

Commodity Shelf Newsletter

October 2013

Lanter Distributing – Delivery/Storage

DESE – School Food Services (SFS) utilizes a contracted vendor to provide the warehousing and the delivery of the USDA Foods for Missouri Local Education Agencies (LEA). School Year (SY) 2013-2014 has brought a new vendor for these services, and most LEAs have been introduced to the new vendor, Lanter Distributing, via the August and September deliveries of USDA Foods. As with any change or new process, there were some wrinkles which had to be ironed out which could only be done by walking through the process and encountering them first-hand. DESE – SFS and Lanter would like to apologize for any inconveniences you may have incurred over the last two months as we began our partnership and worked through the transition. Please know we are continuously in communication and working to increase our efficiency while providing outstanding service for our MO LEAs.

In order to verify the correct delivery locations and contacts are on file with Lanter, DESE has created the [LEA Contact & Delivery](#) form on the [DESE – SFS, USDA Foods](#) website. If you have not already completed the form for SY 13-14, please do so by **October 15, 2013** and return to DonatedFoods@dese.mo.gov.

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

Below is a checklist of important details to remember when planning, receiving, and documenting a monthly delivery:

- There will be 9 monthly deliveries (August – April).
 - Deliveries are contracted to be **tailgate deliveries**. Inside delivery can be set-up for an additional fee billed by Lanter.
- The contract allows for **delivery times anytime between 7:00 a.m. – 3:00 p.m.** Please have appropriate staff available to receive the USDA Foods when Lanter arrives.
- Lanter will be **Emailing or Faxing** (based on your preference) a list of items to be received by your LEA during the upcoming month. This list will be sent before

or during the first week of the month to all LEAs. The list **will not** include a delivery date and time.

- There will be a date printed on your list...this printed date **is not an indication of your delivery date!** The date is generated by importing the orders, but has no significance on when the order will actually be delivered.
- A dispatch representative from Lanter will contact your LEA **at least 4 days** prior to a future delivery to verify the **delivery date** and a **2-hour window** for your upcoming delivery.
- If a delivery is unable to be made due to sick driver, bad weather, equipment malfunctions, etc. Lanter will contact the LEA immediately and setup a redelivery within 24 hours.
- Lanter will have a printed copy of the Delivery Receipt for your LEA and a separate Bill of Lading for the driver to return to Lanter. When checking-in monthly deliveries, an LEA representative must verify quantity, item code & description, and total cases delivered. Should there be any discrepancies from the Delivery Receipt, make sure to document such discrepancies on the **drivers Bill of Lading**. Include the quantity shorted by item and update the total number of cases verified/received by your LEA before executing a signature. DESE – SFS will receive a copy of the drivers signed Bill of Lading as Proof of Delivery. If there are not discrepancies marked, DESE – SFS will not have the documentation needed to assist your LEA in recouping the shorted items.
 - If there are additional items or incorrect items on the delivery, do not keep these items. Do not accept any substitutions. Only sign and keep items which match quantity and item code/description as listed on your Delivery Receipt.
 - When signing the driver’s Bill of Lading, please sign, date, write the TOTAL # of pieces received, and print your name.
- If your LEA has multiple preparation sites and the USDA Foods will be separated, please have one assigned person to check the items in with the driver before the items are broken down by individual site.

If you have any communication troubles, please notify Kim Ackerman with Lanter at 816-459-4823 or KAckerman@Lanterdist.com to update the contact information for your LEA.



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Open Order SY 13-14

Open Order items are USDA Food items which DESE – SFS has ordered from USDA to offer to **ALL** LEAs. The Open Order items are purchased with entitlement (in essence making them “free” to LEAs b/c no out of pocket money is necessary to purchase the items). Public LEAs receive Open Order items for “free” and Non-Public LEAs only pay a delivery fee of \$1.85 per case to the contracted warehouse (Lanter) for the delivery of the case.

In order to receive Open Order items, LEAs must complete the monthly Open Order form. The Open Order form is posted by the 1st of each month prior to the delivery period and is due by the 15th. Example: Open Order items submitted by October 15 will be delivered in November. The [October 2013 Open Order Form](#) for November 2013 delivery is now available on the [DESE – SFS, USDA Foods](#) website. A document with ALL of the [Open Order Items – anticipated for SY 13-14](#) has also been posted which outlines the schedule of all the USDA Food items that are planned to be available to MO LEAs.

