Conquering Your Fears in Working with USDA Foods!!

With Jose and Carole
February 11, 2021
There are two kinds of people....
There are two kinds of FOOD!

People:

Left Handed/Right Handed
Glasses/No Glasses!
Gold Suits! No Gold Suits!

FOOD:

Commercial
Commodity
Commercial vs. Commodity

Example: Beef Patties

Commercial:  Commodity:
FULL PRICE          We use USDA Foods - Price SAVINGS!!!
$0.42 / serving    $0.14 / serving

ALOHA! PRICE SAVINGS!!!
What are USDA Foods?
New Words for Today:

- Reimbursement
- Entitlement

What’s the difference?
School Year July - June
Entitlement ESTIMATE!

MOST RECENT COMPLETE PRIOR YEAR MEALS
  X
PROJECTED MEAL RATE
  (INCLUDES 12% ADJ.)
  +/-
PRIOR YEAR BALANCE
  =
TOTAL ENTITLEMENT PROJECTION
3 Ways to Spend Your Entitlement Dollars:

1. USDA DoD Fresh

2. Direct Delivery Foods (aka Brown Box)

3. Processing/Diversion
USDA Foods Programs

DOD Produce Program

Direct Delivery  USDA FOODS  Processing
Direct Delivery vs. Processing
Commodity Calculator

• Offered by many Processors
• Determines Total Raw Pounds needed to divert!
• Select the items you want to serve
  • Enter the number of portions needed
  • Enter the frequency it’s on the menu
• The calculator tells you how much to divert
Using a Commodity Calculator

\[
\frac{\text{Servings Required}}{\text{Servings Per Case}} = \frac{\text{Number of Cases Required}}{\text{USDA Food per Case}^*} = \text{Total Pounds Required}
\]
### SY 21-22 USDA Foods / Cost Calculator

#### Coarse Ground Beef (100154)

**Summary:**
- Pounds Needed: 911
- PAL Expenditure: $2,447

**Instructions:**
1. Enter your Estimated Number of Servings Desired in column A.
2. That's it! You're done! Thank you!

**Table:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Item #</th>
<th>Average Finished Case Weight (oz)</th>
<th>Average Serving Size (oz)</th>
<th>A/M/A</th>
<th>Estimated Number of Servings Desired</th>
<th>Approx. Full Servings Per Case</th>
<th>Number of Finished Cases</th>
<th>USDA Foods per Case</th>
<th>Pounds of 100154 Needed</th>
<th>USDA Foods Value per Case</th>
<th>PAL Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Taco Filling</strong></td>
<td>100154</td>
<td>30.00</td>
<td>2.71</td>
<td>2.00</td>
<td>5,000</td>
<td>31.40</td>
<td>910.60</td>
<td>$84.37</td>
<td>$2,446.73</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**

- LOG IN to your K12 Account & <ENTER> your Carry Over Lbs. below:

<table>
<thead>
<tr>
<th>USDA Foods Group</th>
<th>WBSCM Material Code</th>
<th>Material Description</th>
<th>Pounds from Worksheets</th>
<th>TOTAL Pounds Needed</th>
<th>USDA Price List (per lb.)</th>
<th>PAL Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BEEF</strong></td>
<td>100154</td>
<td>BEEF COARSE GROUND FRZ CTN-60 LB</td>
<td>911</td>
<td>911</td>
<td>$2.6870</td>
<td>$2,447</td>
</tr>
<tr>
<td><strong>PORK</strong></td>
<td>100193</td>
<td>PORK PICNIC BNLS FRZ CTN-60 LB</td>
<td>0</td>
<td>0</td>
<td>$1.4477</td>
<td>$50</td>
</tr>
</tbody>
</table>
The underlying principle for Value Pass Through (VPT) systems is to ensure that recipient agencies receive the full value of the USDA Foods in products they receive from further processors.

Once you figure out the value of USDA foods in product, there are options to make sure that you receive it!
Value Pass Through (VPT) Systems

- Rebates/Refunds
- Direct Discount
- Net Off Invoice
- Fee For Service (FFS)
- Other Approved Method
The Flow.....

Menu

Adjust and move on....

Serving begins!

Place orders

Diversion

Student testing!

Forecasting

Bid/RFP
Who’s Driving the Bus?

State Agency = Bus

District = Along for Ride

USDA = Bus Driver
Questions are the path to learning