

# BUSINESS OF NUMBERS & NUTRITION

CHILD NUTRITION DIRECTORS  
AND BUSINESS OFFICIALS

**How to Strategize for USDA Foods**


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# Agenda

- **USDA Foods Ordering Team**
- **Program Diversity**
- **Entitlement**
- **DoD FF&V**
- **DoD Farm to School**
- **Regular (brown box)**
- **Further processing**
- **Questions**

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# Program Diversity

01

# Program Diversity

- Department of Defense Fresh Fruits & Vegetables (DoD FFV)
- Texas Farm to School (FtS)
- Regular (brown box) USDA Foods
- Further Processed USDA Foods

# Program Diversity

- USDA Agricultural Marketing Services (AMS) purchases the products.
- 100% domestically grown.
- Purchases support American agriculture.
- Wholesome, high-quality products delivered to a variety of Contracting Entities (CEs).

# Program Diversity

## For NSLP, USDA Foods are...

(refer to [USDA: Available List handout](#)):

- Dry, cooler or frozen items.
- Regular (brown box) items delivered by USDA vendors to a State Contracted Commodity warehouse for deliveries to CEs.
- Further processed bulk items are delivered by USDA vendors to processors.

# Program Diversity

## USDA Foods...

- are ingredients or food items used for reimbursable meals,
- can be served at school related functions where the students are the primary beneficiaries, &
- can be sold as a la carte items.



# Program Diversity

## Benefits:

- Make the most efficient use of the donated food,
- Increase lunch participation, &
- Increase Entitlement.



# Entitlement

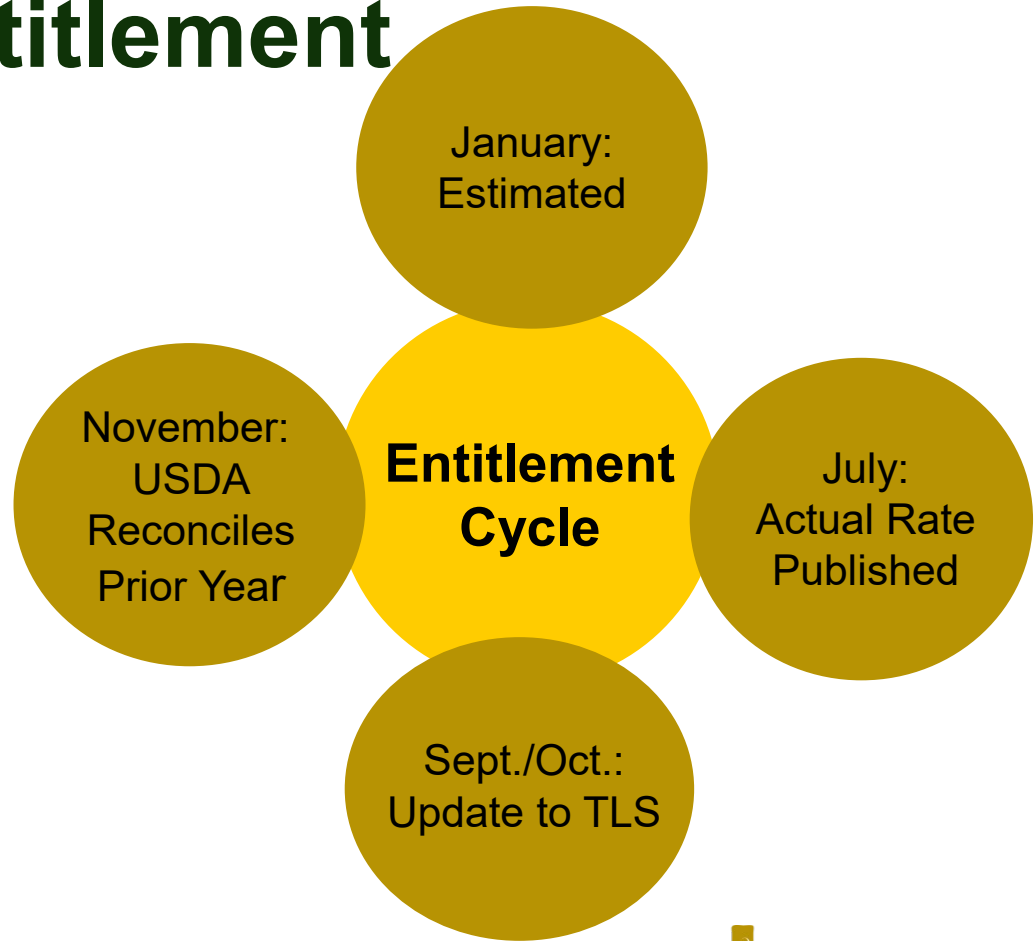
02

# Entitlement

- USDA allocates Entitlement \$ to States.
- TDA allocates Entitlement \$ to CEs.
- TDA encourages CEs to commit 100% of Entitlement \$.



# Entitlement



# Entitlement

How to calculate your estimated \$:

- 30,000 TLS x \$0.34 Rate/Assistance = \$10,200 Entitlement \$

# Entitlement

- USDA offers four major ordering periods each PY.
- All USDA Foods offered w 1<sup>st</sup> round ordering period for a new PY.
- CEs encouraged to commit 100% of Entitlement \$ w 1st round of ordering.

