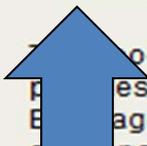


## Food Distribution Program

<http://doe.sd.gov/cans/fdp.asp>

MONTHLY SHIPPING MANIFESTS | PROCESSING CALCULATORS  
NET OFF INVOICING | CONTACT



Food Distribution Program (FDP) for child nutrition programs provides entitlement and bonus USDA Foods to local agencies. Each agency's allocation is based on the average daily participation and a per meal entitlement set for each program.

Over 4 million pounds of USDA donated products (commodities) valued at over \$2 million are distributed in SD schools annually. In addition, over 720,000 pounds of fresh fruits and vegetables are distributed. The money to support this comes from a portion of USDA food entitlement. These are available to both public and non-public school food authorities participating in the National School Lunch Program. Summer Food Service organizations receive a very small commodity entitlement.

### MONTHLY SHIPPING MANIFESTS

Below is the manifest of USDA donated and processed food that will be shipped to each agency. Find the week your delivery is scheduled to arrive and click on the appropriate month to find your school's manifest. They are in alphabetical order. Find your week of delivery for the current month and click on that week. It will take a couple minutes to download.

When it opens, there may be small pages (thumbnails) on the left



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### DOCUMENTS

Anticipated SY 2011-12 Orders  
Policy FD 107  
SD Commodity Loss Report

### LINKS

ACDA  
Food Recall Notices  
USDA Food and Nutrition Service

## Net Off Invoicing

CONTACT

<http://doe.sd.gov/cans/noi.asp>

Net Off Invoicing (NOI) is a way for a school to use A/B entitlement for processed foods.

This process allows schools to use all or a portion of the USDA entitlement through processed foods. Processing might be cutting it up or canning it, or making it into something like meat patties.

The school needs to bid for the processed items they would like to purchase through a distributor. Consult with your school's business manager or superintendent to determine if you will need to do an informal or formal bidding process.

### Calculators - NOI Process

To determine the pounds of peanut butter from J.M. Smuckers: If you have an idea how many cases you actually used in the past and do not anticipate a large change, multiply 4.95 pounds per case for the 2.15 ounce sandwich or 9.90 pounds per case for the 5.0 ounce sandwich. If you do not know the number of cases you have used in the past then determine the number of servings multiplied by the number of times you menu the item. Divide that number by the number of servings in a case and multiply by either the 2.15 ounce or the 5.0 ounce given earlier.

Contact 

Mark Moen  
605-773-4769

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### DOCUMENTS

Processing Calculators RA  
Commodity Processing Handbook

### LINKS

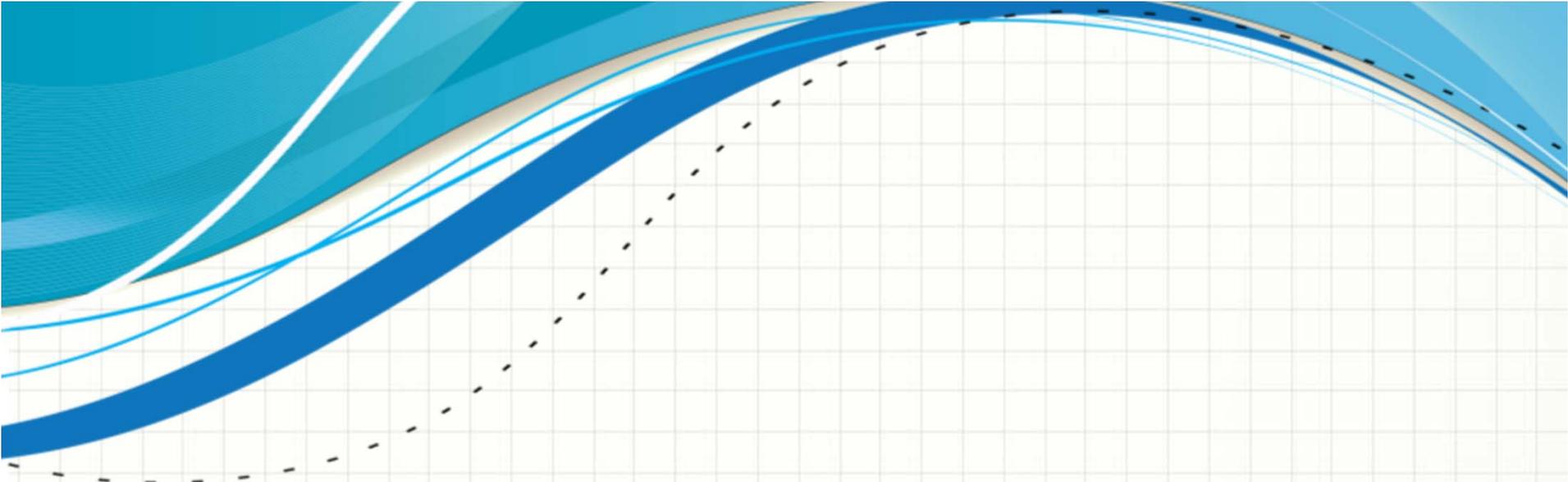


# **NOI TRAINING HOW TO...**

Mark Moen – DOE  
Gay Anderson – Brandon Valley School  
Sandi Kramer – Yankton School  
September 14, 2011

