

CSNA's 65th Annual Conference

Beginner's Guide to U.S. Department of Agriculture Foods



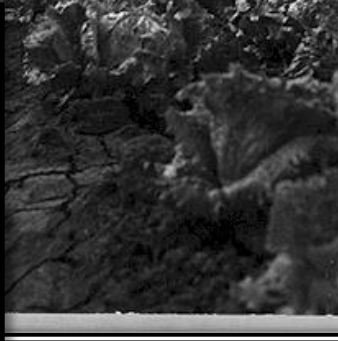
Presented by:
Amy Bell, R.D. and Manpreet Kaur
Nutrition Services Division, Food Distribution Program
November 11, 2017

Today's Topics

- Introduction to U.S. Department of Agriculture (USDA) Foods
- Entitlement
- Using USDA Foods Entitlement Effectively
- Processing USDA Foods
- Participating in the USDA Foods Program

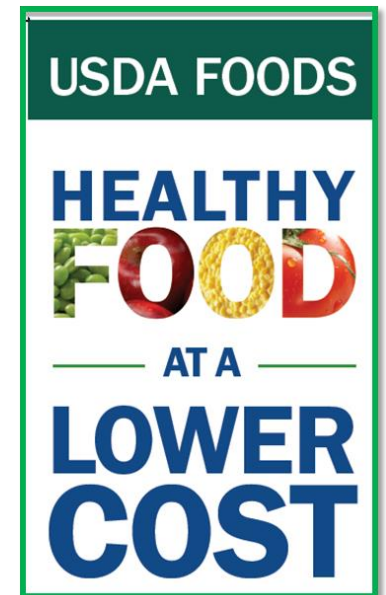


History of the Food Distribution Program (FDP)

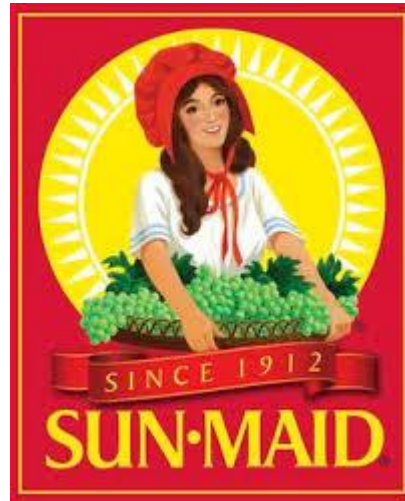


USDA Foods Program Today

- USDA Foods help fund approximately 15–20 percent of an agency's purchased food
- Nationally, the USDA purchases over \$1.4 billion in USDA Foods
- California receives approximately \$180 million in USDA Foods



USDA Foods are Brand Names



California Department of Education

1. Initially, the FDP started as a result of:
 - A. World War (WW) II
 - B. The Great Depression
 - C. WW I
2. The FDP supports:
 - A. Farmers
 - B. Schools
 - C. Both A and B
3. USDA Foods account for 50 percent of food served in the National School Lunch Program.
 - A. True
 - B. False



Brown Box and Bulk Items

Brown Box Items

- Chicken fajita meat
- Canned fruit
- Fruit cups

Bulk Items for Processing

- Chicken, beef, turkey
- Cheese
- Flour
- Fruits and vegetables



Fresh Produce Availability

- Department of Defense Fresh Fruit and Vegetable Program (DoD Fresh)
- USDA Pilot Project for Procurement of Unprocessed Fruits and Vegetables



What is Entitlement?



$$\frac{\text{Meal Rate} \times \text{Total Lunches Served (TLS)}}{1} = \text{Total Entitlement}$$

Activity

Berry Unified School District (USD) serves 3,678,432 reimbursable lunches and 1,864,975 reimbursable breakfasts between July 1 and June 30. The entitlement rate is \$.3350.

What is Berry USD's entitlement allowance?

