

DATE: July 15, 2016

TO: USDA Foods Processors

FROM: Lynne Slack, Processing Specialist
Laura Sime, Distribution Specialist

SUBJECT: Direct Diversion Processing Program in Wisconsin

Wisconsin Department of Public Instruction (DPI) will again be offering the direct diversion processing option for all interested schools for the 2017-18 school year. Below is an outline of how the program will work:

1. Schools will have the option of choosing either the Direct Diversion Processing Program or the State Processing Program. Every Wisconsin school in the USDA Foods program will determine their processing option during the annual order period; the **tentative** open date for the survey is January of 2017.
2. Any interested processor can apply to participate in the Direct Diversion Processing Program; however, you must have an approved USDA National Processing Agreement.
3. All value pass through methods are approved for direct diversion for the 2017-18 school year. There is a maximum of **ten** USDA Foods that can be chosen by each processor for further processing.
4. To participate, you must complete the enclosed *Intent to Participate Form*, the USDA Foods checklist, and return both to the DPI by **August 12, 2016**.
5. If you plan to participate, you will be responsible for marketing your finished end product(s) in Wisconsin. All participating schools will work directly with each processor for the finished end product(s), pricing, delivery schedule, etc.
6. A *Processor Proof of Marketability Plan* is required from processors who fall into at least one of the following scenarios:
 - 6a. Processor has signed up to participate in the Wisconsin Direct Diversion Processing Program in the past, but during the past three school years has not received enough bulk commitments to participate.
 - 6b. Processor has signed up to participate in the Wisconsin Direct Diversion Processing Program in the past three years and has received commitments to participate. However, processor had one or more bulk USDA Foods that processor did not receive enough bulk commitments from schools for DPI to order the bulk USDA Foods. A *Processor Proof of Marketability Plan* is required for finished end product(s) processed from the bulk product(s) that were not ordered.
 - 6b. Processor is new to participate in the Wisconsin Direct Diversion Processing Program; i.e., processor has never completed the *Intent to Participate Form*.
 - 6c. Processor has participated in the Wisconsin Direct Diversion Processing Program in the past. However, the processor is adding a new bulk USDA Foods for processing.

The *Processor Proof of Marketability Plan* is required for the finished end product(s) processed from the new bulk USDA Foods only.

Please note: All *Processor Proof of Marketability Plans* submitted will be reviewed by DPI to determine processor eligibility for participation in the Wisconsin Direct Diversion Processing Program.

7. For each bulk USDA Foods, the total state commitments to each processor must be a minimum of one-half truckload. Any processor who receives less than one-half truckload during the annual order period will be unable to participate. All processors who receive at least one-half truckload of USDA bulk foods for processing in the state of Wisconsin will be required to complete a Wisconsin State Participation Agreement (SPA). This SPA will be mailed out to these processors once our final commitments have been balanced, which will be approximately April, 2016.

Enclosures:

Intent to Participate Form with USDA Foods Checklist

Processor Proof of Marketability Plan (To be completed by processors outlined in #6 above)

Processor's Guide to Participating in Direct Diversion Processing

Direct Diversion Timelines for Schools

ATTENTION: CHEESE PROCESSORS

For School Year 2017-18, companies that process USDA Foods bulk mozzarella cheese into pizza and/or pizza-type products will have the option of participating in both processing programs in Wisconsin—State Processing Program and Direct Diversion Processing Program.

If you sign up by August 12, 2016 to participate in the Direct Diversion Processing Program, you will be included on the direct diversion processing USDA Foods survey. Therefore, those schools that choose the Direct Diversion Processing Program will be able to select your company as one of their cheese processors.

If you sign up for the Cheese Processing Program—State Processing (the sign up will be in November, 2016), your company will be included on the state processing USDA Foods survey. Therefore, those schools that choose the State Processing Program will be able to select your company as one of their cheese processors.

Please note that with the State Processing Program, the only approved value pass-through option is the refund method.

Contact Lynne Slack at 608/266-2596 or Laura Sime at 608/267-9119 if you have any questions.

