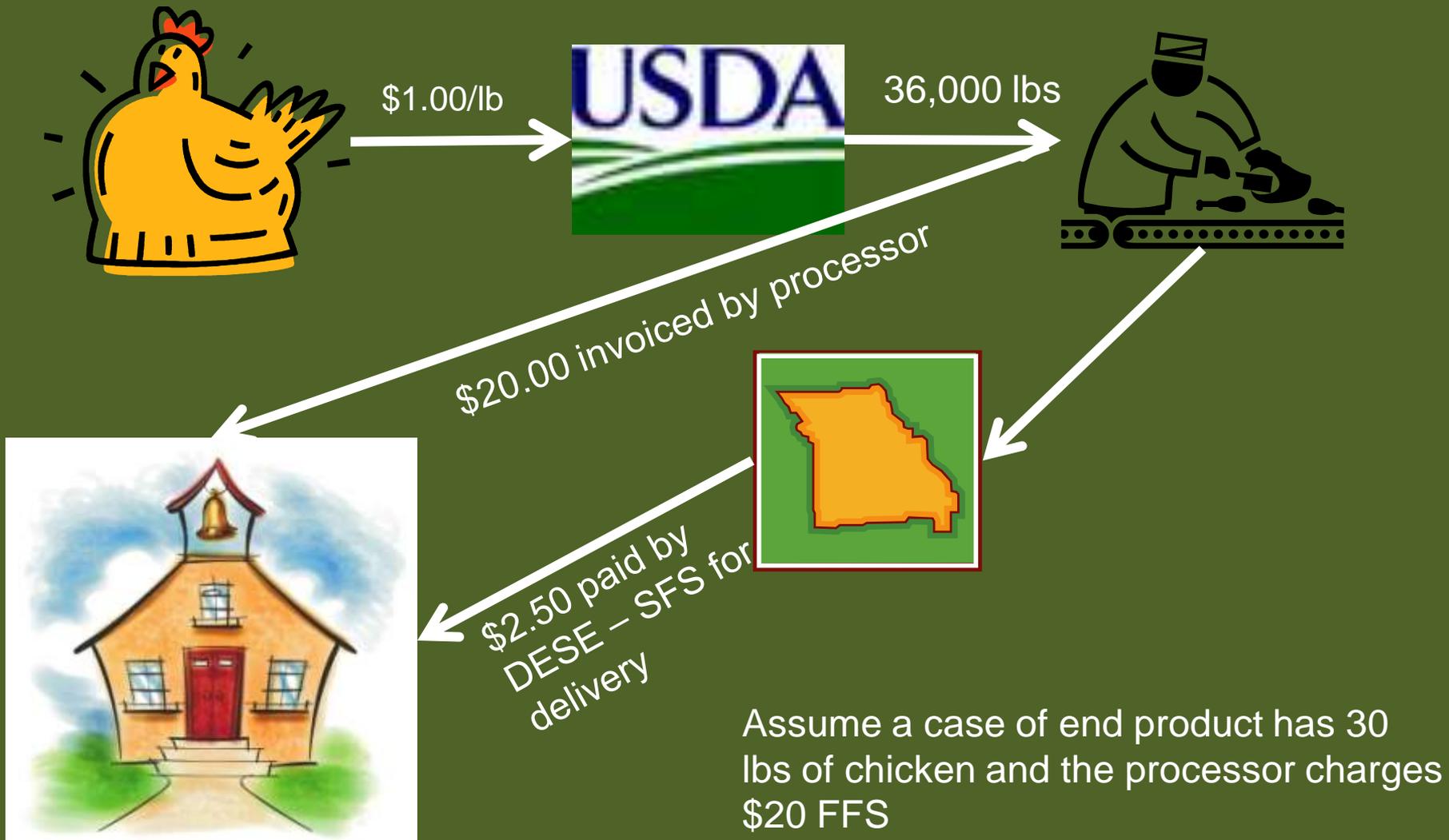
NOI

(hypothetical and assuming a “vacuum” scenario or everything equal)