- A. \$1,857,041
- B. \$1,232,274
- C. \$624,766



Participation in the FDP

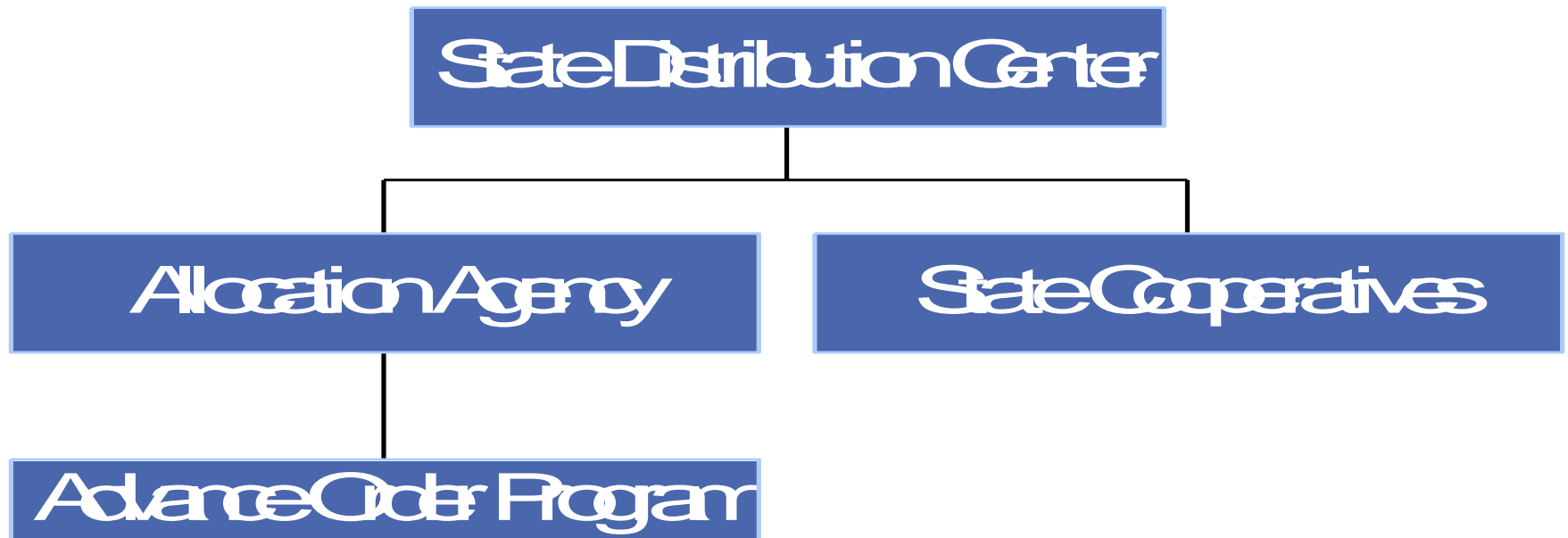
Schools select participation method by December 15 each school year for the following school year.