Intent to Participate Form
Wisconsin Direct Diversion Processing
School Year 2017-18

Wisconsin will be offering a Direct Diversion Processing Program to all participating School Food Authorities (SFAs) for School Year (SY) 2017-18. If your company intends to participate in this processing option in Wisconsin, please complete this packet and return to the address below by **August 12, 2016**.

By signing this form, and submitting any additional documentation that may be required, the processor is agreeing to be part of Wisconsin's Direct Diversion Processing Program. Processor will be included on Wisconsin's USDA Foods annual order and will be associated with all bulk USDA Foods as indicated on attached checklist. Please return your completed *Intent to Participate Form* and completed USDA Foods bulk checklist to the address or FAX below.

In addition, if your company is required to submit a *Proof of Marketability Plan*, as outlined in the *Processor Proof of Marketability Plan* cover letter, this documentation must be submitted with your completed *Intent to Participate Form* and checklist. The completed Plan will be reviewed by DPI to determine processor eligibility to participate in the Wisconsin Direct Diversion Processing Program for SY 2017-18. Please note that a missing or incomplete *Processor Proof of Marketability Plan* may result in exclusion from the Wisconsin USDA Foods annual order.

If statewide commitments equal at least one-half truckload, the processor agrees to enter into a Wisconsin State Participation Agreement (SPA). This SPA will be sent to the processor in approximately mid-April, 2017 and will be due mid-May, 2017.

Yes, my company intends to participate in Wisconsin's Direct Diversion Processing Program.

Wisconsin approved Value Pass Through (VPT) Methods:
(Please check the VPT Method(s) your company will use in Wisconsin.)

- | | |
|--|--|
| <input type="checkbox"/> Direct Sale | <input type="checkbox"/> Fee for Service—processor |
| <input type="checkbox"/> Refund to Agency | <input type="checkbox"/> Fee for Service—distributor |
| <input type="checkbox"/> Net Off Invoice (NOI) | |

Company Name (please print)

Food Broker Name (if applicable)

Name and Title (please print). This should be the school specialist from your company who works with Wisconsin school food authorities.

Company Address (please print)

City, State, Zip (please print)

Email address (please print)

Phone Number (please print)

Signature

Please complete and return by **August 12, 2016** to:

Lynne Slack
 Department of Public Instruction
 PO Box 7841
 Madison, WI 53707-7841

or FAX to: 608/267-2296

Please place a check, in the check boxes below, for all USDA Foods that your company is interested in processing. You may choose no more than TEN USDA Foods. You must also provide the WBSM Ship-To ID Number for each USDA Food you are choosing.

The WBSM Ship-To ID Number is the USDA assigned number for your processing plant(s). This is a seven-digit number beginning with a "5".

COMPANY NAME: _____

| | <u>Material ID</u> | <u>USDA Food Name</u> | <u>Pack Size</u> | <u>WBSM Ship-To ID Number*</u> |
|--------------------------|--------------------|----------------------------|------------------|--------------------------------|
| <input type="checkbox"/> | 100017 | CHEESE 30 LVS | 6/5 LB LOAVES | |
| <input type="checkbox"/> | 100018 | CHEESE SLICED YEL | 6/5 LB SLC LVS | |
| <input type="checkbox"/> | 100021 | MOZZ LMPS SD 30 | 30 LB BOX | |
| <input type="checkbox"/> | 100022 | MOZZARELLA 6 FRZ | 8/6 LB LVS | |
| <input type="checkbox"/> | 100034 | MOZZ LT SHRED FRZ | 30 LB BOX | |
| <input type="checkbox"/> | 100036 | CHEESE BLEND SLC | 6/5# SLC YELLOW | |
| <input type="checkbox"/> | 100047 | EGGS WHOLE BULK | BULK TANKERS | |
| <input type="checkbox"/> | 100098 | CHICKEN, CUT-UP, FROZEN | 40 LB CTN | |
| <input type="checkbox"/> | 100100 | CHIX CHILL SMALL | BULK PACK | |
| <input type="checkbox"/> | 100101 | CHIX DICED | 40 LB CTN | |
| <input type="checkbox"/> | 100103 | CHIX CHILL LG | BULK PACK | |
| <input type="checkbox"/> | 100113 | CHIX LEGS CHILL | BULK PACK | |
| <input type="checkbox"/> | 100124 | TURKEY BULK | BULK | |
| <input type="checkbox"/> | 100126 | TURKEY HAMS | 40 LB CTN | |
| <input type="checkbox"/> | 100154 | BEEF BLK COARSE | 60 LB CTN | |
| <input type="checkbox"/> | 100155 | BF BNLS FRSH COMBO | 20/2000 LB CTN | |
| <input type="checkbox"/> | 100156 | BEEF BNLS SPECIAL TRIM | 60 LB CTN | |
| <input type="checkbox"/> | 100158 | BEEF FINE GROUND 40 | 40 LB CTN | |
| <input type="checkbox"/> | 100173 | PORK ROAST LEG | 32-40 LB CTN | |
| <input type="checkbox"/> | 100193 | PORK, BONELESS PICNIC 60LB | 60 LB CTN | |
| <input type="checkbox"/> | 100204 | ORANGE J TANK | TANKERS | |
| <input type="checkbox"/> | 100206 | APPLE SLICES | 6/#10 CAN | |
| <input type="checkbox"/> | 100209 | APRICOTS 10 | 6/#10 CAN | |
| <input type="checkbox"/> | 100212 | FRUIT MIX 10 | 6/#10 CAN | |

