

'13-'14

**USDA DONATED FOOD
DISTRIBUTION PROGRAM**



Food Service

Directors' Guide

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Introduction

The Donated Food Program was introduced in the early 1930's to help America's farming community as they were suffering from the economic upheaval of the Great Depression. At this time in our Nation's history, many individual American farmers had lost or were losing their farms. Many farmers were purchasing more acreage to plant more crops to make up for the poor market prices – thus further depressing market prices. At the same time millions of people in cities lost their jobs and were without means of support for themselves and their families. The danger for malnutrition among American children soon became a national concern.

The Missouri Department of Elementary and Secondary Education, School Food Services Section, acts as an administrator for the United States Department of Agriculture's (USDA) Donated Food Distribution Program for all the Local Educational Agencies (LEA's) in Missouri. The Donated Food Program allows the USDA to assist LEA's in meeting the nutritional needs for school children throughout the nation. To aid American farmers, the USDA buys food and distributes that food through various eligible food outlets.

The purpose of this handbook is to help explain the USDA Donated Food Distribution Program in Missouri, and to provide guidance information to schools who participate in the program.

Entitlement

The Missouri Department of Elementary and Secondary Education (DESE), School Food Services (SFS) makes it very easy to become a part of the UDSA Donated Food Distribution Program. All nonprofit public and private Local Educational Agencies (LEA's) participating in the National School

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Lunch Program are eligible to participate in this program. To enroll all that you need to do it contact our office and we will get you started! The only way that your LEA is not eligible to participate in the USDA Donated Food Distribution Program is if your LEA has a vendor contracted to prepare your school lunches (vended contract).

Schools are eligible for specific dollar levels of commodity assistance based on a formula which multiplies the total number of lunches served during the year (July 1st through June 31st) by a mandatory rate of assistance, **Ex. (11,500 total lunches served X \$.2275=\$2,616.25 of entitlement /year)**. Though this amount of entitlement is a set amount designated to LEA's by DESE, it is essential for schools to take advantage of the amount given to them. The entitlement should be more looked at as a fictitious number. It is ok to over spend your entitlement. If the Missouri state's entitlement is overspent, it will roll over, and deduct from the next year's entitlement.



In order for LEA's to find out what entitlement they can expect to receive, each year DESE compiles information from each LEA's lunch program (total lunches served multiplied by the mandatory rate of assistance), and fill out [Entitlement Letters](#) for each LEA. These entitlement letters are posted to the DESE School Food Services, Commodities web page and are very user friendly. All that you need to know is your LEA's agreement number. From there just find your information. These entitlement letters show you how much entitlement your LEA will be receiving to spend on USDA commodities.

At the end of every year the Missouri Department of Elementary and Secondary Education (DESE) puts together a document allowing LEA's to view exactly how their entitlement was spent and what that valued. This form is called the [Valued Commodity Form](#). This document is a very useful tool that allows LEA's not only to see exactly what value they were able to save by using the Donated Food Program, but this can also be used as a tool for the next years ordering.

Commodity Purchasing

Commodities are allocated to Local Education Agencies (LEA's) by the State Distributing Agency (SDA) based on the total number of reimbursable lunches served to students during the previous school

year. Although the number of reimbursable breakfast meals is not a part of

the allocation formula for commodities, commodities may be used for

School Breakfast Programs. These commodities may also be used for the

after school snack program, Family and Consumer Science (F.A.C.S.) classes,

or for any other educational purpose as long as they are not being sold for a

profit. The DF regulation [7 CFR part 250.48 \(g\)](#) states that "School food

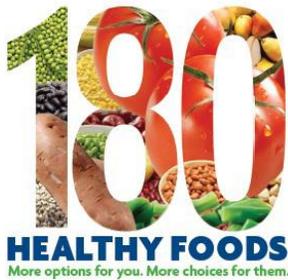
authorities receiving donated foods under this part may use such foods for

the purpose of training students in home economics".

USDA commodities are broken down into three distinctive categories:

1. **Group A:** Fruits, vegetables, meats, and poultry
2. **Group B:** Grains, oils, and dairy products
3. **Bonus:** Are made available to LEA's by the USDA because of an extreme surplus of a commodity. (Group A or Group B foods may be classified as "bonus")

Group A commodities typically make up approximately 70 percent of Missouri's commodity value entitlement and **Group B** makes up for the remaining 30 percent. The **Bonus** commodities that the USDA makes available are not charged against the state of Missouri's entitlement.



