

DECEMBER 2013



DEPARTMENT OF EDUCATION

USDA FOOD DISTRIBUTION PROGRAM BULLETIN

INSIDE THIS ISSUE:

Pre-order schedule for 2014-15 School Year	1
Proposed USDA brown box foods for 2014-15	2
Dod Fresh Produce program	3
CNPweb order/pre-order instructions	3
Projecting entitlement	3
Diversion information	4
February order period	4
Advisory council update	5
New USDA Foods recipe Web Page	5
How USDA Food values are established	5

It is that time of the year to start planning for USDA Foods for program year 2014-15!

A few exciting announcements:

- * DoD Fresh Produce program will be available to Eastern Oregon sponsors for program year 2014-15, see page 3 for more details about DoD Fresh Produce.
- * The Pre-order period has been extended to March 19th , 2014, beyond the spring Oregon School Nutrition Association conference to help in your diversion procurement decisions. For schedule and conference information visit the OSNA on the web at <http://osna.us/> .
- * ODE is currently completing the RFP for processing of poultry end products. Pricing will be available for all Oregon sponsors who divert to the awarded processors. See page 4.



PRE-ORDER SCHEDULE

Dates	Activity	Action Required by Sponsors
Jan. 3, 2014	<ul style="list-style-type: none"> DoD Fresh Fruits and Vegetables Diversion Participation Notification Deadline for 2014-15 School Year 	<p>If you want to participate, send e-mail to: ode.fooddistribution@state.or.us</p> <p>Include entitlement diversion amount, contact person, sponsor name and number, delivery address.</p>
Jan. 31 , 2014	<ul style="list-style-type: none"> Processing Catalogue posted on ODE USDA Foods website at www.ode.state.or.us/go/usdafoods 	Make preparations to place pre-orders for direct diversion.
Feb. 3, 2014	<ul style="list-style-type: none"> Entitlement allocation posted in CNPweb 	Review entitlement and start making plans for ordering.
Feb. 10- March 19, 2014	<p>Pre-orders open in CNPweb for:</p> <ul style="list-style-type: none"> Brown Box Direct Diversion 	Pre-orders for brown box and diversion is available in CNPweb. Access is granted to CNPweb food distribution module by the food distribution analyst or your program specialist.
Mar. 20-April 30, 2014	<ul style="list-style-type: none"> Brown Box and Direct Diversion pre-orders are balanced to truck loads by ODE. 	No action required.
May 1, 2014	<ul style="list-style-type: none"> Diversion orders are completed and information is available on CNPweb. 	Review your pre-order.
May-July, 2014	<ul style="list-style-type: none"> ODE completed purchases for 2014-2015 	If you diverted commodities for processing, plan for distribution with your processor or their broker.