COMPANY NAME: _____

| | <u>Material ID</u> | <u>USDA Food Name</u> | <u>Pack Size</u> | <u>WBSCM Ship-To ID</u> <u>Number*</u> |
|--------------------------|--------------------|------------------------------|------------------|---|
| <input type="checkbox"/> | 100216 | APRICOTS DICED 10 | 6/#10 CAN | |
| <input type="checkbox"/> | 100219 | PEACHES CLING SLC | 6/#10 CAN | |
| <input type="checkbox"/> | 100220 | PEACHES CLING DICE | 6/#10 CAN | |
| <input type="checkbox"/> | 100224 | PEARS SLC | 6/#10 CAN | |
| <input type="checkbox"/> | 100225 | PEARS DICE | 6/#10 CAN | |
| <input type="checkbox"/> | 100228 | CHERRIES RED 10 | 6/#10 CAN | |
| <input type="checkbox"/> | 100235 | CHERRIES FRZ | 30 LB CTN | |
| <input type="checkbox"/> | 100237 | CHERRIES IQF | 40 LB CTN | |
| <input type="checkbox"/> | 100239 | PEACHES SLC FRZ 20 | 20 LB CTN | |
| <input type="checkbox"/> | 100243 | BLUEBERRIES, WILD, UNSW, FRZ | 30 LB CTN | |
| <input type="checkbox"/> | 100253 | STRAWBERRIES FRZ | 30 LB CTN | |
| <input type="checkbox"/> | 100254 | STRAWBERRIES SLC | 30 LB CTN | |
| <input type="checkbox"/> | 100258 | APPLE SLICES FRZ | 30 LB CTN | |
| <input type="checkbox"/> | 100259 | APRICOTS FRZ 20 | 20 LB BOX | |
| <input type="checkbox"/> | 100283 | ORANGES, FRESH | 34-39 LB CARTON | |
| <input type="checkbox"/> | 100299 | CHERRIES DRIED 4 | 4/4 LB | |
| <input type="checkbox"/> | 100317 | SWEET POTATOES | 6/#10 CAN | |
| <input type="checkbox"/> | 100327 | TOMATO PASTE 6/10 | 6/#10 CAN | |
| <input type="checkbox"/> | 100329 | TOMATOES DICED | 6/#10 CAN | |
| <input type="checkbox"/> | 100330 | SALSA | 6/# 10 CAN | |
| <input type="checkbox"/> | 100332 | TOMATO PASTE BULK | BULK | |
| <input type="checkbox"/> | 100334 | TOMATO SAUCE 10 | 6/#10 CAN | |
| <input type="checkbox"/> | 100336 | SPAGHETTI SAUCE | 6/#10 CAN | |
| <input type="checkbox"/> | 100340 | POTATOES RUSSET | 50 LB BAG | |
| <input type="checkbox"/> | 100343 | SWEET POTATOES FRESH | 40 LB CARTON | |
| <input type="checkbox"/> | 100362 | BEANS REFRIED | 6/#10 CAN | |
| <input type="checkbox"/> | 100364 | BEANS VEG 10 | 6/#10 CAN | |
| <input type="checkbox"/> | 100397 | PB DRUM | 500 LB DRM | |
| <input type="checkbox"/> | 100408 | FLOUR WW 25 | 25 LB BAG | |
| <input type="checkbox"/> | 100409 | FLOUR WW 50 | 50 LB BAG | |
| <input type="checkbox"/> | 100411 | FLOUR BHW, BL | 50 LB BAG | |
| <input type="checkbox"/> | 100413 | BHW 50 UNBL | 50 LB BAG | |