# Getting Started – What is NOI?

- Net Off Invoicing (NOI)
  - A way for schools to receive A/B entitlement for processing items at a Manufacturer and delivered through a Distributor.
  - The donated food value (DFV) of the USDA foods (commodities) is subtracted from the distributors cost of the product.



Processed Items:

1. What are they?

2. How can I use them?

3. Plan based on your menu!



## PROCESSED ITEM

USDA began the Processing Program in 1958 to permit State Distributing agencies and eligible recipient agencies to maximize the use of donated commodities.

Under this program, States and recipient agencies can contract with commercial food processors/manufacturer to convert raw bulk USDA commodities into more convenient, ready-to-use end products.



## HOW CAN I USE PROCESSED ITEMS?

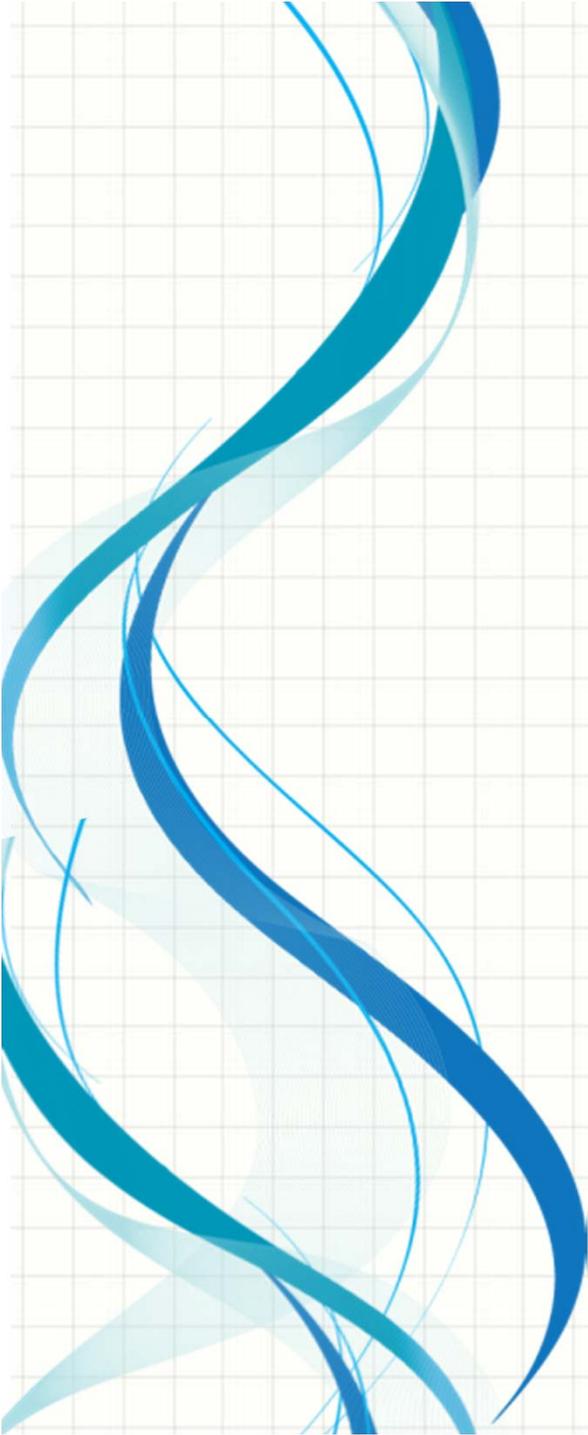
Examples of processed items include, but are not limited to:

- Turkey used for turkey sausage patties
- Eggs used for French toast sticks
- A side of Beef used for precooked hamburger patties
- Chicken used for chicken strips
- Peanut butter for PB and Jelly sandwiches



# Your Menu

- Know your menu
- Plan based on your menu
- Plan for the next years orders by October
- Prepare your bids in October
- Place orders in January for next year
- Communicate, Communicate, Communicate, Communicate,
- Processor, Distributor, CANS, Brokers



How does  
the school  
gain control?