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These commodities become available to LEA's from the USDA through the Missouri Department of Elementary and Secondary Education, School Food Services. Annually, DESE – SFS (School Food Services) completes an order and submits it to the USDA – FNS (Food Nutrition Service). The Food Nutrition Service (FNS) is a department within USDA. FNS handles all children nutrition programs on the federal level. The FNS receives the orders of what commodities the state of Missouri will need and in what amounts we will need them in. The orders are normally due in February or March and are for the upcoming school year. The DESE – SFS has to project how much donated commodities the state will need. This process is done in two ways:

1. For processed commodities DESE – SFS compiles the information given by LEA's from the processing packets.
2. For monthly order items, DESE – SFS forecasts how much commodities will be needed based on trends from the previous year's commodity totals.

The next step in this whole process is for USDA – FNS to purchase the raw commodities. After the amount of raw commodities are purchased, the FNS (Food Nutrition Service) then takes Group A raw commodities (i.e. fruits, vegetables, meats, and poultry) and allocates them to the Agriculture Marketing System (AMS), and take the Group B raw commodities (i.e. grains, oils, and dairy products) and allocates them to the Farm Service Agency (FSM). The Agriculture Marketing System (AMS) and the Farm Service Agency (FSA) are Departments within the USDA that are the purchasers of the raw commodities that the State of Missouri orders. Commodities are next sent to either a designated processor to fill processor packet orders, or sent directly to SDA – DESE to be directly distributed to the LEA's.



Open Order/Brown Box Commodities

Another way that the State of Missouri (DESE-SFS), allows LEA's to take advantage of the USDA Foods Program is by way of the use of the monthly Open Order Form or "Brown Box" commodities. Every year DESE-SFS sets aside an amount of entitlement that the LEA's never see. This entitlement amount is used to purchase commodities that the USDA offers – thus allowing DESE to have a monthly Open Order Form. DESE – SFS doesn't have any control over what the USDA makes available for us to purchase, so commodities may differ from year to year. Another disclaimer about the commodities you will receive from the Open Order Form is sometimes the product will be sent from a different processor than you may have received it from before. The reason is because USDA puts these commodities out for bid, and whichever processor/producer submits the lowest bid receives the bid and therefore is the processor/producer the LEA's will be receiving product from.

It is very important that each LEA takes advantage of this opportunity given to them. Filling out the Open Order Form is very easy, and needs to be checked at the beginning of every month (because Open Order Forms change monthly). On our DESE – SFS website from the 1st of each month through the 15th, every LEA has access to open and complete the [Open Order Form](#). This form becomes available in June and will continue to be available through March for LEA's to fill out. LEA's need to open and fill out the Open Order Form, and email it to our office donatedfoods@dese.mo.gov, two months in advance to when the product will be delivered to them, **EX. (if you want to receive an Open Order delivery in August 2012, then you would need to submit an Open Order Form in June 2012)**. The Open Order Form needs to be submitted to the DESE-SFS office no later than the 15th of each month. This product is completely "FREE" for the LEA's to use. There isn't any processing/shipping fee involved with the delivery of these products.

Processing

USDA began the Processing Program in 1958 to permit State Distributing agencies and eligible recipient agencies to maximize the use of donated commodities. Most of the commodities processed through these programs go to schools participating in the National School Lunch Program. The processing of donated foods allows State distributing agencies to contract with commercial food processors to convert raw, bulk USDA commodities into more convenient, ready-to-use end products.

Processed commodities become available to the end recipients (the LEA's), by way of processing packets. These processing packets are processor designated order forms that are sent out to LEA's annually in the end of December and returned completed to DESE – SFS in late February thru March. These order forms are then complied by DESE – SFS, put into an excel document, and sent off to the processors. With these order forms, it allows DESE – SFS to know how many pounds of raw commodities to order from USDA.

DESE – SFS takes pride in being able to offer a wide variety of processed commodities to our LEA's in the state of Missouri. For that reason DESE – SFS has a very good way of implementing new processed commodities to the LEA's. Often, DESE – SFS is contacted by a processor wanting to process commodities for the state of Missouri. DESE – SFS then sends that processor a marketability survey and that is sent to every LEA in the state. **This marketability survey allows:**

- 1. The processor to contact each LEA in the state.**
- 2. The LEA to decide if they would use a portion for their entitlement for the new product or not.**

3. DESE – SFS the ability to assess whether the processor should be introduced or rejected to process USDA commodities.

The LEA's then receive the marketability survey from the processor. After it's completed it is then sent back to the processor. The processor/broker next sends the completed surveys to DESE – SFS and based on the feedback (positive or negative); a decision is made by DESE – SFS to either introduce the processor to process Missouri USDA Foods or to reject their request.