Also remember:

1. Include your Agreement Number with **HYPHEN** on every form (Ex. 999-555)
2. Open Order Forms must be **E-MAILED** to donatedfoods@dese.mo.gov. Save and attach the file to the E-Mail, **DO NOT SCAN**.
 - Do not click the SUBMIT button if there is one on the Order Form. The submit button is not hyperlinked.
 - Include the LEA’s 6-digit Agreement Number in the subject line of the E-Mail
3. Order Forms are due on the 15th of each month, unless the 15th falls on a weekend, then Order Forms are due the next business day.

All items on the Open Order are **EXPECTED** to be in the warehouse and available for delivery; however if circumstances arise that delay the arrival of the USDA Food, **ALL** orders for the delayed commodity will either be **DELAYED** until the next month’s distribution or **DELETED**. The change in delivery will be communicated in the bottom left footer of the monthly **“Open Order Adjustments”**, which is typically posted by the end of month when orders are submitted for the next month’s deliveries.

Missouri School Nutrition Association



Are you ready to step up to the plate? No, not for playoff baseball, for School Nutrition!! The Missouri School Nutrition Association will be hosting the 2013 Annual State Conference in Chesterfield, MO, November 8-10, 2013. Be ready to “Step Up To The Plate For School Nutrition” and register to attend. Hotel and registration information can be found at www.mosna.org.



Non-Processed USDA Foods via the Packet

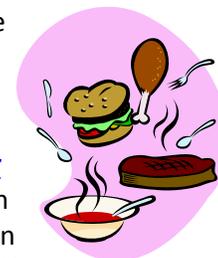
DESE – SFS offered a variety of Non-Processed USDA Foods for SY 13-14 via the USDA Foods Packet which was submitted to DESE – SFS in March 2013. The Non-Processed USDA Foods are purchased by USDA utilizing entitlement (same method as the Open Order Items), essentially making them “free” because there are no additional fees associated with the Non-Processed items except for a delivery fee for non-public schools.



LEAs electing to receive Non-Processed USDA Foods via the Packet can reference the document titled **“Non-Processed USDA Foods via the Packet”** for a schedule of the **planned** delivery times/quantities of each item. The USDA Food Value will be updated each month for LEAs who contract with Food Service Management Companies (FSMC) to verify the appropriate credits have been given to the LEA. Please note there are three (3) pages for each LEA.



No further action is required to receive the Non-Processed items because they were elected via the Packet. The **actual** quantities of each item to be delivered each month will be listed monthly on the **“Open Order Adjustments”** document (even though they aren’t ordered via the Open Order...sorry if our terms get confusing☺).



Family and Consumer Sciences (FACS)

Each year there are a lot of questions raised about the availability of USDA Foods and if it costs the LEA for the FACS classes to use the USDA Foods. FACS teachers are urged to discuss using USDA Foods individually with the FSD of each LEA, because we understand everyone has individual arrangements established. LEAs who contract their food service with a Food Service Management Company (FSMC) will also need to reference their contract for language regarding the use of USDA Foods in FACS classes.

Just a reminder: if arrangements can be made between the FSD and FACS programs, and the USDA Foods are available, then they can be used in the FACS program. The USDA Foods 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”.



Best if Used by Date

USDA Foods received from DESE – SFS may not always have the longest shelf life when received, but we want to assure LEAs that all USDA Foods received are safe and wholesome for the students to consume.

USDA has posted some [guidance](#) on the [Food and Nutrition Service](#) (FNS) Web Site. The guidance helps to explain inventory control and some of the dating systems LEAs may see on products. The guidance specifically says a **best if used by date** “means that the manufacturer recommends using the product by this date for the best flavor or quality. At some point after that date, the product will change very gradually in taste, color, texture, or nutrient content. But, **the product may be wholesome and safe long after that date**. These dating systems do not represent expiration dates, and they do not indicate when product safety becomes an issue.”

