

**ODE USDA FOODS
DISTRIBUTION PROGRAM
BULLETIN**

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PROGRAM

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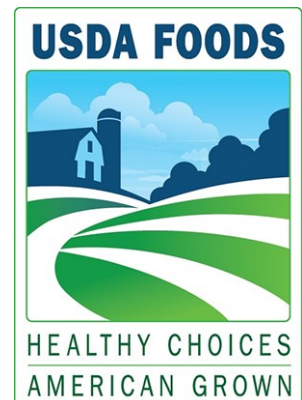
PRE-ORDER SCHEDULE

IMPORTANT: You must place a pre-order in CNPweb if you want USDA foods for school year 2013-14

Dates	Activity	Action Required by Sponsors
Dec. 30, 2012	<ul style="list-style-type: none"> DoD Fresh Fruits and Vegetables Diversion Participation Notification Deadline for 2013-14 School Year 	Send e-mail to david.jones@state.or.us and include entitlement diversion amount, contact person, sponsor name and number, delivery address.
Jan. 10, 2013	<ul style="list-style-type: none"> Entitlement allocation posted in CNPweb 	Review entitlement and start making plans for ordering and diversion.
January, 18 2013	<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. 4-28, 2013	Pre-orders open in CNPweb for: <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. 1-April 30, 2013	<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, 2013	<ul style="list-style-type: none"> Diversion orders are completed and information is available on CNPweb. 	Review your pre-order
May-July, 2013	<ul style="list-style-type: none"> ODE completed purchases for 2013-2014 	If you diverted commodities for processing plan for distribution with your processor or their broker.

SERVICE FEE

GOOD NEWS! The service fee for brown box and diverted USDA food has been reduced from 11 cents per pound to 10 cents per pound for the 2013-14 school year. Fees will be deducted (netted) from your National School Lunch claim.



PROPOSED BROWN BOX FOODS AVAILABLE FOR PRE-ORDER FOR 2013-14

USDA Food	Code	Pack Size	USDA Value	Service Fee
Dry				
Apples Slices	100206	6/10	32.50	3.90
Apples Gala Fresh G Carton	100521	40 LB	28.02	3.85
Applesauce CAN-6/10	100208	6/10	30.08	4.05
Apricots CAN-6/10	100209	6/10	25.92	4.05
Beans Black Turtle	100359	6/10	15.04	4.05
Beans Garbanzo	100360	6/10	15.94	4.05
Beans Green	100307	6/10	14.32	3.80
Beans Refride	100362	6/10	19.40	4.20
Beans Vegetarian	100364	6/10	15.64	4.05
Corn Wole Kernel	100313	6/10	16.50	3.98
Dried Cherries	100299	4/4	62.13	1.60
Fruit Mix Dried	110161	5/5 LB	52.73	2.50
Dried Raisins Box	100293	144/1.33 OZ	20.24	1.20
Mixed Fruit	100212	6/10	24.66	3.98
Pasta, Macroni, Whole Grain	100919	20 LB	8.80	2.00
Pasta, Spaghetti, Whole Grain	100427	20 LB	8.62	2.00
Peaches Diced	100220	6/10	23.35	3.98
Peaches Sliced	100219	6/10	23.61	3.98
Pears Slices	100224	6/10	26.01	3.95
Peanut Butter Smooth	100396	6/5 JAR	32.18	3.00
Rice Brn US#1 Long Parboiled	101031	24/2 LB	13.53	2.50
Tomato Diced	100329	6/10	14.83	3.83
Tomato Salsa	100330	6/10	19.23	3.98
Frozen/Cooler				
Beef Fine Ground	100158	40 LB	89.12	4.00
Beef Lean Patty	100162	40 LB	96.74	4.00
Beef Patty Homestyle	100130	40 LB	102.44	4.00
Blueberry Cultivated	100244	30 LB	42.57	3.00
Blueberry Wild	100243	30 LB	27.29	3.00
Cheese Blend Amer Skm Wht Slc	100037	6/5 LB	57.90	3.00
Cheese Blend Amer Skm Yel Slc	100036	6/5 LB	57.22	3.00
Cheese Ched Rud Fat Yel Shred	100012	6/5 LB	65.06	3.00
Cheese Moz SKM Shrd BOX	100021	30 LB	64.83	3.00
Chicken Diced	100101	40 LB	94.58	4.00
Chicken Fajita	100117	30 LB	59.92	3.00
Peach Cup	100241	96/4.4 OZ	28.51	2.64
Potato Rounds	100358	6/5 LB	14.60	3.00
Pork Ham Boneless Fully Cooked	100184	4/10 LB	56.08	4.00
Pork Ham, Cooked Thin Sliced	100187	8/5 LB	69.74	4.00
Strawberry Cup	100256	96/4.5 OZ	35.29	2.70
Sweet Potatoes Random Cut	100353	6/5 LB	17.17	3.00
Turkey Breast Deli	100121	40 LB	81.04	4.00
Turkey Roast	100125	32-48 LB	79.60	4.00

