

Commodity Shelf Newsletter

October 2014

Peanut Butter, D-100396 Container Issue

DESE – Food & Nutrition Services (FNS) has received numerous complaints from Local Education Agencies (LEAs) across the state concerning an issue with the peanut butter (item # D-100396) tub splitting or busting. The case shows no sign of damage and the split tubs are only found once the case is opened for use. DESE – FNS filed complaints with USDA and it was determined the vendor had issues with their tubs. **This is not a recall**; however DESE – FNS has been tasked by USDA in determining how many tubs were split.



To speed up the process, DESE – FNS created an online [SurveyMonkey](#) to gather the data for USDA. If your LEA received D-100396 peanut butter in August and/or September 2014 and you experienced a split in some of your product, please complete this survey in order for DESE – FNS to recoup either replacement product or entitlement from the vendor.



Pertinent information:

- Survey Link: <https://www.surveymonkey.com/s/HXJWBXM>
- Complete the survey by **Wednesday, October 15, 2014**
- Item # from DESE on your Bill of Lading is D-100396, Peanut Butter, Smooth
- Was delivered in August 2014 and/or September 2014 via Lanter
- Peanut Butter label **on the case** says American Blanching Company
- Peanut Butter label **on the individual 5 lb. tub/container** says ABC Creamy Peanut Butter
- There are 6 tubs/containers per case. Report the # of FULL CASES in [survey question #6](#)
- If a partial case was damaged, please report the number of individual tubs/containers in [survey question #7](#)

When determining how many cases and how to report the information to DESE, below are a few examples of how to submit the data:

- Example a – **2 tubs** were split in your inventory. Question # 6 = 0 full cases, Question # 7 = 2 tubs/containers.
- Example b – **12 tubs** were split in your inventory. Question # 6 = 2 full cases, Question # 7 = 0 tubs/containers.
- Example c – **20 tubs** were split in your inventory. Question # 6 = 3 full cases, Question # 7 = 2 tubs/containers.

Once reported, if not already done, **please discard the split tubs of peanut butter from your inventory**. If you have any questions, please contact the DESE – FNS Food Distribution team at 573-751-2646.

Value of USDA Food Letters SY 13-14

Each Local Education Agency (LEA) can retrieve a [Value of USDA Foods Distributed Letter](#) on the [DESE – FNS USDA Foods Web Site](#) for SY 13-14. The Value of USDA Foods Distributed Letter is needed for the independent audits conducted for each LEA. The document contains the total amount of USDA Foods received (not the processing fee paid) and is calculated by summing each of the categories listed. DESE – FNS calculates the values by multiplying the number of cases each LEA received during SY 13-14 by the [Unit Value of Donated Food](#) for SY 13-14. Any processed items which were received via Net-Off-Invoice or Rebate are included in the amount listed under the Processed USDA Foods section. The value for NOI and Rebate items are determined by summing the discounted amounts issued to each LEA as reported by the processor. Contact [Matthew Essner](#), 573-522-1974 with any questions.

NATIONAL SCHOOL LUNCH WEEK



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Lanter Distributing – Delivery/Storage

DESE – FNS utilizes a contracted vendor, currently Lanter Distributing, to provide the warehousing and the delivery of the USDA Foods for Missouri LEAs.

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 attempt to 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 – FNS will receive a copy of the drivers signed Bill of Lading as Proof of Delivery. If there are not discrepancies marked, DESE – FNS 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.

Delivery Notices: If you have not been receiving an Email or fax of the advance notice of delivery or if you are not getting a phone call of the delivery date/time, please notify Kim Ackerman with Lanter at 816-459-4823 or KAckerman@Lanterdist.com to update the contact information for your LEA.

The current delivery price per case is \$1.92. 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 – FNS; 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 to be paid/submitted back to the respective processor.

Open Order SY 14-15

Open Order items are USDA Food items which DESE – FNS 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 \$1.92 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 15th, 2014, will be delivered in November 2014. The [October 2014 Open Order Form](#) for November 2014 delivery is now available on the [DESE – FNS, USDA Foods website](#). A document with ALL of the [Open Order Items – anticipated for SY 14-15](#) 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@desemo.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.