PROGRAM

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PROPOSED BROWN BOX FOODS AVAILABLE FOR PRE-ORDER FOR 2014-15

Product Code	Product Description	Pack Size	Storage	USDA Value	Service Fee	Case Weight
Category: Meat						
100134	Beef Crumbles, CKD	4/10 LB	Freezer	\$98.95	\$4.00	40 LB
100158	Beef, Fine Ground, 85/15, raw	4/10 LB	Freezer	\$96.78	\$4.00	40 LB
110322	Beef Patty, Hmstl, CKD, 2 M/MA	8/5 LB	Freezer	\$100.93	\$4.00	40 LB
100188	Ham, CKD, Diced	8/5 LB	Freezer	\$77.43	\$4.00	40 LB
100187	Ham, CKD, Thin Sliced	8/5 LB	Freezer	\$77.34	\$4.00	40 LB
100173	Pork, Leg Roast, raw	36-42 LB	Freezer	\$62.14	\$4.00	40 LB
100396	Peanut Butter Smooth	6/5 LB	Dry	\$30.80	\$3.00	30 LB
100935	Sunflower Seed Butter	6/5 LB	Dry	\$62.16	\$3.00	30 LB
Category: Poultry						
100101	Chicken, Diced	4/10 LB	Freezer	\$100.27	\$4.00	40 LB
100117	Chicken, Fajita	6/5 LB	Freezer	\$57.14	\$3.00	30 LB
110080	Chicken, Oven Rsted, 8 PC CKD	30 LB	Freezer	\$67.95	\$3.00	30 LB
100121	Turkey, Breast, CKD, Deli	4/9-11 LB	Freezer	\$72.42	\$4.00	40 LB
100125	Turkey, Roast, BNLS, Raw	4/8-12 LB	Freezer	\$85.91	\$4.00	40 LB
Category: Dairy						
100018	Cheese, American, Yel Slc	6/5 LB	Cooler	\$58.53	\$3.00	30 LB
100036	Cheese Blend, Amer Skm Yel Slc	6/5 LB	Cooler	\$54.56	\$3.00	30 LB
100012	Cheese, Ched, RF, Yel Shred	6/5 LB	Cooler	\$64.18	\$3.00	30 LB
100003	Cheese, Cheddar, Yel Shred	6/5 LB	Cooler	\$64.82	\$3.00	30 LB
100021	Cheese, Mozz LMPS, Shred	30 LB	Cooler	\$60.74	\$3.00	30 LB
110396	Cheese, Mozz, LMPS, String	360/1 oz	Cooler	\$33.75	\$2.25	22.5 LB
Category: Vegetables						
100359	Beans, Black Turtle	6/#10 Can	Dry	\$16.30	\$4.05	40.5 LB
100360	Beans, Garbanzo	6/#10 Can	Dry	\$14.93	\$4.05	40.5 LB
100307	Beans, Green	6/#10 Can	Dry	\$13.89	\$3.80	38 LB
100370	Beans, Kidney	6/#10 Can	Dry	\$16.42	\$4.05	40.5 LB
100365	Beans, Pinto	6/#10 Can	Dry	\$15.75	\$4.05	40.5 LB
100362	Beans, Refried	6/#10 Can	Dry	\$19.64	\$4.20	42 LB
110282	Broccoli, Florets	6/5 LB	Freezer	\$35.06	\$3.00	30 LB
100982	Carrots, Baby Cut, Fresh	100/2 oz	Cooler	\$13.65	\$1.28	12.75 LB
100313	Corn, Whole Kernel	6/#10 Can	Dry	\$16.81	\$3.98	39.75 LB
100350	Peas, Green	30 LB	Freezer	\$19.25	\$3.00	30 LB
100357	Potatoes, Oven Fries	6/5 LB	Freezer	\$13.51	\$3.00	30 LB
100358	Potato Rounds	6/5 LB	Freezer	\$14.06	\$3.00	30 LB
110186	Salsa, Pouch	6/111 oz	Dry	\$18.95	\$3.98	39.75 LB
100329	Tomatoes, Diced	6/#10 Can	Dry	\$14.33	\$3.83	38.25 LB
100334	Tomato Sauce	6/#10 Can	Dry	\$12.16	\$3.98	39.75 LB
Category: Fruit						
100206	Apple Slices	6/#10 Can	Dry	\$29.04	\$3.90	39 LB
100521	Apples, Gala Fresh	40 LB Box	Dry	\$26.55	\$4.00	40 LB
100208	Applesauce	6/#10 Can	Dry	\$20.04	\$4.05	40.5 LB
110361	Applesauce Cups	96/4.5 oz	Dry	\$15.40	\$2.70	27 LB
100244	Blueberries, Cultivated	30 LB	Freezer	\$25.07	\$3.00	30 LB
100301	Cranberries, Dried	5/5 LB	Dry	\$43.03	\$2.50	25 LB
100212	Mixed Fruit, Ex Lt Syrup	6/#10 Can	Dry	\$29.09	\$3.98	39.75 LB
100241	Peach Cup	96/4.4 oz cup	Freezer	\$28.58	\$2.64	26.4 LB
100220	Peaches, Diced, Ex Lt Syrup	6/#10 Can	Dry	\$24.95	\$3.98	39.75 LB
100219	Peaches, Sliced, Ex Lt Syrup	6/#10 Can	Dry	\$27.86	\$3.98	39.75 LB
100225	Pears, Diced, Ex Lt Syrup	6/#10 Can	Dry	\$30.22	\$3.95	39.5 LB
100224	Pears, Sliced, Ex Lt Syrup	6/#10 Can	Dry	\$31.08	\$3.95	39.5 LB
100293	Raisins, box	144/1.33 oz	Dry	\$19.28	\$1.20	12 LB
100256	Strawberry Cup	96/4.5 oz	Freezer	\$34.87	\$2.70	27 LB
100253	Strawberries, Whole, Unsweetened	30 LB	Freezer	\$29.48	\$3.00	30 LB
Category: Grain						
100919	Pasta, Macaroni, WG	20 LB	Dry	\$7.48	\$2.00	20 LB
100434	Pasta, Rotini, WG	20 LB	Dry	\$7.46	\$2.00	20 LB
100427	Pasta, Spaghetti, WG	20 LB	Dry	\$7.47	\$2.00	20 LB
101031	Rice, Brown, Long, Parboiled	25 LB	Dry	\$12.93	\$2.50	25 LB
100938	Tortilla, WW 8"	12 pkg/24 ct	Dry	\$18.04	\$2.70	27 LB
Category: Misc						
100439	Oil, Vegetable, Gal	6/1 gal	Dry	\$29.35	\$4.62	46.2 LB