1. Allocation Agency
 - Advance Order
2. State Cooperative
3. Private Cooperative



Send requests to: FoodDistribution@cde.ca.gov

Pomona and Sacramento Distribution Centers

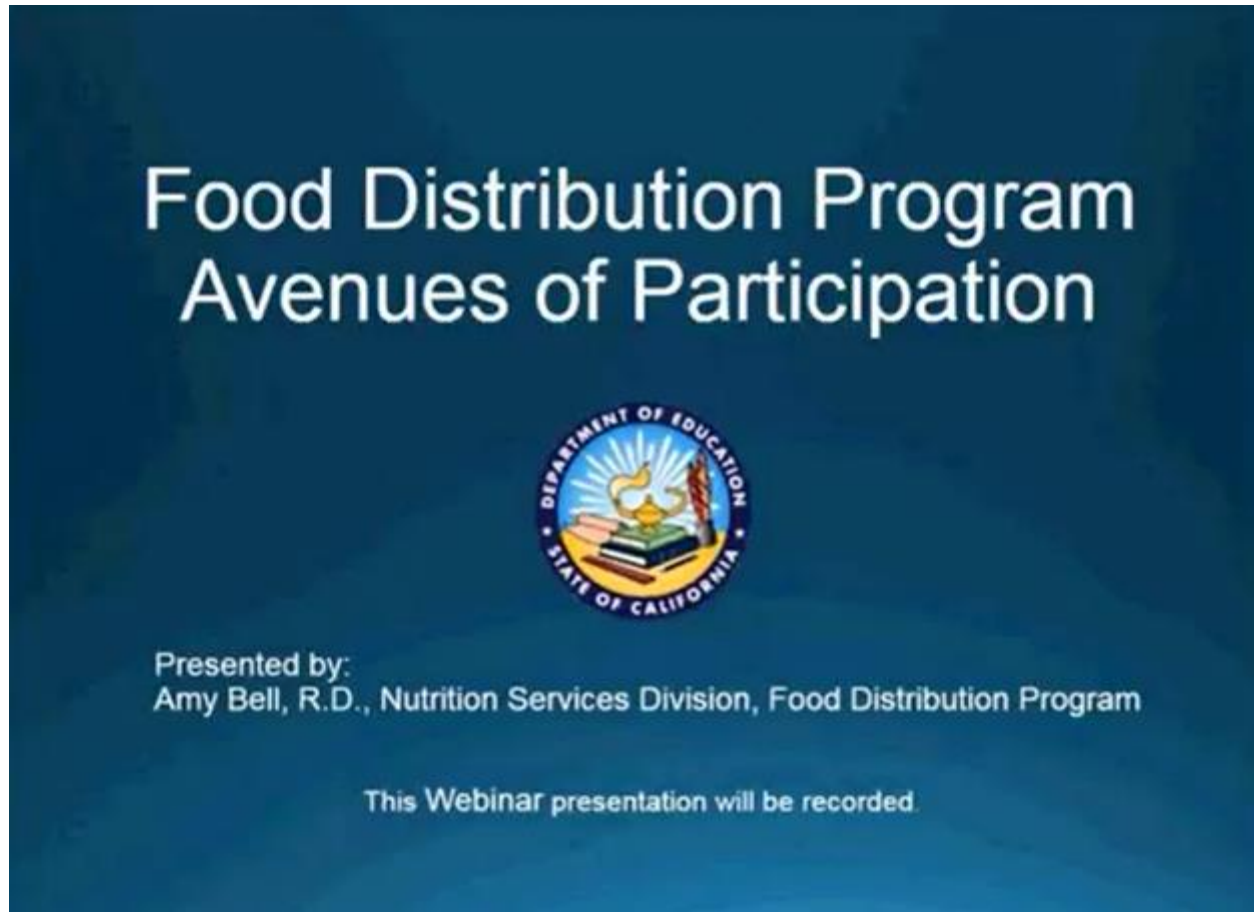


Private Cooperatives

- CPC
- PINCO
- SLIC
- SUPER



Avenues of Participation Webinar



<https://www.youtube.com/watch?v=qKELfrbsd40>



Processing

What is USDA Foods Processing?

When agencies use their entitlement for USDA Foods to be processed into finished end products



Agency Responsibilities



- **Procuring**
- **Ordering**
- **Monitoring**
- **Verifying**

CA Approved Processors List

[Curriculum & Instruction](#)[Testing & Accountability](#)[Finance & Grants](#)[Data & Statistics](#)[Specialized Programs](#)[Learning Support](#)[Home](#) / [Learning Support](#) / [Nutrition](#) / [Food Distribution](#)

USDA Foods Processing Program

Information regarding processing United States Department of Agriculture foods into more usable end products.

Processing Information

Processing allows schools to send United States Department of Agriculture (USDA) Foods to processors who have been approved by the state or the USDA. Processors must meet specific requirements and are regularly reviewed by the state or the USDA.

Processors are required to have an approved agreement on file in order to participate in the program. The agreement end product data schedules, a list of end products available, and nutrition and labeling information.