Entitlement Letters SY 14-15

Individual [entitlement letters for SY 14-15](#) are now posted on the [DESE – FNS, USDA Foods](#) website. The per meal rate was published by USDA in the [Federal Register on July 15, 2014](#). For SY 14-15 the per meal rate will be **\$0.2475**, which is a \$0.015 (1 and ½ ¢) increase from the SY 14-15 per meal rate of \$0.2325. 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 – FNS 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.



Missouri School Nutrition Association



Are you driven to help students perform better? The Missouri School Nutrition Association will be hosting the 2014 Annual State Conference in Lake Ozark, MO, @ the Lodge of the Four Seasons November 7-9, 2014. Hotel and registration information can be found at www.mosna.org.

REGISTER NOW
MSNA Annual Conference
November 7 – 9, 2014
The Lodge of Four Seasons,
Lake Ozark, MO



National School Lunch Week Oct 13-17, 2014

32 million students eat school lunch everyday across the USA, and to celebrate the healthy lunch choices, schools will celebrate National School Lunch Week: October 13-17, 2014. The theme, "Get in the Game with School Lunch" can include events and activities that promote the benefits of eating healthy school lunches and getting active. 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.

Non-Processed USDA Foods via the Packet

DESE – FNS offered a variety of Non-Processed USDA Foods for SY 14-15 via the USDA Foods Packet which was submitted to DESE – FNS in February 2014. 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 follow the link titled "[Non-Processed USDA Foods for SY 14-15 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 eight (8) pages for each LEA.

No further action is required to receive these 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 250.60 \(a\) \(4\)](#) states that "school food authority may also use donated foods in other nonprofit school food service activities. Examples of other activities in which donated foods may be used include: (4) Training in nutrition, health, food service, or general home economics instruction for students."



Best if Used by Date

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

What the F.D.C?

Have you noticed all of your items listed on your Bill of Lading from Lanter start with a letter? There is a method to the madness. All of the **FROZEN** items have a **F-###**, **DRY** items have a **D-###**, and **COOLER** items have a **C-###**. This numbering system allows for quick sorting of your orders by the warehouse to pull similar items and deliver them accordingly. Your invoices from processors will not have the F-, D-, or C- designations on them, b/c this methodology is a MO specific numbering.

ITEM NO.
C-100012
C-100036
C-10137
C-75541
D-100225
D-100315
D-100362
D-52906
F-100034
F-100101

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 – FNS. 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 – FNS.

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 – FNS in February 2014 for the 14-15 school year.



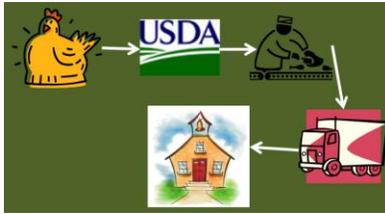
Department of Defense Produce Program

MO LEAs can elect to divert a portion of their entitlement towards the [Department of Defense](#) (DoD) Produce Program via the USDA Foods Packet. LEAs making this designation will see their diversions posted in the [Fresh Fruit and Vegetable Order Receipt System](#) (FFAVORS). If you have questions, please contact Matthew Essner, 573-522-1974.

Please note that the DoD and Fresh Fruit and Vegetable Program (FFVP) are completely separate programs. Please reference the [Commodity Expo presentation](#), slide #35 for details.

Processed USDA Food for SY 14-15

LEA's had the opportunity to divert raw USDA Food to further processors for SY 14-15 via the annual USDA Foods Packet submitted to DESE – FNS in February 2014. When making selections on the Packet, there were multiple avenues for LEAs to receive the processed product they selected.



1. **Fee-For-Service** (FFS) – processed end products delivered via the State of Missouri's contracted warehouse, Lanter Distributing.

a. DESE – FNS 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 – FNS 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.

3. **Rebates** – commercially purchased processed end products rebated for the Value of the USDA Food.

a. DESE – FNS 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.

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 throughout the school year. If you have questions regarding any FFS items, please contact the appropriate representative listed in the [Approved Processors for SY 14-15 Contact Information](#) document posted on the [USDA Foods Packet 2014-15](#) website.

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 in the USDA Foods Packet posted on the [USDA Foods Packet 2014-15](#) 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 – FNS 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 14-15.

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 [USDA Foods Packet 2014-15](#) website in the document [Net-Off-Invoice and Rebate Information](#).

Quote for the Month

"The goal in life is to live young, have fun, and arrive at your final destination as late as possible, with a smile on your face." – Jon Gordon

DESE – FNS, USDA Foods Program Contacts

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