With the guidance in mind, DESE – SFS would also like to make LEAs aware that all of the USDA Foods for MO are stored in a climate controlled warehouse, where the dry storage temperature is maintained around 58°F, which will also help to prolong the shelf life. If you are ever uncertain if the product you have is safe, the guidance also offers steps to follow to check the quality of the product.

Please let DESE – SFS know if you have any concerns about a particular USDA Food and we will investigate where the problem may lie. DESE – SFS strives to ship high quality, nutritious USDA Foods for the students of MO. Measures are taken by DESE – SFS to order USDA Foods responsibly to prevent excess USDA Foods in the warehouse and short shelf lives on products.

Entitlement Letters SY 13-14

Individual [entitlement letters for SY 13-14](#) are now posted on the [DESE – SFS, USDA Foods](#) website. The per meal rate was published by USDA in the [Federal Register on July 26, 2013](#). For SY 13-14 the per meal rate will be **\$0.2325**, which is a \$0.005 (½¢) increase from the SY 12-13 per meal rate of \$0.2275. The entitlement amount contained in the letter will be an **ESTIMATED** amount of USDA Foods for each LEA based upon the previous school year’s Total Lunches Served (TLS) and the current SY commodity per meal rate.

LEAs utilize their entitlement for USDA Foods by submitting monthly Open Orders and completing the annual USDA Foods Packet. USDA Foods are then ordered from USDA by DESE – SFS using the State of Missouri’s entitlement, which is the sum of all participating LEAs entitlements. At this time LEAs individual entitlement usage is not tracked throughout the school year so LEAs are encouraged to order as many items from the Open Order which can be used in a timely manner to ensure the LEA receives its “fair share” of entitlement.



Additional Commercial Products

Are you receiving monthly correspondence (order forms) from School Lunch Solutions or Opportunity Buys (National Food Group)? Are you confused about why you get the correspondence and what your obligation is for each? Are the items offered by each company part of the USDA Foods Program? Let’s see if we can clear up some confusion.



School Lunch Solutions is brokered by Synergy Food Sales and Opportunity Buys is brokered by National Food Group (formerly United Commodity Group). Both brokerages represent lines of processed end products sold commercially and lines available via commodity processing which are available to LEAs through DESE – SFS. The commercial side of each business (School Lunch Solutions and Opportunity Buys) offers commercial products delivered **with** your LEAs monthly delivery of USDA Foods from Lanter. They arrive on the same truck because the State of Missouri, School Lunch Solutions and Opportunity Buys each have a separate contract with Lanter and Lanter elects to make all three individual deliveries to an LEA at the same time. These additional commercial products will arrive at the same time and on the same truck as your USDA Foods; **HOWEVER**, they **ARE NOT** part of the USDA Foods Program and **ARE NOT** associated with DESE – SFS.

Purchasing product offered by School Lunch Solutions and Opportunity Buys is acceptable, but not required. LEAs should purchase/procure the items in the same manner they would purchase items from other commercial distributors. The products offered **DO NOT** contain USDA Foods and **WILL NOT** be charged against your LEAs entitlement. Purchasing additional commercial products from either company is in **addition** to any processed items you are already receiving through the Packet which was completed and returned to DESE – SFS in March 2013 for the 13-14 school year.



National School Lunch Week Oct 14-18, 2013

More than 32 million ½ children eat school lunch everyday across the USA, and to celebrate the healthy lunch choices, schools will celebrate National School Lunch Week: October 14-18, 2013. The theme, “School Lunch

Across the USA” can include events and activities that promote the benefits of healthy school lunches. Make plans to promote NSLW with your students and reap a successful NSLW for your LEA this school year. Visit the [SNA – NSLW website](#) for ideas, presentations, website content, press releases, merchandise and more to prepare for NSLW.



Processed USDA Food for SY 13-14

LEA's had the opportunity to divert raw USDA Food to further processors for SY 13-14 via the annual USDA Foods Packet submitted to DESE – SFS in March 2013. When making selections on the Packet, there were multiple avenues for LEAs to receive the processed product they selected.



throughout the school year. If you have questions regarding any FFS items, please contact the appropriate representative listed in the [Approved Processors for SY 13-14 Contact Information](#) document posted on the [DESE – SFS Commodities](#) website.

