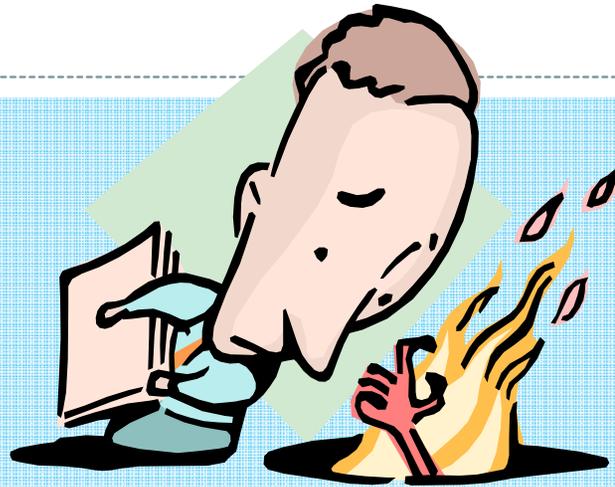


# Processing 4 Processors



**Sherry Thackeray**  
**Program Analyst**  
**Processing Initiatives Team**  
**USDA FNS FDD**

# The Flow



1. Entitlement allocation
2. Decision to process
3. Agreement with processor
4. Procurement takes place with RA or SDA
5. State orders commodities to processor
6. USDA purchases commodity & delivers to processor
7. Substitution & Processing
8. Sales, delivery, VPT
9. Monitoring & Audit

# Competing for Entitlement Dollars



**Who decides how  
dollars are spent?**

# Evaluate the State Commodity Model



- How does State allocate entitlement?
- How does State assess school needs?
- State operating constraints?
- What are the distribution fees?
- State limitations on processing?
- State administrative fees associated with processing?
- What are school distribution channels?



# USDA Purchase Plan

Group A: ~ 80% total dollars spent

- Fruits and Vegetables
- Livestock
- Poultry



Group B: ~ 20% total dollars spent

- 80% of Group B dollars spent on cheese
- Other grain, oil, peanut

# Processing Popularity



## School Year 2006-2007

- 100 National Processors
- 106 commodity codes
- 5,000+ end products approved
- \$400-\$600 Million inventory



# Getting Your

# Piece of the Pie



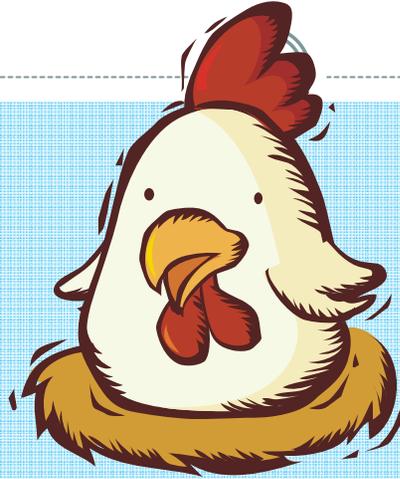
# SY0607 Processing Diversions



<b>Commodity</b>	<b>Pounds</b>	<b>Dollars</b>
Red Meat	100,314,000	\$137,527,000
Poultry	171,376,000	\$101,703,000
Cheese	70,086,000	\$89,265,000
Other Group A	109,713,000	\$14,569,000
Other Group B	26,369,000	\$7,932,274
	477,859,000	\$350,997,000

Total Purchases ~ 1,190,000,000 ~ \$931,000,000

# Chicken Purchases (FY06)



## Bulk

- A521 and A522
- 74% chicken lbs
- 54% chicken \$

## Value-Added

- Breaded & Cut-up
- Fajita & Diced
- 25% chicken lbs
- 45% chicken \$

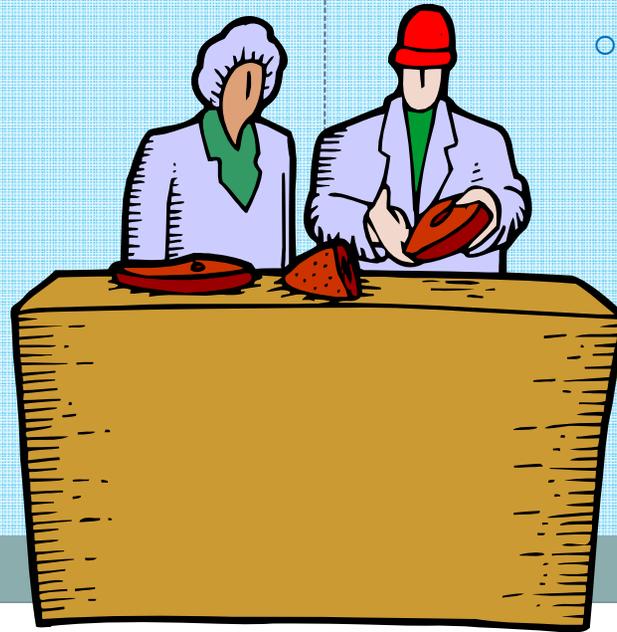
# Beef Purchases (FY06)

## Bulk

- 594 Coarse
- 704 Combo
  - 56% of lbs
  - 55% of \$

## Value-Added

- 608 Fine Grind
  - 31% of lbs & \$
- Patties (4 types)
  - 9% of lbs
  - 9.5% of \$