There are several ways to become familiar with the products that each processor offers within their processing order forms. Throughout the year, DESE – SFS, the Missouri School Nutrition Association (MSNA), and the Commercial Distributer host food shows. Annually, DESE – SFS hosts three expo shows that allow us to meet with all of the food service directors, and also allows food service directors to explore some processed foods. These meetings take place in three different locations (one in central, one in eastern, and one in western Missouri), allowing food service directors from all areas

the opportunity to join DESE – SFS. Not only are these food expos a great way to explore new processed foods, but they are also a good way of creating a networking system between food service directors. The Missouri School Nutrition Association (MSNA) hosts an annual food show allowing LEA's to seek more processed commodities. This food show is normally in the fall and located in different areas of Missouri. Commercial Distributers food shows are



hosted throughout the year. To find out more information about these shows, ask your distributor representative and they will have more details for you.

DESE – SFS offers a rebate program that allows LEA's to purchase commercial processed products and receive a rebate after their purchase. After the purchase is final, all that needs to be completed is the [rebate order form](#). After the order form is completed, send off your order form to the

address on the form with a copy of your invoice for the products that were purchased. The rebate order form needs to be mailed to the designated processor within 30 days and then the processor will write a check for the amount of donated food that was in the product.

Another option that LEA's have to purchase processed commodities is by using the Net off Invoicing Program (NOI). By choosing the **Indirect Sales Discount Option** ("Net Off Invoice" or NOI), you will immediately receive the commodity discount directly off your distributor invoice. Commodity discounts will be available on all eligible products as long as dollars remain in your "commodity bank account". In addition, participation is limited to commercial distributors in your area who have been successfully "certified." The certification process means these distributors have demonstrated the ability to successfully transmit purchase and invoice data electronically. This information is available to all interested parties via <http://www.k12foodservice.com/>.



Donated Food Delivery

Once a month delivery of USDA Donated Foods (DF) to LEAs of Missouri for begins the first full week of August and will continue through April (9 deliveries). DF's are warehoused and delivered by Lanter Distribution (Lanter), the current contracted vendor for DESE – SFS.

Please remember:

1. LEAs must accommodate for the delivery of DF **any time** between 7 a.m. and 4 p.m. Monday through Friday except on:
 - a. Labor Day (Sept. 5)
 - b. Thanksgiving Day, the day before and after Thanksgiving Day (Nov. 23-25)

- c. Christmas Break
- d. Martin Luther King Jr. Day (Jan. 16)
- e. Presidents' Day (Feb. 20)
- f. Good Friday
- g. Monday after Easter



2. Deliveries are only required to be “tailgate”, meaning that the truck driver only has to bring the delivered products to the tailgate of the trailer. From there, it is the LEA’s responsibility to get the delivered products into the LEA.

3. A Notice to Deliver will be provided to each Local Education Agency (LEA) at least 2 business days prior to the delivery and include type and quantity to be delivered. Drivers will also contact LEA’s in route to the LEA to ensure LEA’s that they are delivering at a given time.

The current delivery price per case is \$1.85. Non-public LEA’s will receive an invoice from Lanter for the delivery of each case of DF to be paid/submitted back to Lanter Distributing. Delivery of DF to public LEAs is paid for by DESE – SFS; therefore public LEAs will not receive a bill for the *delivery* of DF. However; all processed DFs have a “fee” associated with the production of each case which is invoiced by each processor and is paid/submitted back to the respective processor for public and non-public LEAs.

A Bill of Lading accompanies all deliveries by Lanter Distributing and is required to be signed by the receiving party. Verify the correct items are being delivered (some item numbers are very similar) and confirm quantities match the Bill of Lading for each item. **MARK ANY DISCREPANCIES ON THE BILL OF LADING BEFORE SIGNING!!** DESE – SFS tracks all shorted items and validates all shortages are resolved by the end of the school year. If shortages are not marked on the Bill of Lading, DESE – SFS has no documentation for evidence an item was shorted.

For questions regarding the delivery of DF please contact the DESE – SFS office at 573-751-2646. LEAs may also contact Lanter Distributing with questions and ask for Kim Ackerman, 816-459-4823 or email: lantermoschools@lanterdist.com.

Contact Information

Please feel free to contact our office about any issues you are having with any of the USDA Foods you receive. We are not on the front line as you are, and we need your input to continue improving the Donated Food Program here in MO. If you have suggestions, recommendations or best practices we should know about, send us an Email so we can stay up-to-date with our customers we strive to serve on a daily basis. Also let us know if there any topics you would like discussed in an upcoming newsletter and we will do our best to keep you informed. Our contact information is below; we always enjoy hearing from you!



DESE – SFS Commodity Section Contacts:

Dudenhoeffer, Andy: (573)-751-7253

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Halderman, Amy: (573)-751-2646

Amy.halderman@dese.mo.gov

Kilson, DeeDee: (573)-751-1706

Deedee.kilson@dese.mo.gov

Open Order Forms should be submitted to:

Donatedfoods@dese.mo.gov