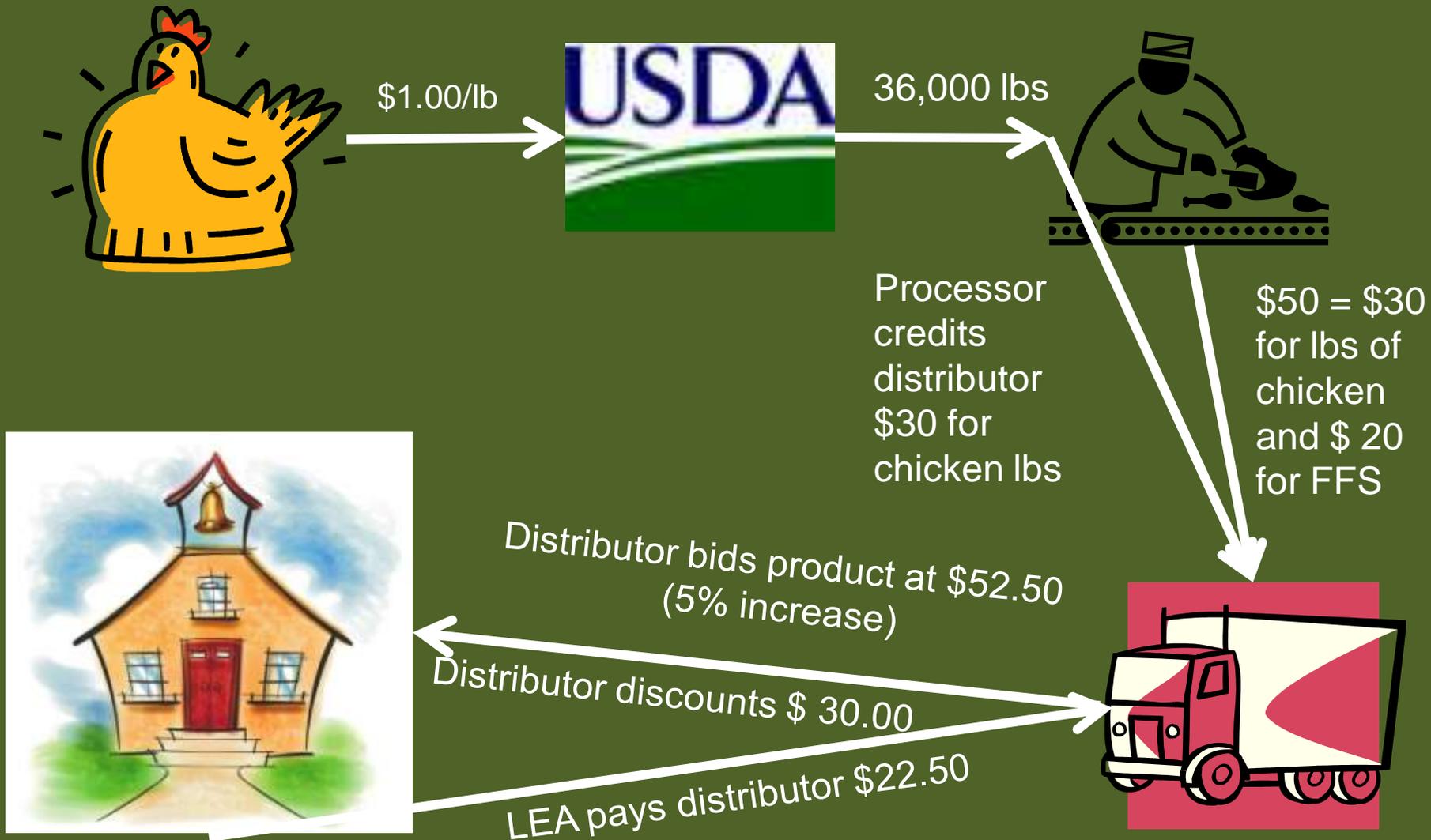
FFS

(hypothetical and assuming a “vacuum” scenario or everything equal)



NOI

(hypothetical and assuming a “vacuum” scenario or everything equal)



USDA Foods Packet 13-14 Changes

- Elections by LEAs are based on Entitlement
 - No more Standard and Optional options
- Completed and submitted electronically via Excel spreadsheet
 - No more printed copies or snail mail (> 50 pgs)
- More “brown-box” options
- Department of Defense Produce available to anyone