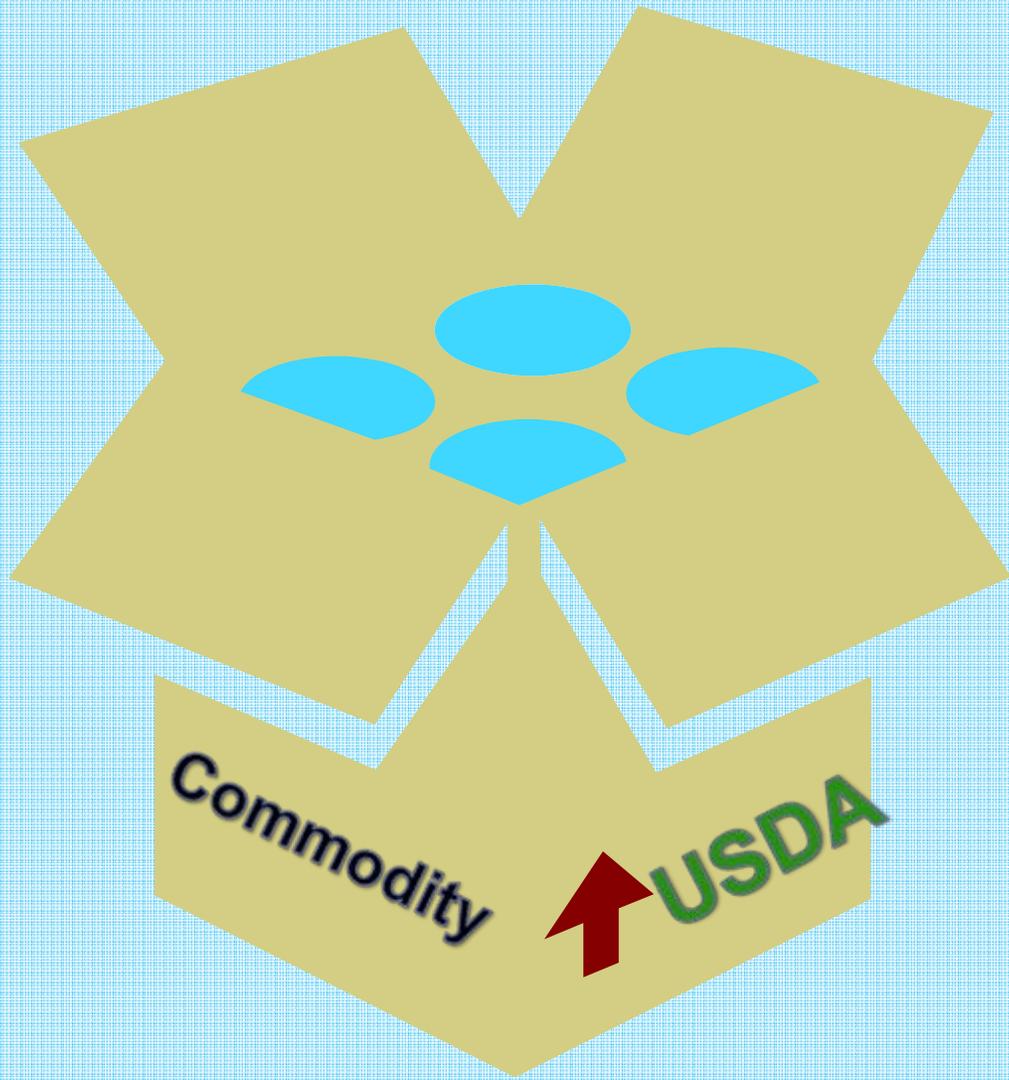


# Other Group A



	<b>Pounds</b>	<b>Dollars</b>
<b>Processed</b>	<b>109M</b>	<b>\$14M</b>
<b>Total Purchases</b>	<b>477M</b>	<b>\$223M</b>

- **\$50M of total dedicated to DOD Fresh**
- **87M lbs of processed is bulk potatoes ~ \$6M**
- **4.5M lbs bulk tomato at \$1.8M**



# FY06 F&V Purchases



<b>Commodity</b>	<b>Pounds</b>	<b>Dollars</b>
<b>Peaches</b>	<b>50,345,000</b>	<b>\$28,555,000</b>
<b>Pears</b>	<b>49,428,000</b>	<b>\$24,170,000</b>
<b>Green Beans</b>	<b>30,150,000</b>	<b>\$10,538,000</b>
<b>Tomato Products</b> (excluding bulk)	<b>45,895,000</b>	<b>\$15,263,000</b>
<b>Apples</b>	<b>25,083,000</b>	<b>\$9,274,000</b>

# Other Group B

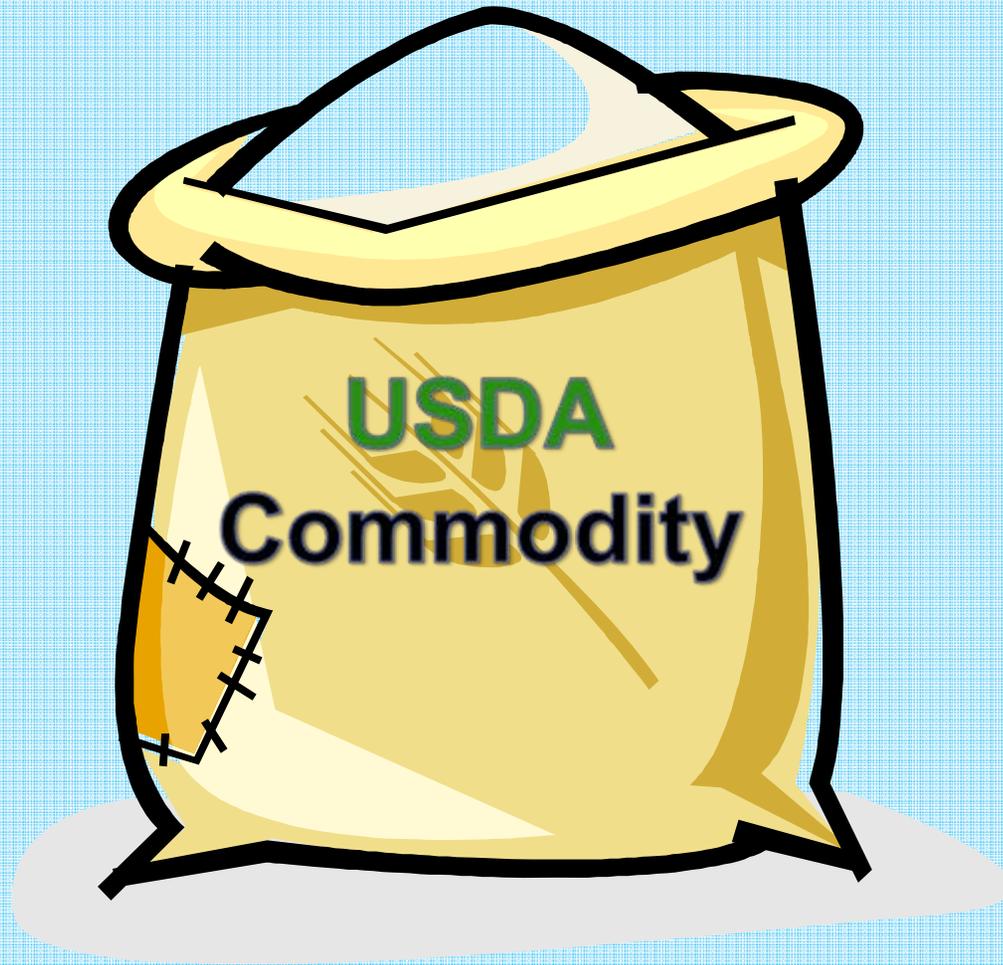


	<b>Pounds</b>	<b>Dollars</b>
<b>Processed</b>	<b>26M</b>	<b>\$8M</b>
<b>Total Purchases</b>	<b>268M</b>	<b>\$237M</b>