COMPANY NAME: _____

| | <u>Material ID</u> | <u>USDA Food Name</u> | <u>Pack Size</u> | <u>WBSCM Ship-To ID</u> <u>Number*</u> |
|--------------------------|--------------------|----------------------------------|------------------|---|
| <input type="checkbox"/> | 100417 | BHW BULK | BULK | |
| <input type="checkbox"/> | 100418 | BHW BULK UNBL | BULK | |
| <input type="checkbox"/> | 100419 | BHW HRTH BULK BL | BULK | |
| <input type="checkbox"/> | 100420 | BHW HRTH BULK UNBL | BULK | |
| <input type="checkbox"/> | 100421 | BSW BULK UNBL | BULK | |
| <input type="checkbox"/> | 100443 | OIL VEG BULK | BULK | |
| <input type="checkbox"/> | 100499 | RICE B 25 | 25 LB BAG | |
| <input type="checkbox"/> | 100506 | POTATO BLK PROC FRZ | BULK | |
| <input type="checkbox"/> | 100883 | TURKEY THIGHS, BNLS, SKNLS | BULK | |
| <input type="checkbox"/> | 100911 | FLOUR, HIGH GLUTEN | BULK | |
| <input type="checkbox"/> | 100912 | FLOUR, BREAD | BULK | |
| <input type="checkbox"/> | 100935 | SUNFLOWER BUTTER | 6/5 LB | |
| <input type="checkbox"/> | 100980 | SWT POTATO BLK PROCC | BULK | |
| <input type="checkbox"/> | 101031 | RICE, BROWN, LONG-GRN, PARBOILED | 25 LB BAG | |
| <input type="checkbox"/> | 110138 | PORK, BONELESS LEG ROASTS, FRZ | 60 LB CTN | |
| <input type="checkbox"/> | 110149 | APPLES, FOR PROCESSING | BULK LBS | |
| <input type="checkbox"/> | 110208 | FLOUR, WHITE WW/ENRICHED BLEND | 25 LB BAG | |
| <input type="checkbox"/> | 110209 | FLOUR, WHITE WW/ENRICHED BLEND | 50 LB BAG | |
| <input type="checkbox"/> | 110227 | POTATO BLK PROC DEHY | BULK | |
| <input type="checkbox"/> | 110242 | CHEESE BARREL 500 | 500 LB FBD BBL | |
| <input type="checkbox"/> | 110243 | MOZZARELLA LITE UNFRZ | PROCESSOR PACK | |
| <input type="checkbox"/> | 110244 | MOZZARELLA UNFRZ | PROCESSOR PACK | |
| <input type="checkbox"/> | 110253 | CHEDDAR WHITE | 40 LB BLOCK | |
| <input type="checkbox"/> | 110254 | CHEDDAR YELLOW | 40 LB BLOCK | |
| <input type="checkbox"/> | 110381 | BEANS, PINTO, DRY | 2000 LB TOTES | |
| <input type="checkbox"/> | 110382 | BEANS, PINTO, DRY | 50 LB BAG | |
| <input type="checkbox"/> | 110404 | SUNFLOWER SEED BUTTER, SMOOTH1 | 500 LB DRUM | |
| <input type="checkbox"/> | 110421 | MUSHROOMS, DICED, FROZEN | 40 LB | |
| <input type="checkbox"/> | 110482 | FLOUR, HIGH GLUTEN | 50 LB BAG | |
| <input type="checkbox"/> | 110510 | PEANUTS, RAW SHELLLED | BULK | |
| <input type="checkbox"/> | 110541 | APPLESAUCE 10 | 6/#10 CAN | |
| <input type="checkbox"/> | 110601 | ALASKA POLLOCK, FROZEN | 49.5 LB BLOCK | |

