

USDA Foods Questions 11-16

11. USDA Foods

Introduction: As part of the Administrative Review (AR) process of reviewing School Food Authorities (SFAs) compliance with National School Lunch Program (NSLP) requirements, the SFA will need to respond to the AR USDA Foods questions. This will serve as documentation for the AR process of reviewing USDA Foods compliance; if the SFA's responses are identified as non-compliant with the USDA Foods regulation(s), the SFA will be directed to contact Randy Jones, Contract Specialist, at: randall.jones@dpi.wi.gov for technical assistance. Randy will work with the SFA to develop a plan to become compliant with areas identified in the Administrative Review USDA Foods Questionnaire as non-compliant.

The SFA should have a general idea about the term "USDA Foods". The USDA's Food and Nutrition Service in Wisconsin is charged with administering the Food Distribution Program. Through the Food Distribution Program, USDA purchases foods through direct appropriations from Congress, and under surplus-removal and price-support activities. The foods are distributed to State agencies for use by SFAs participating in the National School Lunch Program (NSLP). On the average, USDA Foods provide up to 15 to 20 percent of the product served by participating agencies in the form of beef, pork, fish, poultry, dairy, fruits, vegetables, oil and grain.

12. SFA understands it needs to collect and maintain documentation to substantiate that the full value of USDA Foods is received?

The SFA must also be able to provide documentation to demonstrate the nonprofit school food service has received the full value of USDA Foods. **While the SFA will not need to provide the documents during this AR, the SFA may need to provide them during future USDA Foods and/or procurement reviews.**

Examples may include but not limited to copies of:

- a) value received reports
- b) invoices
- c) sales reports
- d) inventory tracking records

13. Select types of USDA Foods received (more than one may be selected):

- **Brown Box:** A brown-box USDA Foods item is a product received by the SFA in the same form in which it was ordered from USDA. For example, frozen corn, canned peaches, diced chicken and turkey ham are processed at the USDA level and they are ordered and shipped from USDA in this form.
- **State Processing:** Bulk USDA Foods that are ordered by DPI and shipped directly from a USDA vendor to a processor. Bulk USDA Foods are further processed into end products, which have been determined through a state-wide bid process. The finished end products are shipped from the processor to the state-contracted warehouse and are offered to SFAs along with the brown-box USDA Foods.
- **Direct Diversion Processing:** Bulk USDA Foods that are ordered by DPI, on behalf of SFAs, to be shipped directly from a USDA vendor to a processor. These bulk USDA Foods are further processed into end products according to each SFA's request. The SFAs are responsible for competitively procuring both the processor and the commercial distributor for delivery of processed end products. The SFA will also need to negotiate the delivery schedule between the processor and the distributor.
- **Department of Defense (DoD) Fresh Produce Program:** USDA and the Department of Defense (DoD) that supplies fresh fruits and vegetables for the military services has partnered to increase availability of fresh produce to SFAs participating in the USDA Foods Program through the National School Lunch Program (NSLP). SFAs may allocate their USDA Foods entitlement dollars towards the DoD Fresh Produce Program during the annual ordering period.

14. Select the delivery method utilized for USDA Foods:

SFAs have two different options for obtaining the USDA Foods that they have been allocated.

State (contracted) Delivery

Definition: State-contracted delivery involves a once per month (September through May) tailgate delivery by a trucking firm under sub-contract with the State-contracted warehouse facilities. The current trucking firm providing delivery service is Midwest Perishables, Inc. (MPI)

SFA (contracted) Commercial Distribution

Definition: Participating SFAs contract with a commercial distributor for delivery of USDA Foods. SFAs receive USDA Foods at the negotiated delivery frequency. The school-contracted distributor, at a minimum of monthly, must pick up the school's USDA Foods from the state-contracted warehouse and store the USDA Foods at the distributor's warehouse. SFA is also responsible for negotiating the delivery schedule with the commercial distributor. SFA works with the distributor to determine when and what amount of each USDA Food is delivered.

15. Select the method by which the SFA prepares or purchases meals using USDA Foods

16. From above, if B, C, or D(i) is selected, SFA should have conducted a reconciliation for crediting of USDA Foods received and used in the preparation of SFA's purchased meals for the prior contract year.

Regardless of the type of crediting utilized, the SFA's reconciliation of credits must include a year ending reconciliation at a minimum.

What was the amount of USDA Foods credited to the SFA for the prior school year?

Reference document titled "Crediting of USDA Foods Value for FSMC, Vended Meals, and Joint Agreements" for instructions related to how SFA's should have conducted a year ending reconciliation for crediting of USDA Foods received and used in the preparation of SFA's purchased meals. Link to document on DPI's USDA Foods website: http://dpi.wi.gov/sites/default/files/imce/school-nutrition/pdf/instr_crediting_vended_jt_fsmc.pdf.