- **Processed lbs & \$ DO NOT include cheese**

# FY07 Group B Purchases

	<b>Lbs Purchased (FY06)</b>	<b>Lbs Processed (SY07)</b>
<b>Cheese</b>	<b>146.8M</b>	<b>70M</b>
<b>Flour</b>	<b>55.9M</b>	<b>12.2M</b>
<b>Peanut Butter</b>	<b>14.3M</b>	<b>3.9M</b>
<b>Oil</b>	<b>25.7M</b>	<b>1.9M</b>
<b>Pasta</b>	<b>10.8M</b>	<b>0</b>
<b>Rice</b>	<b>6.7M</b>	<b>42,000 lbs</b>



# The Flow



1. Entitlement allocation
2. Decision to process
3. Agreement with processor
4. **Procurement takes place with RA or SDA**

# **New Federal Procurement Rules 7 CFR 210**



**Monday 9:15 am**

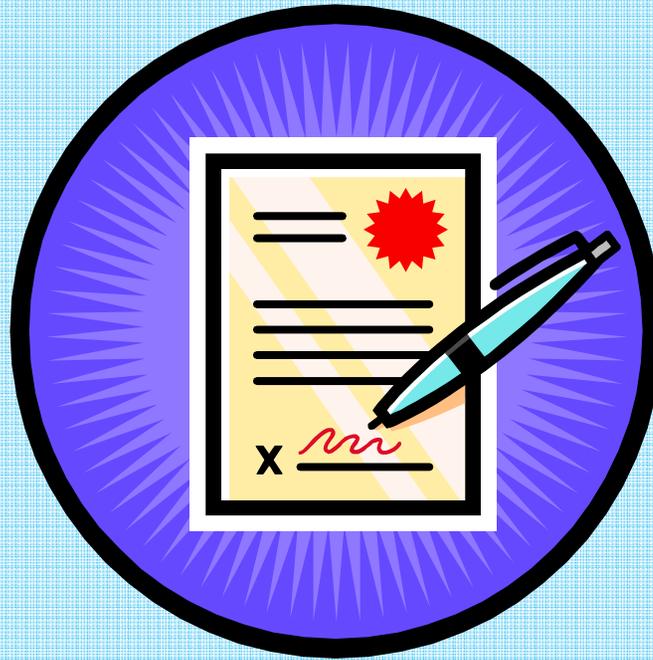
**Lynn Rodgers  
USDA FNS  
Child Nutrition Division**

# The Flow



1. Entitlement allocation
2. Decision to process
3. **Agreement with processor**
4. Procurement takes place with RA or SDA
5. **State orders commodities to processor**

# WORKING WITH FNS



# Processing Agreements



## Multi-State Processors

- 1) National Processing Agreement (NPA)

## In-State Processors

- 2) State Master Agreements
- 3) State Agreements
- 4) Recipient Agency Agreement



# WHY NPA?

## ADMINISTRATIVE EASE

### Perpetual !

- For State
  - National EPDS approval
  - Less paper
  - Federal clearance may streamline State clearance
  - No more Bond monitoring
- For the Processor
  - Standardizes agreement
  - Streamlines clearance – less paper to State
  - A single bond



# National Processing Agreement



## **DOES NOT**

- Eliminate bidding/procurement by SDA/RA
- Specify delivery and billing terms
- Specify value-pass-thru method
- Coordinate truck loading or commodity ordering
- Monitor State inventory draw-downs
  - Verify minimum yield/return met
- Monitor acceptability or field complaints

# End Product Data Schedules



## Under the NPA

- **AMS**
  - ✦ **Poultry - All GMR PY and SY PY**
  - ✦ **Livestock - All GMR LS and GR LS**
- **FNS – Everything else!**

## Under State or RA Agreements

- **AMS**
  - ✦ **Poultry – All SY**
  - ✦ **Livestock - GR and GMR**
- **State – Everything else, including GMR PY**

# Approved Processors



<b>Approving Agency</b>	<b>Commodity</b>	<b>Number of Processors</b>
<b>FNS FDD</b>	<b>Cheese</b>	<b>43</b>
	<b>Fruit &amp; Veg</b>	<b>27</b>
	<b>Grain</b>	<b>15</b>
	<b>Oil</b>	<b>11</b>
	<b>Egg</b>	<b>8</b>
<b>AMS MCG</b>	<b>Beef &amp; Pork</b>	<b>17</b>
<b>AMS PY Grading</b>	<b>Chicken &amp; Turkey</b>	<b>11</b>



*Important  
DATE!*

# EPDS Approval Timeline

- **November 15 – December 28**: existing SEPDS updated with new commodity file price and email to the processor
- No EPDS approved until all SEPDS have been updated with new value

*Important  
DATE!*

# EPDS Approval Timeline



- **Mid-March**: Last day to submit EPDS/SEPDS additions or revisions for the current year

**NO EXCEPTIONS**

*Important  
DATE!*

# EPDS Approval Timeline



- **Mid-March - June 1**: All processors are assigned a specific week when additions, deletions, and formulation changes can be made to next year's SEPDS

*Important  
DATE!*

# EPDS Approval Timeline

- **Mid to late March**: Bond letters mailed
- **End of May**: Bonds are due

*Important  
DATE!*

# EPDS Approval Timeline

- **June 1 - July 31**: EPDS/SEPDS additions or changes NOT accepted

**NO EXCEPTIONS**

- **August - March**: Changes to the existing SY 09 SEPDS

# EPDS Approval Process



How to get what you want faster?