FFS

1. **Fee-For-Service** (FFS) – processed end products delivered via the State of Missouri's contracted warehouse, Lanter Distributing.
 - a. DESE – SFS arranges for the raw USDA Food to be diverted to the processor, the processor produces the end product selected by the LEA, delivers the finished end product to the state warehouse, and the end product is delivered to the LEA on the monthly commodity delivery. **LEA is only invoiced the Fee-For-Service** (which is a reduced price because the processor does not invoice for the Value of the USDA Food included in the end product). LEA is invoiced and submits payment directly to the processor.
2. **Net-Off-Invoice** (NOI) – commercially purchased processed end products discounted for the Value of the USDA Food.
 - a. DESE – SFS arranges for the raw USDA Food to be diverted to the processor. LEA arranges for the purchase of approved processed end product via their commercial distributor. Commercial distributor bids processed end product full price, and sells the product to the LEA at full price. **LEA receives a discount off the commercial invoice for the Value of the USDA Food** until all lbs with the processor are depleted. Lb balances for each processor can be traced on either www.ProcessorLink.com or www.K12Foodservice.com depending on the tracking system selected by the processor.

NOI

3. **Rebates** – commercially purchased processed end products rebated for the Value of the USDA Food.
 - a. DESE – SFS arranges for the raw USDA Food to be diverted to the processor. LEA arranges for the purchase of approved processed end product via their commercial distributor. Commercial distributor bids processed end product full price, and sells the product to the LEA at full price. LEA pays the commercial distributor full bid price for the end products. **LEA submits a Rebate Form to the processor. Processor then issues a Rebate check back to the LEA for the Value of USDA Food** in the processed end product until all lbs with the processor are depleted. Lb balances for each processor can be traced on either www.ProcessorLink.com or www.K12Foodservice.com depending on the tracking system selected by the processor.

REBATES

All FFS items will be delivered to the LEA with all other USDA Foods during the monthly commodity deliveries. Many FFS processors contact LEAs to schedule convenient delivery periods

For **NOI** and **Rebate** processed end products, please work with your commercial sales representative to verify the products your LEA intended to purchase are available. The end products should be included in the competitive bid solicited by the LEA to determine pricing.



If your LEA elected NOI as the discount method, please verify with your commercial distributor that they are approved to issue NOI discounts. The commercial distributor **MUST** be assigned to your lb balance on www.ProcessorLink.com or www.K12Foodservice.com in order for the discounts to be issued.

If your LEA elected Rebates as the discount method, the amount of the Rebates per case can be found on the [Rebate Forms](#) posted on the [DESE – SFS Commodities](#) website. Rebates will be issued until all lbs are depleted from the LEAs lb balance. **There is no longer First Come, First Served Rebates for MO LEAs.** DESE – SFS only diverted the necessary lbs to fulfill the requests of LEAs electing Rebates via the Packet; therefore, if your LEA **did not** divert any lbs to a Rebate processor, you will **not** be eligible to receive Rebates in SY 13-14.

LEAs can determine if USDA Foods were NOI or Rebate by referencing the TOTALS sheet from the Packet. Look at the column titled "Estimated Fee-For-Service (Out of Pocket) Costs". If there is a dollar value in the cell (\$1,140 in the example below), then the item is FFS and will be delivered via the State contracted warehouse. If the cell says "Bid Price via Dist", then the item is either NOI or Rebate and will need to be forecasted/purchased via your commercial distributor.

ALLOCATED LBS	PROCESSOR/USDA ITEM	ENTITLEMENT TOTALS	Estimated Fee-For-Service (Out of Pocket) Costs
570.00		\$1,026.17	\$1,140.00
624.00		\$1,123.39	Bid Price via Dist

Additional information regarding NOI and Rebates can be found on the [DESE – SFS Commodities](#) website in the document [Net-Off-Invoice Information](#).

Quote for the Month

"When you arise in the morning, think of what a precious privilege it is to be alive...to breathe, to think, to enjoy, to love." – Marcus Aurelius



DESE – SFS, USDA Foods Program Contacts		
Matthew Essner	Assistant Director	573-522-1974
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DeeDee Kilson	Administrative Assistant	573-751-1706
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Monthly Orders: dontatedfoods@dese.mo.gov		573-751-2646