COMPANY NAME: _____

| | <u>Material ID</u> | <u>USDA Food Name</u> | <u>Pack Size</u> | <u>WBSM Ship-To ID</u> <u>Number*</u> |
|--------------------------|--------------------|--------------------------------|------------------|--|
| <input type="checkbox"/> | 110624 | BLUEBERRIES, UNSW, FROZEN | 30 LB CTN | |
| <input type="checkbox"/> | 110694 | RICE, BROWN, MEDIUM-GRAIN, REG | 25 LB BAG | |

*For all new Ship-To Locations: please email FNS-7s to:

WBSM-SHIP-To@fns.usda.gov.

Please note: there is a **maximum of 10** USDA Foods per processor that can be selected for processing. The above list is not all inclusive. Therefore, if the USDA Food(s) that you wish to process is not listed above, please list the desired USDA food(s) below:

| | <u>Material ID</u> | <u>USDA Food Name</u> | <u>Pack Size</u> | <u>WBSM Ship-To ID</u> <u>Number*</u> |
|-------|--------------------|-----------------------|------------------|--|
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |

Processor Proof of Marketability Plan
Wisconsin Direct Diversion Processing Program

The Wisconsin Department of Public Instruction (DPI) has established a *Processor Proof of Marketability Plan* requirement for processors who fall into at least one of the following scenarios:

1. Processor has signed up to participate in the Wisconsin Direct Diversion Processing Program in the past, but during the past three school years has not received enough bulk commitments to participate.
2. Processor has signed up to participate in the Wisconsin Direct Diversion Processing Program in the past three years and has received commitments to participate. However, processor had one or more bulk USDA Foods that processor did not receive enough bulk commitments from schools for DPI to order the bulk USDA Foods. A *Processor Proof of Marketability Plan* is required for finished end product(s) processed from the bulk product(s) that did not receive sufficient commitments.
3. Processor has participated in the Wisconsin Direct Diversion Processing Program in the past. However, the processor is adding a new bulk USDA Foods for processing. *Processor Proof of Marketability Plan* is required for the finished end product(s) processed from the new bulk USDA Foods only.
4. Processor is a new participant in the Wisconsin Direct Diversion Processing Program; i.e., processor has never completed the *Intent to Participate Form*.

If your company falls into one or more of the categories above, the *Processor Proof of Marketability Plan* should be submitted with your completed *Intent to Participate Form* for application to the Wisconsin Direct Diversion Processing Program for School Year (SY) 2017-18.

The completed *Processor Proof of Marketability Plan* will be reviewed to determine eligibility for participation in the Wisconsin Direct Diversion Processing Program. It is important to note that a missing or incomplete plan may result in exclusion from the Wisconsin USDA Foods annual order, so please **complete all sections** as fully and accurately as possible.

By providing responses to this plan (whether below or in an attached document), and including the signature of an authorized representative, your company asserts that all information is current and accurate. Eligible processors will be included on the list of participating processors for the Wisconsin Direct Diversion Processing Program for SY2017-18.

Please respond to the following marketability questions on the reverse side of this document, specifically addressing any USDA Foods finished end product(s) that your company intends to process in Wisconsin.

Does your company have a food broker assigned to the state of Wisconsin?

Yes No

If yes, please provide the contact information for your food broker:
(Contact Name, Company Name, Phone Number, Email)

1) Does your company currently sell commercial-equivalent food products to schools in the State of Wisconsin? In order to indicate yes, this would be finished end products that can be obtained by schools through the Direct Diversion Processing Program.

Yes No

If yes, please complete the “Commercial Equivalent Products Sold in Wisconsin” spreadsheet (Attachment A) found on the following website: http://dpi.wi.gov/sites/default/files/imce/school-nutrition/xls/commercial_equivalent_products.xls under “School Year 2017-18.” This finished spreadsheet must be returned with your completed *Processor Proof of Marketability Plan*.