USDA Foods Packet 13-14 Changes

- No more Monthly “Processed” Order Forms
 - Open Order will continue to be ordered monthly
 - Only fruit, vegetables, grains/pastas, rice, oil, peanut butter, sun butter and cheese
 - See Anticipated list on website
- Packet will be Completed and submitted electronically via Excel spreadsheet
 - No more printed copies or snail mail (> 50 pgs)
 - No more copying information into PDF documents
 - Submit completed packet to DonatedFoods@dese.mo.gov and receive a confirmation Email (like current Monthly orders)
 - Save file with Agreement #

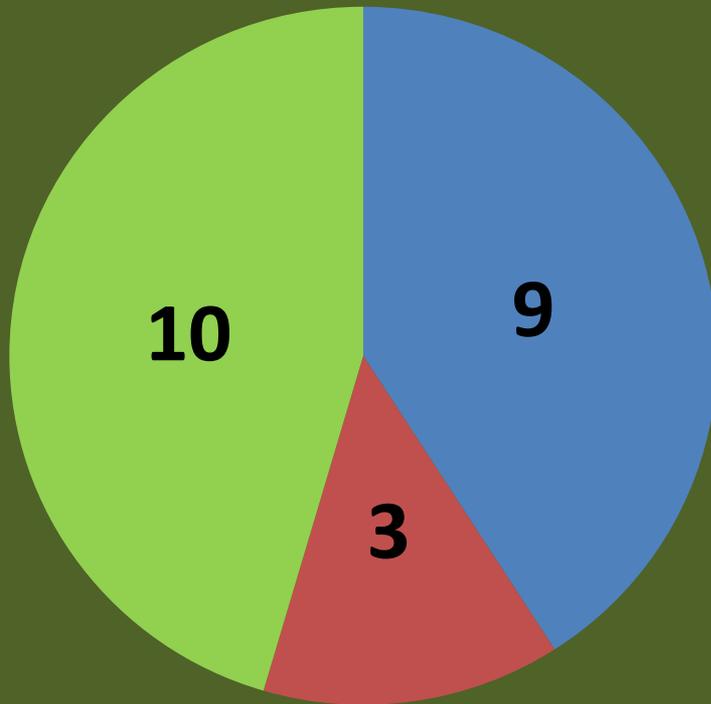
USDA Foods Packet 13-14 Changes

- Only order items you will use – don't "spend" the \$\$ just b/c
 - Remaining Entitlement will go towards additional Open Order items for SY 13-14
- Rebate vs NOI
 - Same end result, different steps
 - Both have to divert lbs via USDA Foods Packet
 - No more "first come, first serve" Rebates
 - If a distributor offers NOI, more efficient than Rebate
- All processors available in 13-14 as 12-13
- Added potatoes (dehydrated, sweet and regular)
 - J.R. Simplot, LambWeston/ConAgra, McCain
- Added Echo Lake Eggs

Example Entitlement Scenario

Approx SY12-13 Entitlement

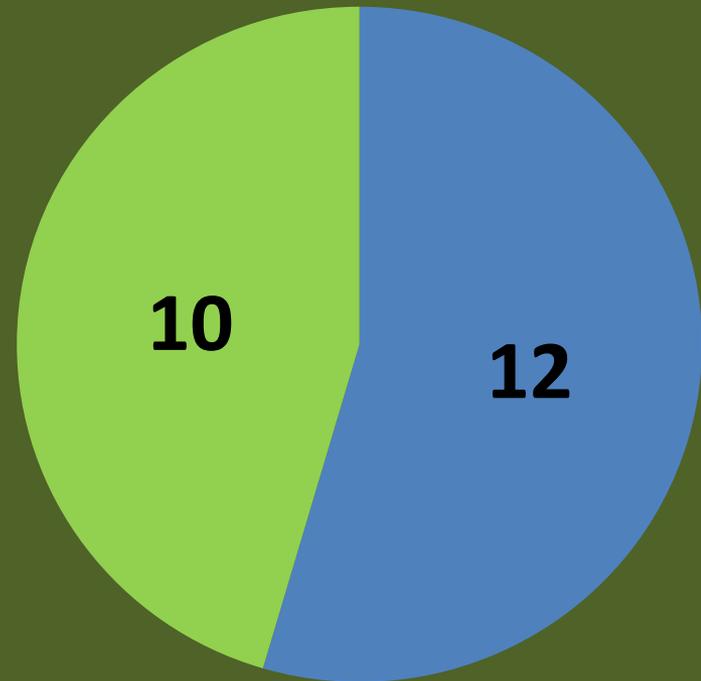
(in \$ Millions)



