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Food Distribution Program



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Topics

- Illinois Commodity System (ICS)
- Spending Options
- Forecasting
- Annual Order Period
- Diversion to Processor
- Resources




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Illinois Commodity System (ICS)

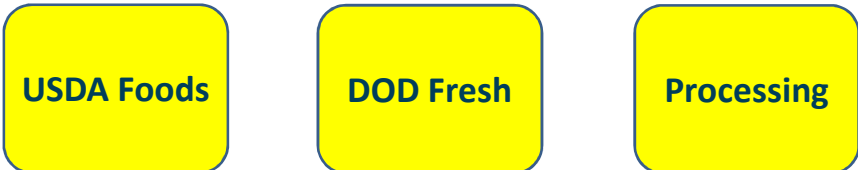


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Spending Options

Three options



USDA Foods DOD Fresh Processing


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Spending Options


1. USDA Foods / commodities / brown box

- Order once per year via ISBE's Illinois Commodity System (ICS) – order updates can be made throughout the year
- Delivered monthly, August through April
- USDA & ISBE determine which items are delivered in which months – anticipated delivery chart
- Schools pay the delivery cost



USDA Foods



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Spending Options

2. DOD Fresh, fruits and vegetables

- Allocate a portion of PAL once per year
- Order weekly via DOD's FFAVORS system
- Delivered weekly, August through end of school year
- \$150 minimum order per delivery
- No delivery cost to the school


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Spending Options

3. Diversion to Processor

- Allocate a portion of PAL once per year
- Order from your contracted distributor
- Delivered based on distributor contract terms
- Delivery cost based on distributor contract terms
- Receive value of USDA Foods




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Funding

Planned Assistance Level (PAL)	# of Recipient Agencies
\$1 - \$5,000	197
\$5,001 - \$10,000	162
\$10,001 - \$30,000	337
\$30,001 - \$100,000	257
\$100,000 - \$2,000,000	99
\$14,000,000	1
Total PAL: \$62,000,000	TOTAL RAs: 1,053

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Forecasting

- A tool for making better decisions
- A prediction or estimate
- Look at past inventory usage to predict future needs, with some adjustments for reality
- Forecasting saves money
- Potential for better pricing
- Helps processors plan production
- Helps distributors plan warehouse space
- Helps ensure timely delivery of product
- Reduces waste


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Forecasting

- Menus are critical
- Production records – historical participation
- Include new items
- Remove items you will no longer serve
- Velocity reports




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Forecasting

- Carefully analyze the best way to use Food Distribution Program entitlement dollars
- Entitlement is only an asset when it is used
- Entitlement is estimated to save 20% on your food costs




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Forecasting

- Original plan
- Changes
- Communication is key
 - Brokers
 - Processors
 - Distributors



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Commodity Calculator

1. ISBE [Processing Calculator](#)
 - 12 Step Process
 - Approved End Products Report

2. Processor commodity calculators
 - Spreadsheet or online
 - Processor specific information pre filled

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Approved End Products Report

Approved End Products Report (Search)

Home Entity Annual Order Forms Processing USDA Orders Monthly Process Reports Administration

Generate reports for Approved End Products.

Approved End Products are offered in three ways: Fee for Service, Rebate, or Net Off Invoice. By specifying the following criteria, you can create customized reports that will suit your needs.

* Program Year:

* Product Type: Fee for Service Net Off Invoice Rebate

* Processor:

* USDA Foods Category:

End Product Code:

End Product Description:

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Approved End Products Report

Processor						
CHEDDAR CHEESE SAUCE (5705) Case Weight: 30.00 Servings/Case: 263 Pieces/Serving: 1.82OZ Serving Size (oz): 1.82OZ Fat/Serving (grams): 9.00 CN Contribution Quantity Meat / Meat Alternate (oz): 1.00	USDA Foods CHEESE, NATURAL AMERICAN	PAL/Bonus PAL	Cost/lb \$1.6551	lbs/Case 15.00	Cost/Case \$24.8265	Cost/Serving \$0.0944
		Offered As: Net off invoice				

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ISBE Processing Calculator

Step 4 Calculate your menu needs for each processed end product. Keep in mind that you may not start receiving end products at the beginning of the school year.

How many servings do you need each time you serve?

a) _____ # of servings needed each time the processed end product is served

b) _____ # of times the processed end product appears on the menu for the year


c) Multiply (a) x (b) = _____ # of servings needed for the year

Step 5 Determine how many cases you will need. From the Approved End Products Report, identify how many servings are in a case of processed end product.

d) _____ servings per case

e) Divide (c) / (d) = _____ # of cases needed for the year

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Processor Commodity Calculator

Example

Item #	Description	Average Finished Case Weight	CN Serving Size (oz.)	M/MA per Serving	Eq. Grain	Estimated Number of Servings Desired	÷	Approx. <u>ELL</u> Servings Per Case	=	Number of Finished Cases	x	USDA Foods per Case	=	Pounds Needed	
Processor		USDA Foods material													
5705	Cheddar Cheese Sauce	110242	30.00	1.82	1.00	--	26,300	÷	263.0	=	100	x	15.00	=	1500.00
5708	Beef Patties	100154	30.00	1.82	2.00	--	52,600	÷	263.0	=	200	x	15.00	=	3000.00
5715	Turkey Patties	100883	30.00	1.90	2.00	--	75,600	÷	252.0	=	300	x	8.10	=	2430.00


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Annual Order Period

- School year 2020 order period
 - Opens January 2, 2019
 - Closes February 25, 2019




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Annual Order Period

- Diversion to processors closed Feb 11 – Feb 15
 - Input diversions prior to Feb 11
 - Adjust diversions between Feb 16 and Feb 25
 - No diversions after Feb 25




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Value of USDA Foods

Value Pass Through Systems

- Direct discount
- Refund or rebate
- Indirect discount (net off invoice)
- Fee for service




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Value of USDA Foods

3 types of fee for service

1. Direct shipment and invoicing to the school
2. Shipment to a distributor with a breakout of which schools own what product
3. School has an authorized agent bill them for the total case price (modified fee for service)




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Tracking

- Track your deliveries and balances year-round
 - USDA Foods / commodity / brown box deliveries and balances
 - ICS
 - DOD deliveries and balances
 - FFAVORS
 - Processor deliveries and balances
 - K12
 - Processor Link
 - Distributor site



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Processor Inventory


- Enforcing the sweep policy to reduce inventory at processors
 - Sweeping unused carryover pounds by October 31
 - Monitoring usage throughout the year and limiting new diversions


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Illinois Commodity System (ICS)



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Updated Resources

- School Nutrition Programs Handbook
- ICS Instructions
- Processing Calculator
- FFAVORS Ordering Manual

<https://www.isbe.net/Pages/School-Nutrition-Programs-Food-Distribution.aspx>

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Contact Information

Sophie Michel-Newman smicheln@isbe.net
 Angie Hancock ahancock@isbe.net
 Paula Williams pawillia@isbe.net

Illinois State Board of Education
 Nutrition Division
 100 North First Street
 Springfield, Illinois 62777
 217-782-2491
www.isbe.net/nutrition



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