Processing allows agencies to better utilize USDA Foods by converting them into more convenient and usable items. Processing often makes the most efficient use of USDA Foods by reducing waste, stabilizing food costs through portion control, providing a variety of food choices, and increasing food safety.

[2016–17 Approved Processor Listing](#) (XLS; Jan-2017)

Processors approved to process USDA Foods.

[2015–16 USDA Foods Processors' Consultant Assignments](#)

[2015–16 Approved Processor Listing](#) (XLS)

Processors approved to process USDA Foods.

[FDP General Information Sheets](#)

Information to assist processors with program compliance.

[Management Bulletins](#)

Food Distribution Program management bulletins organized by calendar year.

72 Approved Processors!

<http://www.cde.ca.gov/ls/nu/fd/processor.asp>

California Department of Education

Summary End Product Data Schedule (SEPDS)

NPA SEPDS A

Tony Roberts Company

Summary End Product Data Schedule

Information Certified as Accurate by USDA

| School Year | Product Status A=Approved N=New R=Revised X=Expired | End Product Code | End Product Description | Net Weight Per Case | Servings Per Case | Net Weight per Serving | WBSCM USDA Foods Material Code | WBSCM USDA Foods Material Description | USDA Foods Inventory Drawdown per case | USDA Foods Value per pound | USDA Foods Value per case | USDA Approval Date |
|-------------|---|------------------|--|---------------------|-------------------|------------------------|-----------------------------------|--|--|----------------------------|---------------------------|--------------------|
| SY18 | A | 78985 | Deep Dish Turkey Chorizo Pizza Bulk | 20.44 | 60.00 | 5.45 | 110244 | CHEESE MOZ LM PT SKM UNFZ PROC PK(41125) | 4.24 | \$1.6162 | \$6.85 | 11/23/2016 |
| SY18 | A | 78986 | Deep Dish Turkey Chorizo Pizza Wrapped | 20.44 | 60.00 | 5.45 | 110244 | CHEESE MOZ LM PT SKM UNFZ PROC PK(41125) | 4.24 | \$1.6162 | \$6.85 | 11/23/2016 |
| SY18 | A | 66256LA | 6" Garlic Cheese Toast Bulk | 16.88 | 60.00 | 4.50 | 110244 | CHEESE MOZ LM PT SKM UNFZ PROC PK(41125) | 7.50 | \$1.6162 | \$12.12 | 11/23/2016 |
| SY18 | A | 66257LA | 6" Garlic Cheese Toast Wrapped | 16.88 | 60.00 | 4.50 | 110244 | CHEESE MOZ LM PT SKM UNFZ PROC PK(41125) | 7.50 | \$1.6162 | \$12.12 | 11/23/2016 |
| SY18 | A | 78977LA | Breakfast Pizza Bagel Wrapped | 18.66 | 96.00 | 3.11 | 110244 | CHEESE MOZ LM PT SKM UNFZ PROC PK(41125) | 6.00 | \$1.6162 | \$9.70 | 11/23/2016 |
| SY18 | A | 78982LA | Turkey Breakfast Chorizo Bagel IW | 18.42 | 96.00 | 3.07 | 110244 | CHEESE MOZ LM PT SKM UNFZ PROC PK(41125) | 3.18 | \$1.6162 | \$5.14 | 11/23/2016 |

APPROVED

California Department of Education

Now in
CNIPS!