■ Processing Packet ■ Monthly Process/Rebates ■ Open Order

Estimated SY13-14 Entitlement

(in \$ Millions)



■ Processed Items ■ Open Order

“Brown Box” via USDA Foods Packet

(tentative dates subject to USDA availability)

- The only opportunity to order these items is via the USDA Foods Packet
- Total quantity calculated for each item will be split *evenly* over the listed delivery periods
 - Estimated quantities for each period are displayed when completing the USDA Foods Packet
 - Quantities and timing are not guaranteed – subject to USDA availability and the orders from ALL MO LEAs
- USDA Fact sheets are hyperlinked to the description
- No 8 pc raw cut-up or 8 pc Oven Roasted Chicken
- Enter servings or cases
- Items are “free” – there are no processing fees

“Brown Box” via USDA Foods Packet

(tentative dates subject to USDA availability)

			Aug 13	Sep 13	Oct 13	Nov 13	Dec 13	Jan 14	Feb 14	Mar 14	Apr 14
Estimated Delivery Schedule	100101	Chicken, Diced, Fully Cooked, IQF									
	100117	Chicken, Fajita Strips, Fully Cooked, IQF									
	100121	Turkey Breast, Deli-Style, Cooked, Frozen									
	100122	Turkey Breast, Smoked, Deli-Style, Cooked, Frozen									
	100123	Turkey, Whole, Raw, Frozen									
	100125	Turkey Roasts, Boneless, Ready-to-Cook, Frozen									
	100126	Turkey Ham, H2O Add, Fully Cooked, Frozen									
	100158	Ground Beef, Fine, Raw, LFTB Free, Frozen									
	100173	Pork Roast, Boneless, Trimmed, Frozen									
	100184	Pork Ham, H2O Add, Boneless, Fully Cooked, Frozen									
	100187	Pork Ham, SLICED, H2O Add, Boneless, FC, Frozen									
	100188	Pork Ham, DICED, H2O Add, Fully Cooked, Frozen									
	100201	Catfish Strips, Breaded, Oven Ready, IQF									
	100877	Chicken, CANNED w/ Broth, FullyCooked, De-boned									
	110085	Ground Beef, Fine, Raw, IRRADIATED, Frozen									

Yellow items are new “Brown Box” options for SY 13-14

Department of Defense Fresh Program

- Began as a pilot program and LEAs were grandfathered in
- Grown over the years and changes have been made by the Department of Defense
 - One long-term contracted vendor for **ALL** of MO
 - C & C Produce in Kansas City
 - All produce orders are submitted via FFAVORS
 - Prices may be higher than purchasing commercially
 - Inconsistent/untimely deliveries
- Utilizes Entitlement and must be elected via the Processing Packet

DoD vs FFVP

DoD

- Began as a pilot program and LEAs were grandfathered in
- Grown over the years and changes have been made by the Department of Defense
 - One long-term contracted vendor for **ALL** of MO
 - C & C Produce in Kansas City
 - All produce orders are submitted via FFAVORS
 - Prices may be higher than purchasing commercially
 - Inconsistent/untimely deliveries
- ***Utilizes Entitlement and must be elected via the USDA Foods Packet***

FFVP

- Grant-based program
- Annual Application
- ***Elementary School Only***
- Notification sent to Elementary Schools >50% F/R
- Grant determined per enrolled student
 - Between \$50-\$75 per student
- Monthly claims submitted to DESE for reimbursement
- ***Conducted outside breakfast and lunch but during school day***