# Entitlement

## Tips to help maximize USDA Foods:

- Make menu driven requests.
- Request USDA Foods with multiple uses.
- Avoid ordering foods that compete with a similar food, such as beef crumbles or fresh apples.
- Analyze costs & values.
- Use USDA Foods for summer feeding programs.

# Entitlement

- USDA Foods your school receives has a value, like having money in the bank.
- Not out-of-pocket money.
- CEs should constantly monitor Entitlement \$ on the WCB in TX-UNPS.
- TDA constantly monitors CE Entitlement \$ in TX-UNPS and the National level.



# Entitlement

## Example:

**\$3.39 average cost of a lunch**

**\$0.34 current Rate of Assistance**

**10% is Value of USDA Foods**

# Entitlement

## Things to consider:

- Do you utilize all of your Entitlement \$?
- Are USDA Foods popular with the students?
- Are USDA Foods in the form you can use in your facility?
- Is the food safety a concern?
- Do you have sufficient labor to handle the product in its raw form or ready-to-heat form?

# Entitlement

- 1 Evaluate resources
- 2 Project expenses
- 3 Determine needs



**Department of  
Defense  
Fresh Fruits &  
Vegetables  
(DoD FFV)**

**03**

# DoD FFV

## In Texas, TDA...

- Administers the DoD FFV program.
- Allocates Entitlement \$ as a fair share in early February for the next PY.
  - **One time allocation to CEs.**
- Once the allocation is completed, CEs may commit remaining Entitlement \$ as desired.

# DoD FF&V

- ✓ Consistency
- ✓ Variety
- ✓ High Quality



# DoD FFV

## CEs order in FFAVORS:

- Assigned vendors & delivery schedule.
- Specifications:
  - 1 delivery per week.
  - Place orders no less than 6 days before delivery date.
  - At least \$150.
  - Changes to orders done in FFAVORS.
- TDA constantly monitors Entitlement to ensure it is spent.

# DoD FFV

Upon delivery, the CE are responsible for...

- Checking for shortages or overages,
- Inspecting produce for quality, &
- Contacting the DoD representative with any questions or concerns regarding the delivery.



# DoD FFV

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# **DoD Texas Farm to School (FtS)**

**04**

# DoD FtS

## DoD:

- Establishes partnerships with local growers & vendors,
- Meets with stakeholders to determine produce offerings, &
- Negotiates prices.

**Schools use Entitlement \$ towards produce purchases.**



# DoD FtS

## Advantages:

- Fresh,
- High Quality,
- Nutritious, and
- Supports local economy.

# DoD FtS

**CEs commit Entitlement \$ on the FtS survey in TX-UNPS...**

**(see handout FtS Order Schedule)**

- Apples
- Grape Fruit
- Oranges
- Peaches
- Pears
- Watermelon



# DoD FtS

## Distribution to CEs:

- Produce is delivered from the local farmer to the produce vendor to the contracted warehouse.
- FtS weekly pre-allocations occur each Thursday.
- CE requests for deliveries are made via TX-UNPS, must take every case of allocated produce.



# **Regular (brown box)**

**05**

# Regular

- a.k.a. “brown box”.
- Typically not sent for further processing.
- Foods requested by schools for onsite preparation.





# Regular

- Over 160 nutritious food items,
- Fresh, Frozen, Canned, Dried, Bulk, & Packaged,
- Meet menu planning needs, student preferences, & school nutrition goals.

# Regular

- CEs submit requested cases into their Annual Survey.
- TDA reviews the requests.
- TDA identifies full & incomplete partial trks.



# Further Processing

06

# Further Processing

Bulk USDA Foods are sent to processor to be converted into more convenient, ready-to-use forms, known as End Products that appeal to students.

Example: Whole Chicken...

- Strips
- Nuggets
- Fajita

# Further Processing

## Processing Co-Ops...

- Pooled purchasing power through a single entity.
- Must properly procure for foods, goods or services.
- Smaller CEs are able to divert pounds for further processing.



# Further Processing

## Co-Op coordinators:

- Develop requests for proposals & award bids,
- Hold meetings w members to assist CEs to properly forecast & commit pounds, and
- Submit CE lb requests to TDA via TX-UNPS.



# Further Processing

## CE Entitlement committed to Beef:

1,000 lbs x \$2.08 cost per  
lb of beef = \$2,080  
Entitlement committed



# Further Processing

After lbs are submitted to Processing Surveys:

- TDA conducts a comparison review.
- TDA identifies the total full & incomplete partial trks.



# Further Processing

Diverting UDSA Foods to a processor must be in full truckload quantities.

Examples:

- Coarse Ground Beef = 42,000 Lbs
- Chicken Bulk = 36,000 Lbs
- Mozzarella = 41,125 Lbs

# Further Processing

CFR 250.35(d), “Limitations on donated food inventories. Inventories of donated food at processors may not be in excess of a six-month supply, based on an average amount of donated foods utilized...”; a.k.a. USDA’s 6 Month Inventory Rule.

# Further Processing

- 4,000 Lbs used / 10 months = 400 Lbs AMU
- 600 Lbs YTD End Balance / 400 Lbs AMU = 1.50 months of inventory on hand
  - Always consider unused inventory at the processor level when forecasting for the next PY.



**Questions?**

**07**

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