



Processing USDA Foods: Part 1

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Welcome!

- New USDA Foods Processing Team
 - Kayla Czech
 - Manpreet Kaur (Neena)
 - Jeanette Lund



Acronyms & Initialisms

- U.S. Department of Agriculture.....USDA
- State Distribution Agency.....SDA
- Recipient Agency.....RA
- Nutrition Services Division.....NSD
- Food Distribution Program.....FDP
- Management Bulletin.....MB
- Product Formulation Statement.....PFS

Slide 3

A1 Author, 10/14/2013

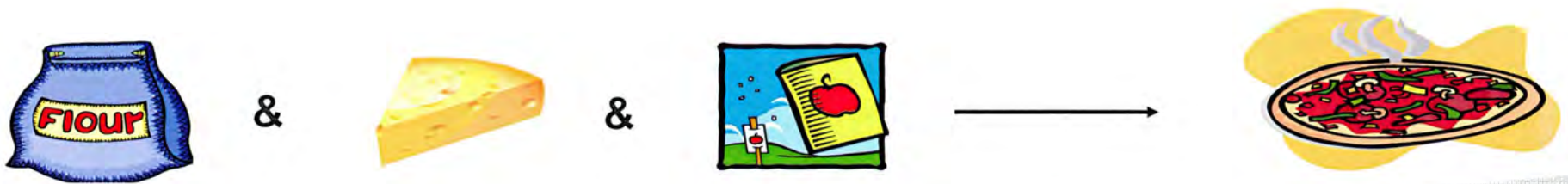


Processing USDA Foods



What is USDA Foods Processing?

- USDA Foods processing
 - The utilization of USDA Foods as an ingredient by commercial food processors in the production of finished end products.



USDA Flour + USDA Cheese + USDA Tomato Paste = made into pizza by a processor

Considerations with Processing

- Labor and Equipment
- Plan Ahead
- Storage
- Usage
- Student Preferences
- Currently Purchasing Product?
- Bang for your Buck!



Advantages to Processing

- Portion Control
- Variety
- Consistent Product
- Reduced Waste
- Convenient
- Easy & Fast Preparation
- Labor & Equipment





Popular USDA Foods for Diversion

- Group “A”

- Potatoes, bulk
- Chicken legs, bulk
- Turkey, bulk chilled
- Eggs, bulk whole
- Beef, coarse bulk
- Pork, boneless picnic



- Group “B”

- Cheese, yellow sliced
- Mozzarella Lite 6
- Flour AP
- Flour, Bakers Hard Wheat
- Nonfat dry milk, bulk
- Peanut butter, drum



State Responsibilities

- Approve national and in-state Processor Agreements
- Monitor the processor's inventory levels
- Notify schools about available USDA Foods
- Advise schools on what processed products are available



Management Bulletins

- Management Bulletins provide Processors, RA's, Private Co-ops, and others with USDA Foods related guidance and policies.
- MB's can be found on the CDE USDA Foods Processing Program Web page at <http://www.cde.ca.gov/ls/nu/fd/processor.asp>.
- Recent MB's
 - *Accepting Processed Product Documentation* (USDA-CNP-05-2013)
 - *Frozen Fruit Products and Nutrition Standards* (USDA-FDP-04-2013)

Recipient Agency Responsibilities

- Plan menus to meet meal pattern requirements
- Effectively utilize your entitlement with placing orders based on usage and student taste tests
- Monitor inventory
 - Do you have enough? Too much?





Recipient Agency Responsibilities, continued...

- Order based on usage
 - Do not order if you have excess inventory
- Develop and award bids for processing
- Monitors orders to processor to assure a balanced drawdown of pounds
- Verify that you received the rebate/discount from Processor





Entitlement



- Entitlement represents the **VALUE** of the food that you receive.
- Entitlement is **NOT** an out-of-pocket cost.

$$\text{Entitlement} = \frac{\text{total \# of lunches claimed in previous year}}{\text{annual established per-meal-rate}}$$



Avenues For Recipient Agencies to Receive USDA Foods

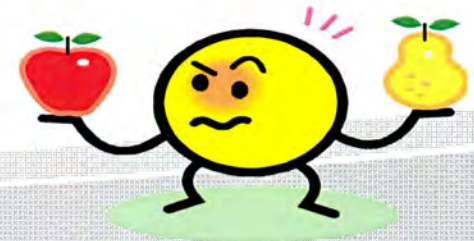
- Advance Order Agencies
 - 45,000 or more Total Lunches Served
- State Co-op Agencies
 - North State Co-op
 - South State Co-op
- Private Co-op Agencies
 - Brokers
 - Lead District Coordinator



School → Private Co-op? / State Order Coordinators? → send USDA Foods to Processors

Selection of Processors

- Check California's approved processor listing
- Determine USDA Foods to use
- Research which processors fit the agency's needs
 - End products for menus
 - Pricing
- Conduct bid process, if necessary



Selecting Processors



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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.

[2013-14 USDA Foods Processors' Consultant Assignments](#)

[2012-13 Approved Processor Listing \(XLS\)](#)

[FDP General Information Sheets](#)

Information to assist processors with program compliance.

[Management Bulletins](#)

Food Distribution Program management bulletins organized by calendar year.

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

- An approved Processor List is posted on the CDE Web Page

This link includes:

- Processor Contact Information
- USDA Foods accepted by Processors
- End products made by Processors





Questions to Ask the Processor



- Which USDA Foods are used to make the finished product?
- Is there a minimum of raw pounds of USDA Food required in order to process?
- How many servings of finished product per case?
- What is the cost per serving?
- Which Value Pass Through system does the processor use?

State Accounts at Processors

Excess State Account:

- Consists of **unused inventory** swept from low usage agencies
- Use to fill **pending orders**, zero out **negative balances**
- Does **not** require entitlement to use
- Complete a **transfer form** to request this USDA Food





Carryover Policy



Processors provide October 31 unused carryover data to the FDP



The FDP notifies processors of unused carryover pounds to “sweep” from RA accounts into the processors’ Excess Accounts



The processors verify to the FDP that the correct amount was swept



The FDP notifies RAs that pounds are available in Excess Accounts



The FDP approves transfers to RAs in need

(See Management Bulletin on: *Carry-over Inventory at USDA Foods Processors*
<http://www.cdc.ca.gov/ls/nu/fd/mbnsdfdp052011.asp>)

State Accounts at Processors

CA Unallocated Account:

- Consists of USDA Foods sent to the processor to fill trucks
- Request pounds by contacting your **FDP Order Coordinator** or the **lead district** for private Co-ops
- Costs **entitlement** to use





Good Inventory Control

- Use USDA Foods in the current year
- Include USDA Foods in menus
- Study student trends and taste-test end products
- Barter with other schools
- Use prior year's usage history when ordering
- Use calculation tools
- Reach out to processors, brokers, and the State



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COMMODITY \$ENSE & EVENTS

COMMODITY \$ENSE & EVENTS

- School Year 2014 Commodity File Values

Recipient Agencies

- Distributors
- Manufacturers
- Brokers
- State Agencies
- CO-Operatives
- Management Co.
- USDA





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Summary

- Overview of U.S. Department of Agriculture (USDA) Foods processing
 - Group A and Group B foods
 - State and Agency Responsibilities
 - Selection of processors
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■ ■ ■ Questions?