DOD FRESH PRODUCE PROGRAM

The Department of Defense (DoD) Fresh Produce allows you the opportunity to spend part of your entitlement on fresh produce. DoD entitlement is not "extra or additional" funds. You must request that a portion of your

entitlement be transferred into a DoD account.

DoD contracts with a prime vendor to operate the program in Oregon. The vendor creates a catalog of items available with pricing. Only domestic produce (US grown) may be purchased from the items listed in the catalog.

Participating sponsors place their DoD produce orders using

an internet based ordering system. Orders are placed one week in advance. There is a minimum order of \$150 per drop.

The produce price includes a surcharge of 4.6% that is paid to DoD. The cost of the produce (including the surcharge) is charged against your DoD account balance. There is also a \$.026 per lb. charge to cover ODE administrative expenses.



Starting in 2014-15, DoD Fresh Produce service will be offered to Eastern Oregon sponsors!

If you would like to participate in DoD during SY 2014-15, please send an e-mail to: ode.fooddistribution@state.or.us

Include sponsor name, contact name and contact information, amount of entitlement, and delivery location address.

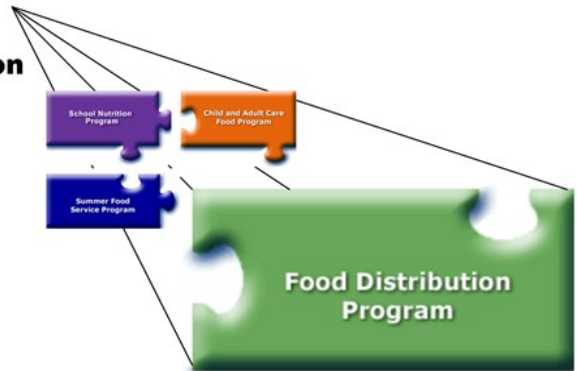
Notification Deadline:
January 3rd, 2014

USDA FOODS ORDER/PRE-ORDER INSTRUCTIONS

Do you need help placing orders or pre-orders in CNPweb? The ODE USDA Foods website has both a quick reference and complete guide on how to order and pre-order USDA Foods.

LINK: <http://www.ode.state.or.us/search/page/?id=3845>

CNPweb™ for Food Distribution



PROJECTING ENTITLEMENT

The USDA Foods entitlement amount the State has for distribution to school programs is established by multiplying the number of lunches served in the previous year times the rate established by USDA. For example, if Oregon served 100 lunches in the previous school year and the USDA rate was \$0.20, then the amount of entitlement would be \$20.

In January, ODE projects these numbers for the next school year based on the most current data available. This must occur in order for the pre-order process to happen. On average over multiple years, schools receive the USDA Foods rate times the lunch participation.

In July, USDA publishes their initial USDA Foods rate. By this time, ODE has purchased over

90% of the food for the school year.

In November USDA publishes the final entitlement amount for the current school year using actual participation numbers from the previous school year.

ODE can make adjustments by cancelling loads or issuing additional entitlement if necessary.

If you have any questions please contact ODE USDA Food Distribution Program staff. Important information can also be found on our website at www.ode.state.or.us/go/usdafoods

DIVERSION/PROCESSING PRE-ORDER

What is a diversion processing pre-order?

A diversion/processing pre-Order is an advance order of USDA foods with a commitment to have them sent to a processor for further processing into what is called an “end product”. Arrangements for storage and distribution of these products is the responsibility of the sponsor.

Prior approval by Food Distribution or your program specialist is required before you can create a diversion/processing pre-order.

If you already have access you don't need to request access again.

USDA Foods are sometimes cancelled or delayed.