- Plan ahead
- Batch EPDS
- Double check your work
- Know deadlines
- Submit during designated dates





E-mail  
→ Me ←

**NPA@fns.usda.gov**

- Do not send EPDS to a specific person
- EPDS are approved in the order received



UPGRADE

# Microsoft Office 2007

# Summary End Product Data Schedule



## 1) SEPDS A – Commodity with fixed draw down

- 100% Yield
- Standard Yield
- Guaranteed Return

## 2) SEPDS B – Guaranteed Minimum Return

## 3) SEPDS C – hybrid of A &B



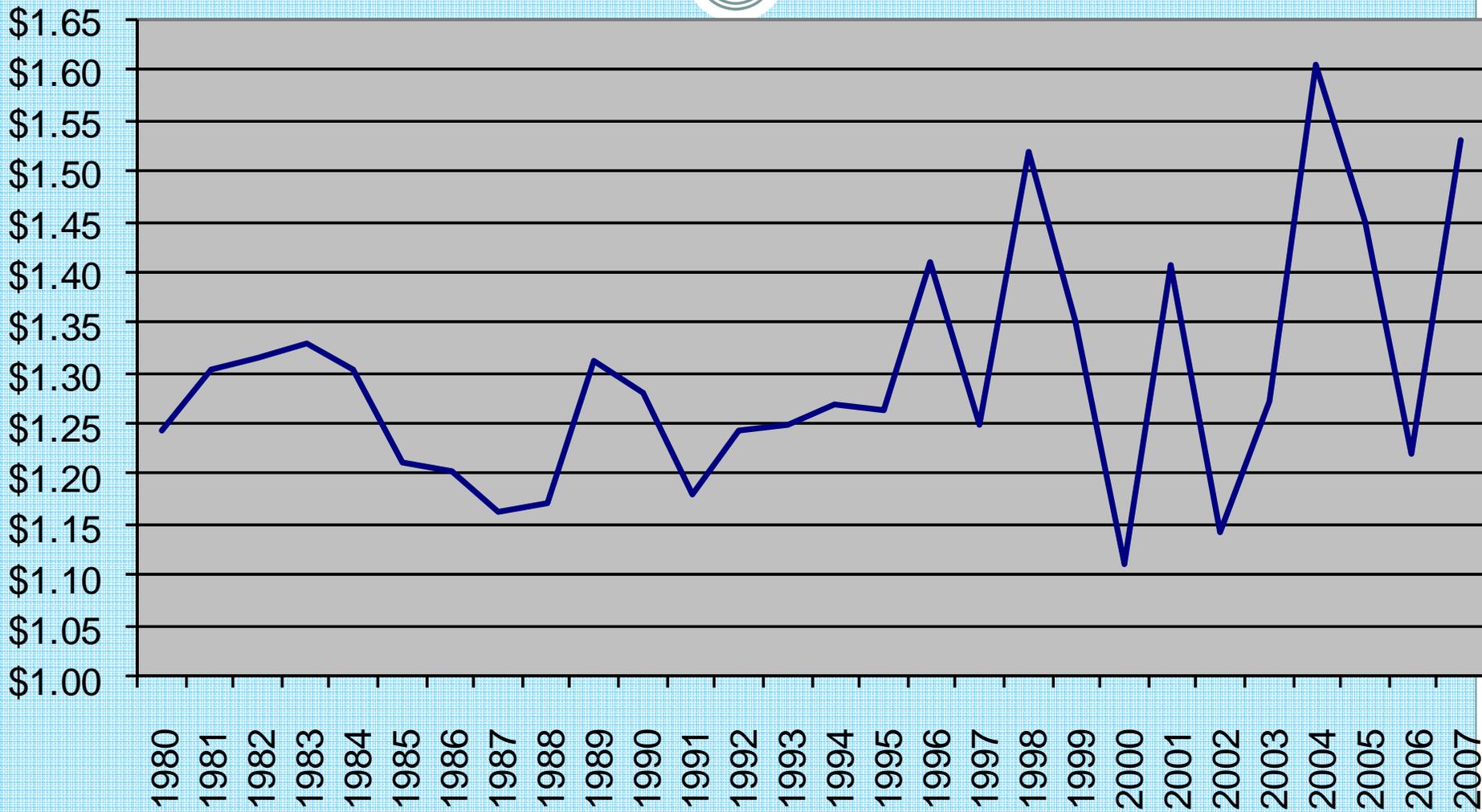
# Commodity Value



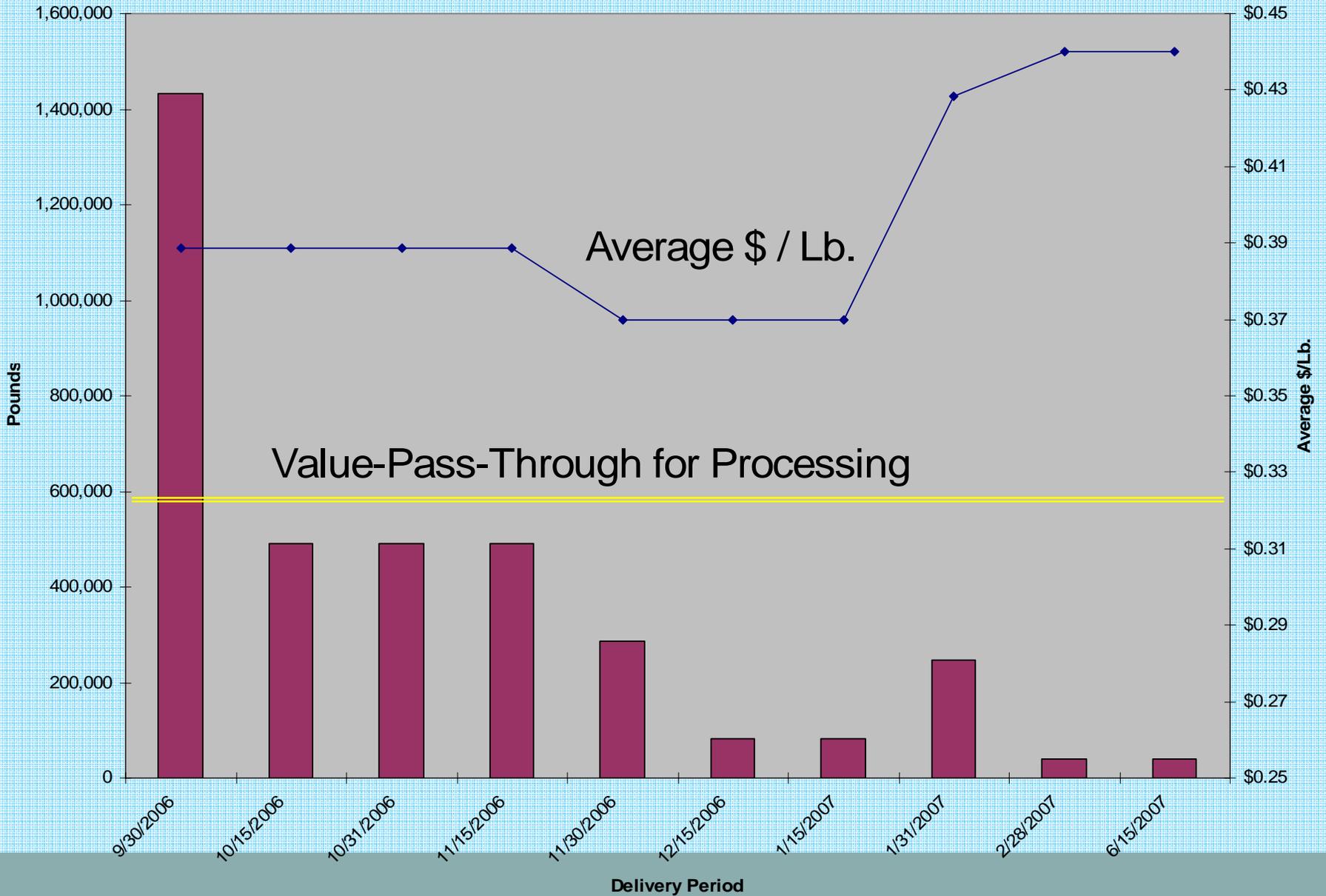
- November 15 Commodity File
- Used to determine:
  - Refunds or discounts
  - Value of surety bond, escrow or LOC
  - Costs of replacement for production or commodity losses
  - Failure to meet GMR
- NDM is price support value
- Cheese is CME 33-month average