USDA Packet Demo

- Calculator is set up to input # of servings for the entire 13-14 school year
 - Calculates lbs DF needed to produce servings
 - Calculates estimated entitlement to purchase lbs of DF
 - Calculates remaining Entitlement after each election
- *Can only type in yellow cells – don't be scared*
- Feel free to run hypothetical scenarios to determine the best products for your LEA
- When satisfied, save with Agreement # and submit to DESE – SFS just like monthly Open Order

USDA Packet Notes

- Nutritional Information hyperlinked on bottom right corner
- Contact Information will be posted to the web
- Don Lee crediting info has been updated to the correct info – Nutritional Info is CORRECT
- Tyson Beef Donated Food Value was incorrect – has been updated and will be reposted
- Poultry – white, dark, and natural proportion options
- No longer have predetermined amounts – can spread however you would like – does not have to be even
- Detailed instructions to follow – by 1/25/13
- Due Date = Friday March 1st 2013

Miscellaneous

- Open Order amounts will attempt to be similar to 12-13 (remember only f/v, grains, cheese, etc)
 - Plan to have cheese options like 11-12
 - If <0.5 oz sliced cheese – process with Bongards
 - Only offer WG products again in 13-14
 - Continue to increase F/V options
 - Adjustments posted monthly
- [ACDA Conference](#) in Nashville TN April 8-10, 2013
- [SNA Annual Conference](#) in Kansas City July 14-17, 2013
- Thank you to our host district

MO USDA Foods 101

.....Entitlement

12% Provision
via NSLA

- What does it mean to you?
- Did Entitlements go up or down for SY 12-13?
- Should you keep track of Entitlement throughout the School Year?
- Does anyone know the difference between Entitlement and Bonus? Who determines?
- Value of Commodities vs. Entitlement.
- USDA Foods Packet vs. Total Entitlement

Historical Figures

12-13	\$0.2275
11-12	\$0.2225
10-11	\$0.2600
10-11	\$0.2275
10-11	\$0.2025
09-10	\$0.1950
08-09	\$0.2075
07-08	\$0.1875
06-07	\$0.1700
05-06	\$0.1750
04-05	\$0.1725
03-04	\$0.1575

What does all the \$\$ talk mean?

- Entitlement drives the USDA Foods Program
- Entitlement is based solely on NSLP participation
 - USDA Foods can be used in other programs but no additional Entitlement
- DESE – SFS has to budget the State of MOs Entitlement and provide access to LEAs
- Stretch your Entitlement
 - Don't let it go to waste



MO Commodities 101

.....Open Order

- Open Order form is available on the DESE – SFS Commodities page
 - Updated MONTHLY – use the current form
 - Posted by the 1st of each month
 - Open Orders are due by the 15th of each month (July – March)
 - Must be E-mailed
 - Deliveries are made the month following submission
 - Items with limited quantities are denoted with a ** (## = for everyone)
 - Orders received above inventory levels are adjusted by a percentage of the original ordered amount for each LEA
 - Adjustments are posted by the end of the order month

MO Commodities 101

.....Deliveries

- DESE contracts warehousing/delivery with Food Distribution Associates (FDA)
 - Currently in the re-bid process
- DESE pays for storage, handling and delivery for all public LEAs
 - Non-publics only pay delivery
- Nine (9) deliveries per school year: August – April
 - 7:00 a.m. – 4:00 p.m.
- Four (4) week rotation
- Mark any discrepancies (over or under) on the Bill of Lading before signing
- Inclement weather – FDA will deliver if they can make it whether school is in session or not

FMI and NFGnot USDA DF

- Fair Market Inc and National Food Group (formerly United Commodity Group) may offer your LEA additional commercial items to purchase
 - Delivered by FDA *with* USDA DF, but not USDA DF
 - LEAs can purchase any items from FMI or NFG, but DESE – SFS receives no information about commercial items
 - Separate Bill of Ladings will be issued by FDA
 - Any problems with FMI or NFG items should be directed to:
 - FMI – John Pickert, 800-520-1399 ext 1
 - NFG – Nick Goetz: 888-824-0700 ext. 1133

Food Show

- Directions
- DESE – SFS Staff to assist with Packets
- Housekeeping

Questions before we leave?

THANK YOU for coming

BEST of LUCK in SY 13-14