2) Does your company currently have commercial distribution in the State of Wisconsin?

Yes No

If yes, please complete the attached Commercial Distribution Coverage Map (Attachment B) showing the coverage and listing your commercial distributor(s). This finished form must be returned with your completed *Processor Proof of Marketability Plan*.

3) Detail any other information, plans, or organizational practices that would contribute to the successful marketing of your company’s products for the Wisconsin Direct Diversion Processing Program (e.g. strategies for improving order quantities, increasing the company’s visibility in Wisconsin, etc.). This response should be as thorough as necessary, while highlighting your company’s efforts as they specifically relate to Wisconsin.

Company Name: _____

Name and Title: _____
(please print)

Signature: _____

Please complete and return your *Processor Proof of Marketability Plan* (and appropriate attachments) with your *Intent to Participate Form* by **August 12, 2016** to:

Lynne Slack
Department of Public Instruction
P.O. Box 7841
Madison, WI 53707-7841 or FAX to: (608) 267-0363

“COMMERCIAL EQUIVALENT PRODUCTS SOLD IN WISCONSIN” SPREADSHEET

This spreadsheet is to be completed electronically. The spreadsheet is available on the following website: http://dpi.wi.gov/sites/default/files/imce/school-nutrition/xls/commercial_equivalent_products.xls

Please complete and send a printed copy of this spreadsheet with your application packet.

Processor Name: _____

Please indicate the region(s) of commercial distribution coverage on the Wisconsin map below for every current distributor by **shading the appropriate areas and clearly indicating which commercial distributor corresponds to each shaded area.**



Processor's Guide to Participating in Direct Diversion Processing State of Wisconsin, Department of Public Instruction (DPI)

- Q1: As a processor interested in participating in direct diversion of USDA Foods, how do I apply to participate in Wisconsin?
- A1: Any interested processor can apply to participate in direct diversion processing of USDA Foods; however, as a part of the application process, processor must meet the following minimum requirements:
1. Approved USDA National Processing Agreement (NPA)
 2. Completed *Intent to Participate Form*, *USDA Foods Checklist* and *Processor Proof of Marketability Plan* (if applicable) submitted to DPI by the required deadline (August for participation the following school year)
 3. Passing score for the *Processor Proof of Marketability Plan* (if applicable)
- Q2: Are there any additional requirements for interested processors beyond the initial application requirements?
- A2: Yes. In addition to the application requirements listed in Q1/A1 above, interested processors must also meet the following additional requirements:
1. For each bulk USDA Foods included on the *USDA Foods Checklist*, receive total state commitments of at least one-half truckload during the Wisconsin USDA Foods Annual Ordering Period (typically February/March for participation the following school year)
 2. For processors that meet the one-half truckload minimum requirement per bulk USDA Foods, completion of a Wisconsin State Participation Agreement (April/May completion for participation the following school year)
- Q3: Do all eligible processors have to complete a *Processor Proof of Marketability Plan* on an annual basis?
- A3: No. A *Processor Proof of Marketability Plan* is **ONLY** required for processors who fall into at least one of the following scenarios:
1. Processor is new to participate in direct diversion processing in the state of Wisconsin.
 2. Processor has signed up to participate in the past, but during the past three years has not received enough bulk commitments to participate.
 3. Processor has participated in the past, but is adding a new bulk USDA Foods for processing.
 4. Processor has signed up to participate in the past, but has one or more bulk USDA Foods that processor did not receive sufficient bulk pound commitments from schools for DPI to order the bulk USDA Foods. (*Processor Proof of Marketability Plan* only required for the bulk product(s) where processor did not receive sufficient bulk pound commitment for DPI to order the bulk product).

Q4: What is the purpose of the *Processor Proof of Marketability Plan*?

A4: The purpose of the *Processor Proof of Marketability Plan* is to provide DPI with the necessary information to determine if there is sufficient interest to add the bulk USDA Foods for this processor to the list of available direct diversion bulk USDA Foods for the following school year. In addition, since the *Processor Proof of Marketability Plan* should decrease the likelihood that the processor will receive less than one-half truckload of total state commitments, the true purpose is to prevent order cancellations and/or delivery issues of finished end product(s) for participating direct diversion schools.