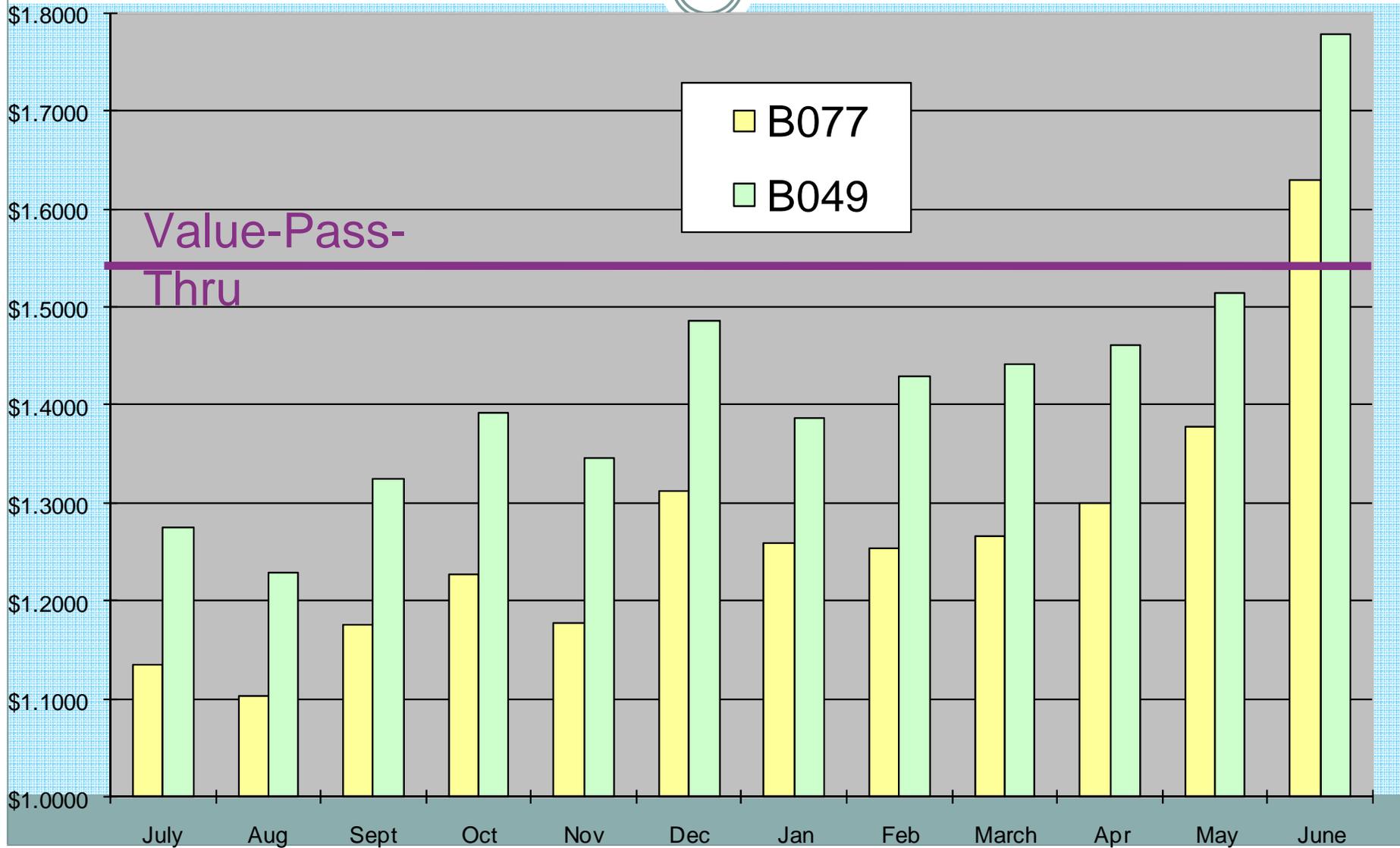
# Average Prices for Barrel Cheese



# SY06/07 Bulk Tomato Paste



# SY0607 Bulk Cheese Avg. Purchase Price



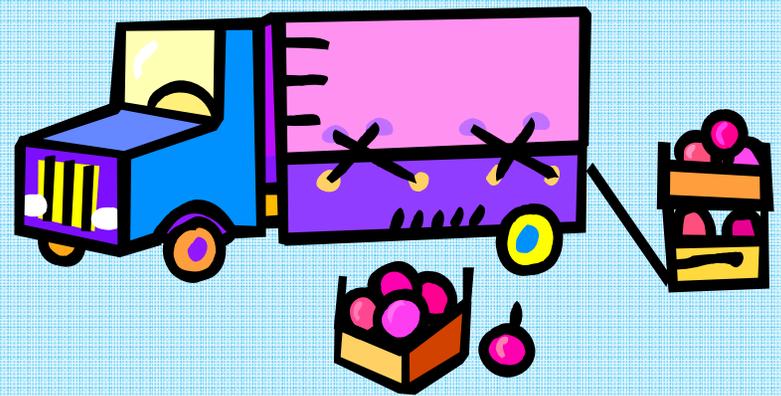
# The Flow



1. Entitlement allocation
2. Decision to process
3. Agreement with processor
4. Procurement takes place with RA or SDA
5. State orders commodities to processor
- 6. USDA purchases commodity & delivers to processor**

# Receiving Commodity

- Direct diversion
- Backhaul
  - May not be commodity
  - Review State SPA
  - Single inventory
- If not commodity
  - Do not add to State inventory
  - Not substitutable
  - Do not “cash out”

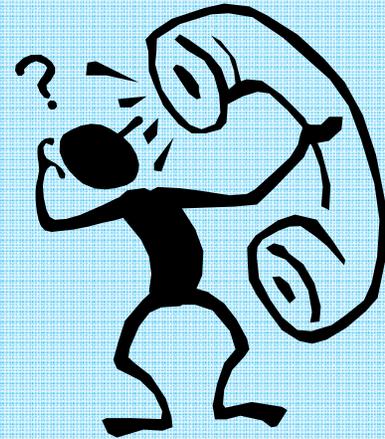


# Commodity Complaints



How to complain & to whom?

1. State that diverted commodity
2. FDD Program Support Branch
  - Rosalind.Cleveland@fns.usda.gov  
703.305.2662
  - NPA@fns.usda.gov



# The Flow



1. Entitlement allocation
2. Decision to process
3. Agreement with processor
4. Procurement takes place with RA or SDA
5. State orders commodities to processor
6. USDA purchases commodity & delivers to processor

## 7. Substitution & Processing

- Full
- Limited
- Non
- 100% Yield
- GMR
- SY
- GRO

# Full Substitution



- All commodities, except beef, pork & poultry
- Choice not a requirement
- Commercial for commodity
  - Same generic identity
  - Equal or better quality
  - Domestic origin
- 100% Yield or Standard Yield



# Limited Substitution



- Requires FNS and AMS approved plan
- Choice not a requirement
- Limited to bulk poultry & poultry parts delivered by USDA vendors
- Commercial for commodity
  - Same generic identity
  - Equal or better quality
  - Domestic origin
- GMR or SY



# Non - substitution



## Generally beef & pork

- FNS & AMS approved substitution plan
  - Same generic identity
  - Equal or better quality
  - Domestic origin
- Processors currently “substituting” are commingling commodity
- Commodity for commodity for inventory control and flexibility