# Today's Overview

1

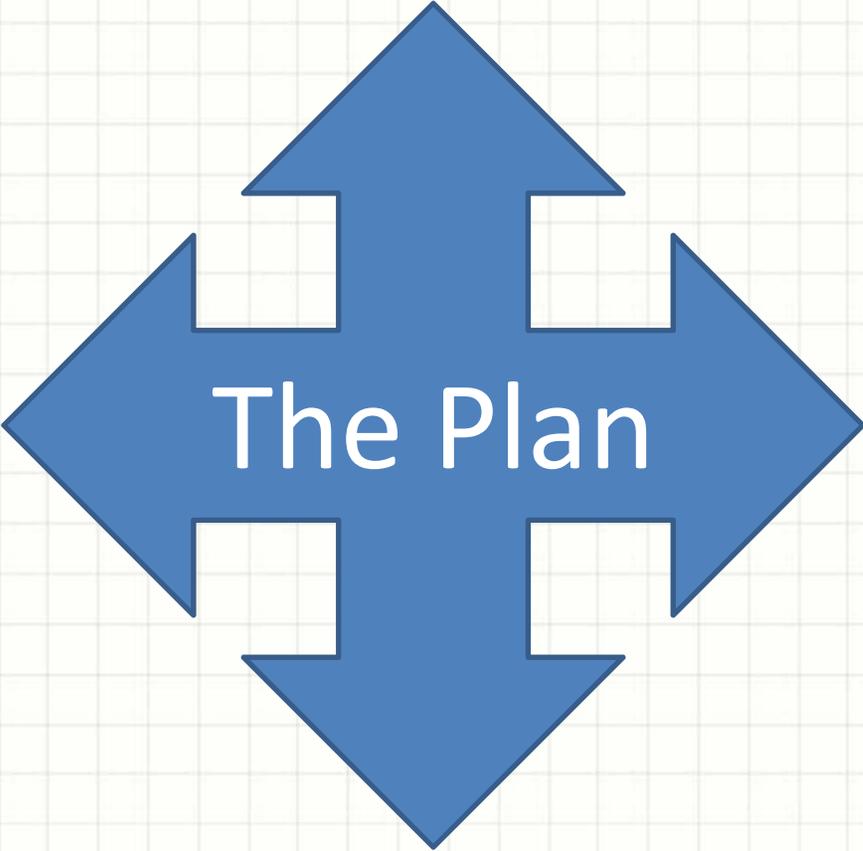
- Making informed decisions

2

- Using a processing calculator

3

- Bidding Process

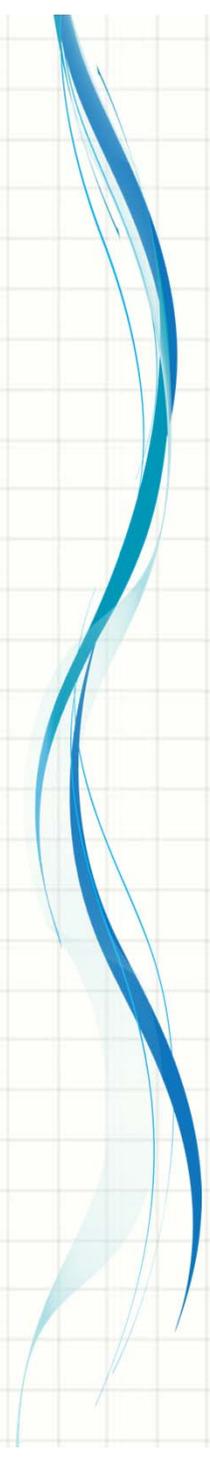


# The Plan



We are all learning this together

Big schools and smaller ones alike  
will all run into some of the same  
things in getting started.



# You will decide:

- Who you receive from
- What you purchase
- When you purchase it
- Where you receive it
- Why is this an option?

## Net Off Invoicing

### CONTACT

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Net Off Invoicing (NOI) is a way for a school to use A/B entitlement for processed foods.

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Calculators

<http://doe.sd.gov/cans/fdp.asp#calc>

### CONTACT

For information contact **Mark Moen** at (605)773-4769.

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## DOCUMENTS

Processing Calculators



# Plan your menu

**USING A PROCESSING CALCULATOR**

**[HTTP://WWW.DOE.SD.GOV/CANS/FDP.ASP#CALC](http://www.doe.sd.gov/cans/fdp.asp#calc)**

# Items to include in a bid

- Day, date, and time the bid is due
- Complete address to return the bid
- Contact person and phone number/email address should the offeror/vendor have questions
- How the proposal will be ranked.
  - Comparative evaluation of price, quality, and contractual factors in order to determine the most advantageous offering.
  - The goal – obtain the best product at the lowest price.