SEPDS Up Close: Cheese Flatbread

| Information Certified as Accurate by USDA | | | | | | | | | | | | |
|---|--|------------------|---------------------------------------|---------------------|-------------------|------------------------|--------------------------------|--|--|----------------------------|---------------------------|--------------------|
| School Year | Product Status A=Approved N=New R=Revised X=Expire | End Product Code | End Product Description | Net Weight Per Case | Servings Per Case | Net Weight per Serving | WBSCM USDA Foods Material Code | WBSCM USDA Foods Material Description | USDA Foods Inventory Drawdown per case | USDA Foods Value per pound | USDA Foods Value per case | USDA Approval Date |
| SY18 | A | 90401 | Ardella's Two Cheese Flatbread (Bulk) | 25.00 | 80 | 5.00 | 100022 | CHEESE MOZ LM PART SKIM FRZ LVS-8/6 LB | 11.5656 | \$1.6162 | \$18.69 | 11/22/2016 |
| SY18 | A | 90401 | Ardella's Two Cheese Flatbread (Bulk) | 25.00 | 80 | 5.00 | 110244 | CHEESE MOZ LM PT SKM UNFZ PROC PK(41125) | 11.5656 | \$1.6162 | \$18.69 | 11/22/2016 |
| SY18 | A | 90401 | Ardella's Two Cheese Flatbread (Bulk) | 25.00 | 80 | 5.00 | 100332 | TOMATO PASTE FOR BULK PROCESSING | 2.9250 | \$0.4116 | \$1.20 | 11/22/2016 |
| SY18 | A | 90401 | Ardella's Two Cheese Flatbread (Bulk) | 25.00 | 80 | 5.00 | 100399 | PEANUT BUTTER SMOOTH DRUM-500 LB | 2.4000 | \$0.8175 | \$1.96 | 11/22/2016 |

An RA can divert all four USDA Foods (2x cheese, tomato paste, and peanut butter) to this processor to get the end product of flatbread.

- Net Weight per Case = 25.00 lbs.
- Servings per Case = 80
- The total **value** of donated food per case = **\$40.54**
(\$18.69 + 18.69 + 1.20 + 1.96)

Track your balances!



K12foodservice.com
ProcessorLink.com

Check your school's:

- USDA Foods balances
- USDA Foods transfer information
- Carryover balances
- Usage history

Excess Inventory

Reasons for Excess Inventory:

- Not using current balances
- Carrying over inventory
- Failing to apply for rebates or refunds
- Sending too much USDA Foods to the processor
- Inventory exceeding six-month limit



Inventory Reconciliation Process

1

- Processors provide October 31 unused carryover data to the state.

2

- The state notifies processors of pounds to **sweep** from agencies and place into the processors' Excess Account.

3

- The processors verify to the state that the correct amount was swept.

4

- The state notifies agencies that pounds are available in Excess Accounts.

Where do the swept pounds go?

Inventory Reconciliation Process begins



State sweeps pounds from agencies



Pounds transferred to:



CA Excess Account
at processors

CA Unallocated
Account at processors

State Accounts at Processors

CA Excess Account:

- Consists of unused inventory swept from low usage agencies
- Use to fill pending orders
- Does not require entitlement to use
- Complete a transfer form to request USDA Foods

CA Unallocated Account:

- Consists of USDA Foods sent to the processor to fill trucks (full truckload delivery)
- Request pounds by contacting your FDP order coordinator or the lead district for private co-ops
- Costs **entitlement** to use

Value Pass Through Webinar



<https://www.youtube.com/watch?v=z5FW7Ja-tYs>

Maximizing Savings: Effectively Using USDA Foods



Burrito Cost Analysis – USDA Foods

| Ingredient | 100 Servings | Commercial Price/Ingredient | USDA Food Value + Distribution Cost |
|-----------------------|-------------------|-----------------------------|-------------------------------------|
| Rice, brown, dry | 10.6 pounds (lbs) | \$4.52 | \$4.08 ↓ |
| Corn, canned (cnd) | 14.2 lbs | \$11.79 | \$8.19↓ |
| Tomatoes, diced, cnd | 2 #10 cans | \$8.60 | \$7.41↓ |
| Pinto beans, cnd | 2 #10 cans | \$7.92 | \$5.26↓ |
| Whole wheat tortillas | 5 lbs | \$19.86 | \$15.06↓ |
| Chicken fajita strips | 12.5 lbs | \$75.56 | \$27.37↓ |
| Reduced fat cheese | 1.5 lbs | \$3.55 | 2.98↓ |
| Spices | Various | \$2.73 | \$2.73 (not USDA Foods) |
| Total | | \$134.53 | 45% Savings \$73.08↓ |
| Cost per entree | | \$1.35 | \$0.74 |