May also be other commodities

# 100% Yield



- Fully Substitutable
- The Concept:
  - Processor must return 100% of the DF received back to contracting agency in the form of finished end products
  - Processor must add equivalent commercially purchased food to make up the manufacturing loss
  - Fixed draw down per case

# Guaranteed Minimum Return



- “Substitutable” or non-substitutable
- Poultry or Red Meat
- The Concept:

It is the minimum amount of finished end product that is to be returned to the DA/RA based on the amount of raw DF supplied to the processor

# Standard Yield



- Full Substitution – Fruits & Vegetables
- Limited Substitution - Poultry
- The Concept:
  - Best for foods with high manufacturing losses
  - Productions variables eliminated or replaced with fixed values
  - Guaranteed cases and draw down per case

# Guaranteed Return



- **Commingling of red meat**
- **Process Certification Control Program (PCCP)**
- **The Concept:**
  - Processor guarantees a fixed number of cases will be produced using a fixed amount of meat
  - Guaranteed (average) yield = fixed draw down

# The Flow



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5. State orders commodities to processor
6. USDA purchases commodity & delivers to processor
7. Substitution & Processing
- 8. Sales, delivery, VPT**





# Passing the Value



## Type of Sales

### Direct

Sales made directly from the processor to the State or school

### Indirect

Sales are made from the processor to a commercial distributor

## Method for Passing the Value

### Refunds

School pays gross price and requests reimbursement from processor for commodity value contained in purchased products

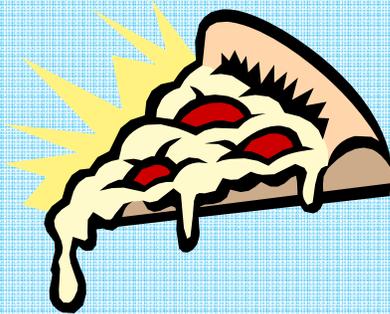
### Discounts

Net price paid by school

# Refund Sales

## Direct Refund

- Processor invoices RA at gross commercial price
- RA applies for a refund



## Indirect Refund Sale

- Processor sells commercial to distributor
- Distributor sells commercial to RA
- RA applies for refund