USDA Foods may be cancelled by USDA as a result of market pricing or crop conditions. When they are cancelled,

entitlement dollars are returned to the sponsor's account.

The USDA food that is sent to a processor must be sent in full truck loads to each processor. ODE works with other states to ensure full truck loads, but this isn't always possible. When a full truck load is not made, the truck is canceled.

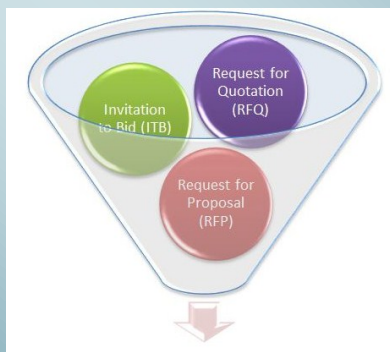
A service fee is assessed by the State on USDA Foods diverted to processors.

A service fee of \$0.10 per pound of diverted USDA foods is assessed on all diverted foods. This fee is invoiced by the state against the reimbursement owed to the sponsor in the school year when the products are to be used. Products for use in the 2014-15 school year will be invoiced in the 2014-15 school year.

USDA Foods Balances at processors

Balances of USDA foods at processors must be used by the processor and shipped to the sponsor within 18 months of July 1 in the year for which the products were diverted. Remaining balances will be transferred to a state account.

Competitive procurement for end products is required by law



Prior to diverting USDA Foods to processors, you must have completed a competitive procurement using either quotes or bids. More information on procurement can be found on the ODE CNP website at www.ode.state.or.us/go/snp by clicking on the procurement link.

The ODE RFP for processed poultry end products is almost finished. The

RFP covers a wider variety of chicken and turkey products used in schools. The resulting agreement with prices will be available for all sponsors who divert to the awarded processors. The list will be available by the time you divert in February. A statewide announcement will go out when it is released. If you purchase from this contract it will meet all State and Federal Procurement requirements for your poultry products. ODE will then venture into other diversion food products (cheese, beef, etc.).

DON'T FORGET! FEBRUARY ORDER PERIOD

While you are completing your pre-orders for 2014-15, don't forget that you need to place your regular February order for March delivery. Here is the schedule:

Feb. 12-16: Phase 1 (Confirm pre-order, order unassigned entitlement foods, possible bonus)

Feb. 18-19: Phase 2 (Order no charge to entitlement or entitlement foods from unassigned)



USDA FOODS ADVISORY COMMITTEE UPDATE

The advisory council has a new member. We would like to welcome Jessica Wickert from Baker City School District in Eastern Oregon!

Advisory council member list, application, and information is available on the ODE USDA Foods website at www.ode.state.or.us/go/usdafoods.

If you are interested in serving on the advisory council you can review the advisory council information on the ODE USDA Foods website. Complete an application and send it to Chris Facha. The next time there is an opening you may be recommended to serve on the committee.

Requests or recommendations you have concerning the ODE USDA Food Distribution Program should be sent to any advisory council member or ODE USDA FDP staff.



USDA FOODS RECIPE WEB PAGE



A new web page has been created on the ODE USDA Foods web page. This page has multiple resources to assist you in finding recipes for your child nutrition program that may help you incorporate USDA Foods.

LINK: <http://www.ode.state.or.us/search/page/?id=4031>

HOW USDA FOOD VALUES ARE ESTABLISHED

Value of USDA Foods

USDA uses the following reports to determine the value of USDA Foods:

1. The "November 15th" file report is the basis to determine what value will be attributed to USDA brown box commodities. This value is the last price paid for the food in the previous year.
2. Nov. 15 Avg. price processing is used for the

value of USDA foods processed into end products. This is an average price over the last 12 months of purchases.

How Values are Used

The established value of commodities (Fair Market Value) is used in the following ways:

1. For rebates and discounts in the value pass through systems.
2. To determine the value of commodity for loss claims

and missed yields.

3. USDA uses this value to establish the value of processor inventory when establishing surety bonds.
4. For the value of commodities processed into end products.
5. ODE uses this value to draw down sponsor entitlement accounts.

Did you know?

- ODE's State entitlement balance is drawn down by USDA based on the actual cost of the food at the time of purchase.
- In years when prices rise after Nov. 15th, ODE pays more to USDA than they charge the Sponsors.
- This may result in positive or negative carryover into the next year.

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