Q5: What happens if a processor doesn't receive a passing score on the *Processor Proof of Marketability Plan*?

A5: If a processor does not pass the *Processor Proof of Marketability Plan*, the processor will be unable to participate in the Wisconsin Direct Diversion Processing Program for the following school year for that particular bulk USDA Foods (since the *Processor Proof of Marketability Plan* is per processor and per bulk USDA Foods).

Q6: As a new processor interested in the state of Wisconsin direct diversion processing, who is responsible for marketing of the finished end products(s)?

A6: Processors are responsible for all marketing of the finished end product(s) in Wisconsin. In addition, the processor is responsible for working directly with all participating schools for the finished end product(s), pricing, delivery schedule, problem resolution, etc.

Q7: As a processor interested in the state of Wisconsin direct diversion processing, how do I market the finished end product(s)?

A7: The marketing of finished end product(s) is a process and there are many steps and ways to market the finished end product(s). However, the following are just a few of the recommended marketing strategies:

- Contracting and working with a Food Broker to assist in the marketing process
- Marketing of finished end products to participating schools
- Providing finished end product samples to interested schools
- Working with and establishing contracts with Wisconsin commercial distributors
- Attending the annual Wisconsin Direct Diversion Food show, as well as other commercial distributor food shows
- Establishing commercial availability of finished end product(s)
- CN labeling of finished end product(s)

Direct Diversion Timelines for School Food Authorities For School Year 2017-18 Participation

September 9, 2016

- Mailing to all School Food Authorities (SFAs) regarding direct diversion option and Direct Diversion Processing Food Show (combined with the Table-Top Exhibits Food Show) information. All information also posted to DPI website.
- Packet includes the following information:
 - Cover letter
 - Direct diversion questions, answers, and examples
 - SFAs' responsibilities with direct diversion processing
 - Direct diversion timelines for school food authorities
 - Direct diversion events and information

September 9, 2016

- List of interested processors created by the DPI and posted to website.

October 21, 2016

- Direct diversion information posted to the DPI website; notification sent to SFAs
- Information to include:
 - Cover letter with instructions
 - List of eligible processors
 - Processors' contact information
 - Worksheet for calculating yields/pounds to commit
 - Recipient agency (RA) procurement guidelines (USDA)
 - Direct diversion timelines
 - Inventory carryover policy

November 1, 2016

- Combined Direct Diversion Processing Food Show and Table-Top Exhibits Food Show, and Direct Diversion Training Sessions; The Holiday Inn Hotel and Convention Center, Stevens Point, Wisconsin.

November, 2016 to January 25, 2017

- For Direct-to-Manufacturer Process: SFAs procurement for their USDA Foods processing for direct diversion. Finished end products are selected during the evaluation process. All procurement contracts must be finalized by January 25, 2017 so that SFAs can select processors for bulk products on annual USDA Foods order. Recommendation: the commercial distribution procurement process is completed by January 31, 2017.
- For Pre-Approval (branding) Process: SFAs solicit their products for the direct diversion of USDA Foods processing. Finished end products are determined prior to sending out the solicitation. All products must be selected and procurement contracts must be finalized by January 25, 2017 so that SFAs can select processors for bulk products on annual USDA Foods order. Commercial distribution procurement with processing procurement should be completed by January 31, 2017.

End of January 2017 (tentative)

- Annual order packet to all SFAs, including information on processed products.

Approximately Beginning of February 2017 (tentative)

- Annual order period opens. Those SFAs participating in direct diversion will commit pounds of bulk USDA Foods and select processors on the annual order survey.

Middle of February 2017 (one week prior to annual order period close date)

- "Direct Diversion Agreement" due back to the DPI for SFAs participating in direct diversion processing.

End of February 2017 (tentative)

- Annual order period closes at midnight of date (to be determined later).

By end of March 2017

- SFAs must have valid contract in place with commercial distributor; signed DPI/SFA commercial distribution contract submitted to the DPI and updated online USDA Foods agreement with distribution information.