Inventory is reduced when processor pays the refund

# Discount Sales



## Direct Discount

- Processor bills RA net price
- Inventory reduced when RA billed



## Indirect Discount

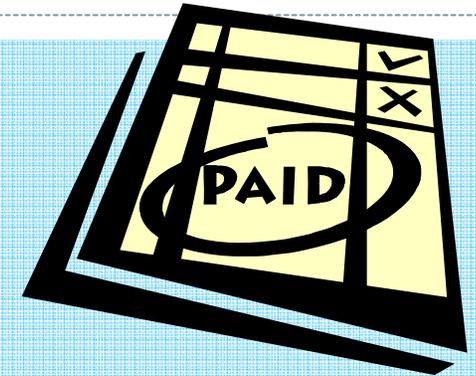
- “Hybrid”
- Processor sells commercial to distributor, who sells net to RA
- Distributor applies for refund from processor
- Inventory reduced when refund is paid

**Requires Sales Verification**

# Indirect Sales Discount



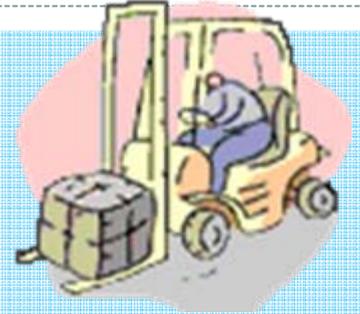
- Net Off Invoice - NOI
- Variation on Hybrid System
- Nationally approved VPT...



## **BUT State determines if allowed**

- Concept: Distributor sells to the recipient at the net price and then uses a velocity report as a rebate application
- Inventory reduced when processor receives velocity report

# NOI – Considerations

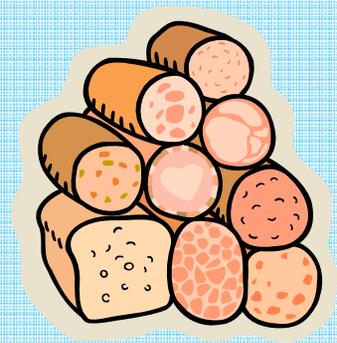


- Is NOI good for the State?
- Impact on State warehousing?
- Is NOI good for the schools?
- Will delivery costs for non-processed commodities increase?
- Are local distributors automated?
- Do you have resources to focus on and manage NOI?

# Fee-for-Service



- Traditionally meat and poultry
- Price per pound or case
- Represents processor's cost of ingredients and other costs incurred in the conversion of the donated food into the end product
- The fee could be:
  - FOB Plant
  - FOB Destination
  - Delivered
- Inventory reduction occurs upon billing RA or DA



# FFS Thru a Distributor



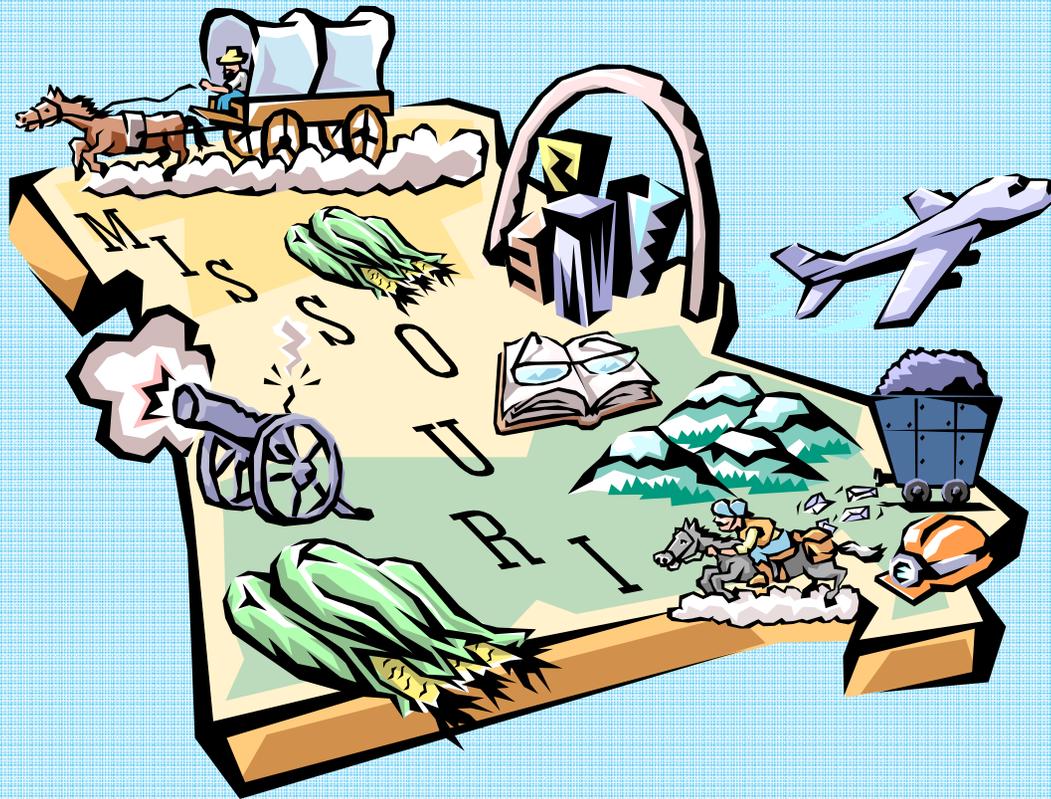
- **FD-025**
- **Written assignment for distributor as billing agent**
- **Written disclosure of fees to RA**
- **Distributor bills total case price**
- **Processor provides distributor a list of RA case allocations**

# The Flow



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7. Substitution & Processing
8. Sales, delivery, VPT
9. **Monitoring & Audit**

# State Monthly Performance Reports









## State Monthly Performance Report

Substitutable Commodities Only (Excluding Meat/Poultry)

Company: \_\_\_\_\_  
Company ID #: \_\_\_\_\_  
Month: \_\_\_\_\_  
Year: \_\_\_\_\_

Date \_\_\_\_\_

State Agency/Recipient Agency \_\_\_\_\_

**Yes, Poultry is substitutable**

**DO NOT use substitutable  
MPR for GMR Poultry**







**MONTHLY PERFORMANCE REPORT  
STANDARD YIELD - POULTRY**

	Current Month Totals			Year-to-Date Totals		
	Total Lbs.	White	Dark	Total Lbs.	White	Dark
1. BEGINNING INVENTORY:	0.00	0.00	0.00		0.00	0.00
Ending Inventory from prior month. <u>        </u> Date						
2. ADD POUNDS RECEIVED:	0.00	0.00	0.00	0.00	0.00	0.00
(from Summary of Pounds Received)						
3. COMMODITY TRANSFERS IN/OUT:	0.00	0.00	0.00	0.00	0.00	0.00
4. QUANTITY COMMODITY AVAILABLE:	0.00	0.00	0.00	0.00	0.00	0.00
5. LESS COMMODITY SHIPPED"	0.00	0.00	0.00	0.00	0.00	0.00
(from Summary of Pounds Shipped)						
6. ENDING INVENTORY OF COMMODITY:	0.00	0.00	0.00	0.00	0.00	0.00

NOTE: Processor is liable for the ending inventory of commodity (line 6).

