

**COMPARISON OF OPERATIONS FEATURES**

<b>OPERATIONAL FEATURE</b>	<b>COMMODITY DONATION PROGRAM</b>	<b>COMMODITY LETTER OF CREDIT (CLOC)</b>
Purchasing Agent	Central decision-making by USDA	Combined central and local decision-making; USDA and local school district
Form of Commodity	USDA-purchased surplus commodities received from State Distributing Agency (SDA)	Cash advance each quarter. CLOCs issued by USDA at various times throughout the school year. School Food Authorities (SFA) make purchases.
Level of Support Calculation	Entitlement earned by State at annual meal rate per National School Lunch Program (NSLP). SY2005 meal rate equaled \$0.1725. School district receives prorated share of commodities delivered to State	School district receives CLOCs to purchase commodities equal in total to per eligible NSLP meal served. SY2005 meal rate equaled \$0.1725.
Frequency of Receipt	Periodic deliveries of commodities. Schedule varies by State and commodity.	CLOC issuance and cash advance tied to USDA purchase plan. Typically; 36% first quarter, 36% second quarter, 21% third quarter and 7% fourth quarter.
Restrictions	Commodities received by State in form acquired by USDA. Commodities may, at State’s discretion, be processed into more usable forms. Time of deliveries determined by State orders, USDA delivery schedules and intra-State distribution system.	CLOCs must be used to purchase food products containing the stated commodity. Value of the purchase charged against the CLOC is limited to the value of the specific commodity ingredient. CLOCS must be used within stipulated time period. Products must be of domestic origin.
Bonus Commodities	School districts can order “as much as can be used without waste”. Delivery is through SDAs.	Schools districts can order “as much as can be used without waste.” Delivery is through SDAs.