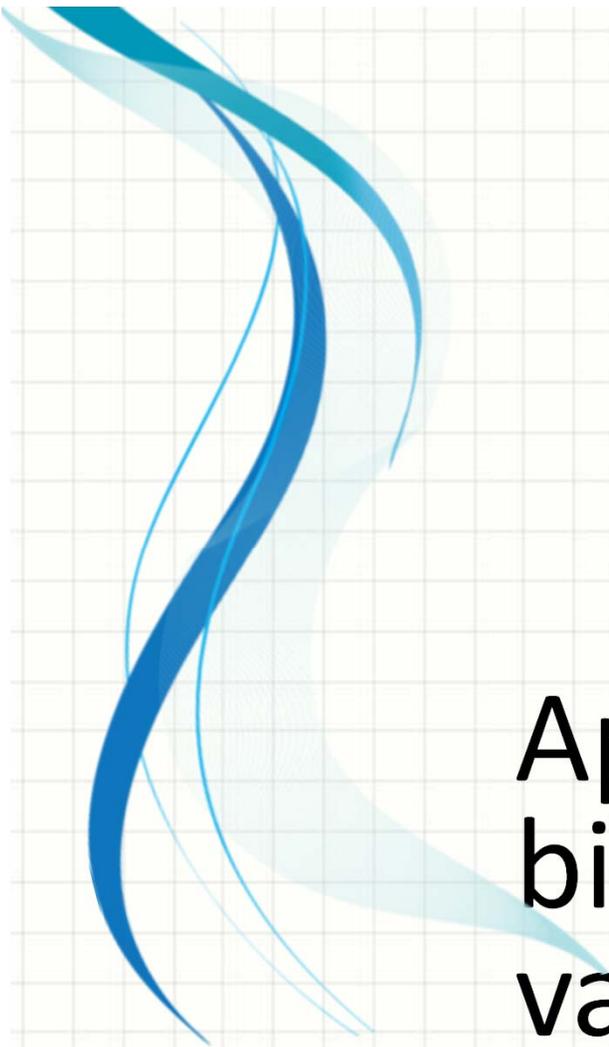
# The bidding process

- A minimum of three distributors
- Provide a fair and level playing field
- Provide the best value at the lowest price



# Possible bid items to include

- Item you want to purchase
- The manufacturer's ordering number
- Estimated case amounts you will use
- Price with discount
- Price without discount  
(to purchase after entitlement is finished)
- Acceptable delivery days and times
- Any special requirements
- Sample forms can be made available upon request

A decorative graphic on the left side of the slide, consisting of several overlapping, wavy blue lines that curve upwards and then downwards, creating a sense of movement and depth. The lines are in various shades of blue, from a deep navy to a lighter, almost white blue.

**Approving the lowest  
bidder with the best  
value for your money**

# What are the benefits to the school?

- Consistency in what is delivered
- Ability to purchase as needed
- Monthly truck is smaller
- Less money tied up in inventory
- Control over what is used and purchased
- Better buying power with a distributor
- Real time usage
- Ability to see usage from the start of NOI
- Monthly reports for planning
- Percentage of what you have used is broken down into numbers or graphs to keep you informed of your spending as you go

# How it works – the process

1. School decides on usage, products and bid items.
2. You inform CANS office the amount of entitlement you would like in NOI, brown box or Fresh produce
  - This is indicated on the January survey
3. CANS office purchases processing materials to be sent to specific processors/manufacturers
4. Bids are sent to a minimum of three distributors
5. School will notify CANS of:
  - 1) Approved bidder (distributor)
  - 2) Number of pounds needed
  - 3) Approved processor
6. CANS will notify: (after verifying entitlement)
  - 1) Processor
  - 2) Distributor
  - 3) Brokers
  - 4) School

## How it works – the process (2)

- Once Distribution and Processor / Manufacturer are notified funds are placed in an account, similar to a debit card, on either:  
[www.processorlink.com](http://www.processorlink.com)  
or  
[www.k12foodservice.com](http://www.k12foodservice.com)  
the website is determined by the Processor
- The websites are notified through the processor / manufacturers.
- Once your account has been set up distribution can start
- Distributors bring product into a warehouse for your upcoming purchases

# How it works - distribution

- You place an order with your approved distributor for your desired delivery date
- Product is delivered, invoice shows specific items and discount value.
- Distributors notify the website client of transactions
- School will verify invoices
- School submit a monthly verification for all invoices
- Dependent on delivery frequency you may have multiple deliveries and invoices based on your needs



# How it works - reports

- Usage and balance reports can be accessed at any time on the website
- Nutritional information is always available from the website
- New ideas and information available on the website

# Benefits to the school

- Consistent product
- Purchase as needed
- Less money tied up in inventory
- Smaller USDA commodity food truck
- Real time usage
- Ability to purchase similar commercial product

# Disadvantages of NOI

- Upfront planning
- Must bid
- Must verify invoices with NOI values
- Computer access to internet
- Must communicate with others
- Will not have a large monthly USDA commodity foods order



Questions?