Bulk Chicken to Chicken Tenders

Truckload of chicken contains 900 (40 lbs) cases per truck
(36,000 lbs)

Administrative Fee: $\$0.80 \times 900 \text{ cases} = \720

Truckload Entitlement: \$30,751

One case of chicken tenders contains 13.2 lbs of chicken

Yield: $36,000 \text{ lbs} \div 13.2 \text{ lbs per case} = 2,727.27 \text{ cases} \times 144 \text{ servings per case} = 392,727 \text{ servings total}$



Bulk Chicken to Chicken Tenders

USDA Foods Cost

$\$37.28/\text{case} \times 2,727 \text{ cases produced} = \$101,662.56 + \$720$
administrative fee = **\$102,382.56**

Commercial Cost

$\$51.14/\text{case} \times 2,727 \text{ cases needed a year} = \mathbf{\$139,458.78}$

Savings of \$37,076.22

Spend \$30,751 in entitlement to save \$37,076



Why is Calculating Cost Important?

Not all savings are equal, calculate true value of USDA Foods!

Value of USDA Foods

Administrative fees

Distributor fees

Processing costs

+ Shipping and handling fees

= True value of products made with USDA Foods



USDA Foods Cost Analysis Tool

| | | | | | | | | | | | | | | | | |
|----------------------|---------------------|-------------|-----------------|--------------|--------------------|-----------|------------|------------|----------------|-----------------------|-----------------|----------------|-------------------|-----------------|----------------|--|
| USDA Food | Large Bird (A522) | | | | | | | | | | | | | | | |
| WBSCM # | 100103 | | | | | | | | | | | | | | | |
| USDA Value | \$0.7503 | | | | | | | | | | | | | | | |
| Processed USDA Foods | | | | | | | | | | Commercial Equivalent | | | Annual Savings | | | |
| Manuf. | Product Description | Case Weight | Servings / Case | Process Cost | Storage / Delivery | DF / Case | DF \$/Case | Total Cost | Cost / Portion | Commercial Cost | Servings / Case | Cost / Serving | Savings / Serving | Annual Servings | Annual Savings | |
| Chicken King | WW Tenders | 40 | 200 | \$35.00 | \$2.60 | 25 | \$18.76 | \$56.36 | \$0.28 | \$65.00 | 200 | \$0.33 | \$0.04 | 300000 | \$12,963.75 | |
| | | | | | | | \$0.00 | \$0.00 | #DIV/0! | | | #DIV/0! | #DIV/0! | | #DIV/0! | |
| | | | | | | | \$0.00 | \$0.00 | #DIV/0! | | | #DIV/0! | #DIV/0! | | #DIV/0! | |
| | | | | | | | \$0.00 | \$0.00 | #DIV/0! | | | #DIV/0! | #DIV/0! | | #DIV/0! | |
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<http://www.fns.usda.gov/usda-foods/usda-foods-toolkit-child-nutrition-programs>

Food Distribution Training Resources

- CDE Recorded Webinars
<https://www.youtube.com/user/cdenutrition>
- USDA Recorded Webinars
<http://www.fns.usda.gov/fdd/media/all>

Reminders for Success



Tip One: Plan

- Start with the menu
- Determine usage

Tip Two: Track

- Monthly draw-downs/usage
- Reach out

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- Realtime Check-ins from Trainings and Events
- Policy Information and Updates
- News about Grants and Resources
- Insider's Scoop on Life at CDE, and more!

Professional Standards Crediting Information

Key Area: 1000 Nutrition



Training Topic: 1100 Menu Planning

Learning Objective: 1170 Plan for effective use of USDA Foods

- Total Instructional Hours: 1.0

Food Distribution Program Contacts

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