A Brown Box Pre-order is an advance order given to the State to assist in purchasing the products that best meet your needs. In this process you will choose USDA Foods that you intend to use and their amounts as well as specify in what months you plan to receive them. These pre-orders are a commitment to accept the products when they arrive and should be treated as a bid agreement.

Pre-ordered USDA foods are held in your reserved inventory until the ordering window for that period opens. However, filling your pre-order is contingent upon USDA being able to purchase those products. ODE retains the right to adjust pre-ordered quantities to maximize and balance full truck loads.

During the 1st phase of the ordering window for each distribution period, you will have a chance to modify or reject items from your pre-order without having their value debited from your entitlement.



How was this list selected?

ODE conducted a USDA Foods selection survey in November via Survey Monkey. In Oregon sponsors decide what foods they want offered.

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.

If you would like to participate in DoD during SY 2013-14, contact David Jones by e-mail at david.jones@state.or.us. Include sponsor name, contact name and contact information, amount of entitlement, and delivery location address.

Notification Deadline:

December 30th 2012



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 dis-

counts in the value pass through systems.

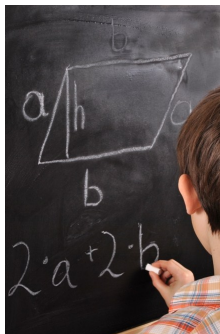
2. To determine the value of commodity for loss claims and missed yields.
3. USDA uses this value to establish the value of processor inventory when establishing surety bonds.
4. For the value of commodities processed into end products.

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.

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 hap-

pen. On average over multiple years, schools receive the commodity rate times the lunch participation.

In July, USDA publishes their initial commodity rate. By this time, ODE has purchased over 90% of the food for the school year.

In January, 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 sponsors 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 2013-14 school year will be invoiced in the 2013-14 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 and clicking on the procurement link.

FEBRUARY ORDER PERIOD

While you are completing your pre-orders for 2013-14, don't forget that you need to place your regular February order for March delivery. Here is the schedule:

Feb. 13-17: Phase 1 (Confirm pre-order, order unassigned entitlement foods, possible bonus)

Feb. 19-20: Phase 2 (Order no charge to entitlement from unassigned foods)



USDA FOODS ADVISORY COMMITTEE UPDATE

The USDA Foods advisory committee and procurement advisory committee have merged! The two committees have a lot in common so it made sense to combine them. Each committee will retain their focus but the two together will make decisions for sponsors in the State of Oregon.

If you are interested in serving on the advisory council 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.

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

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.



CURRENT ADVISORY COUNCIL MEMBERS:

Name	School District	Phone #	E-mail
Lisa Vincent	Beaverton SD	(503) 591-4105	lisa_vincent@beaverton.k12.or.us
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Jennie Kolpak	Bethel SD	(541) 461-6301	jkolpak@bethel.k12.or.us
John Waker	Centennial SD	(503) 762-3670	john_waker@centennial.k12.or.us
Jodi Taylor	David Douglas SD	(503) 261-8233	jodi_taylor@ddouglas.k12.or.us
Clare Columbus	Gervais SD	(503) 792-3801 Ext. 2225	clare_columbus@gervais.k12.or.us
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Marcia Christiansen	Lake Oswego SD	(503) 534-2104	christim@loswego.k12.or.us
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Milli Horton	Sweet Home SD	(541) 367-7149	millihorton@sweethome.k12.or.us
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