- **ONLY** to be used for Standard Yield Poultry
- **DO NOT** use for GMR Poultry



# Still Confused?



**Approved USDA NPA Commodity Processors for  
SY0809 as of February 8, 2008**

Processor	Phone Number Contact	Product Line	Commodity	Type of Processing	Type of Substitution
21st Century Foods	Frank Tholen 1-210-226-3787	<u>Beef Products</u>	Beef	GMR	Non-Sub
		<u>Pork Products</u>	Pork	GMR	Non-Sub
		<u>Chicken Products</u>	Chicken	GMR	
Advance Foods	Shari Mueller 1-888-890-6836	<u>Beef &amp; Pork Entrees</u>	Beef	Guaranteed Return	Limited/Demo
			Pork	Guaranteed Return	Limited/Demo
Alpha Foods Co.	Danny Bowen 1-800-733-3535	<u>Pizza Products w/NDM</u>	Nonfat Dry Milk	100% Yield	Full
		<u>Pizza Products</u>	Cheese	100% Yield	Full
Amoroso Baking Company	Preston Thomas 1-215-471-5115 x3056	<u>Bread Products</u>	Flour	100% Yield	Full
Ardella's (RichAndre, Inc.)	Hap Frank 1-888-642-2056	<u>Pizza Products</u>	Cheese	100% Yield	Full
			Flour	100% Yield	Full
			Tomato Paste	100% Yield	Full
Barrel O'Fun Snacks	Katherine Bridgeman 1-612-924-3282	<u>Corn Tortilla Products</u>	Yellow Corn	100% Yield	Full
Basic American Foods	Renee Lang 1-800-447-7939x4162	<u>Potato Products</u>	Potato	Standard Yield	Full
Bay Valley Foods	Customer Service 1-800-647-9436 x383	<u>Cheese Sauce</u>	Cheese	100% Yield	Full
Best Express Foods	John Pancoast 1-517-655-2288 x21	<u>Pizza Products w/NDM</u>	Nonfat Dry Milk	100% Yield	Full
		<u>Pizza Products</u>	Cheese	100% Yield	Full
Bosco's Pizza	Pam Bolt / K12 Svc 1-301-251-5515	<u>Pizza Products</u>	Nonfat Dry Milk	100% Yield	Full
			Cheese	100% Yield	Full
Bowman Apple Products Co	Gary L. May 1-800-865-0708	<u>Fruit Products</u>	Fruit	GMR	Non-sub

# National Monthly Performance Report





# FNS NMMPR Review



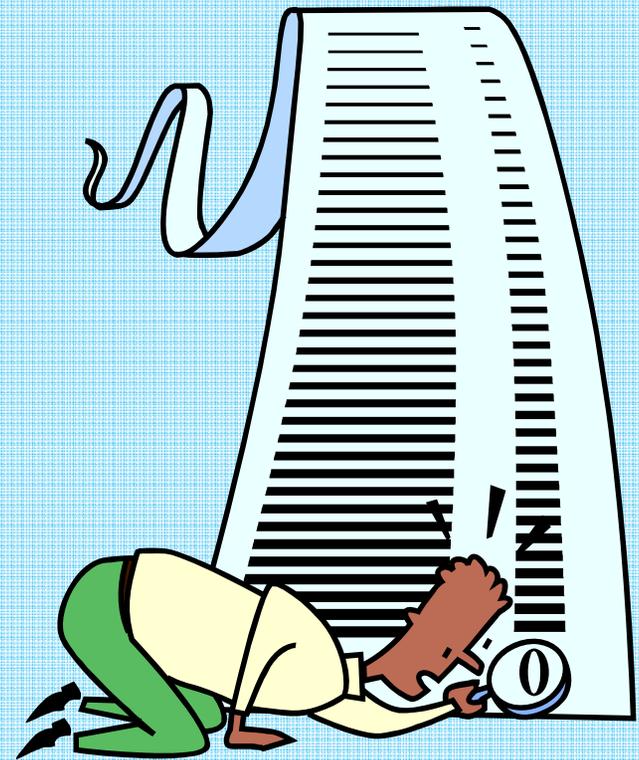
Mark  
Crewdson



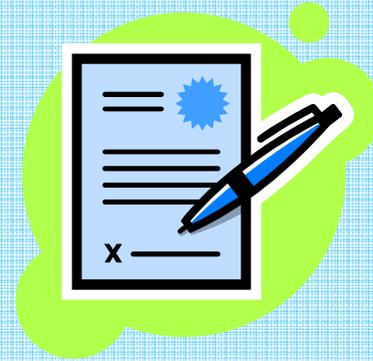
# National MPR



- Use the template
- Do not change, customize, or reformat
- Check your numbers
- Update the Month/Year certification date
- Include explanation for transfers or revisions



# All MPRs



- 250.30(m)
- NPA Article 15
- ACDA templates
- Postmarked no later than the final day of the month following the reporting period
- Final report no later than 60 days

# What do we do with MPRs?



- State monitors inventory on MPR
- Processors should only draw down what was produced & delivered
- Six month inventory limit
- Request destination changes
- “Paper transfer” between processors
- Understand State policies



# Avoid



## Excess Inventory

- Carryover inventory
- Deliveries late in the school year
- States/processor/school failing to monitor flow
- Schools failing to use inventory
- Schools failing to apply for rebates

## Negative Inventory

- Often due to food order delays
- Stop selling at a discount
- Offset negative inventory upon receipt
- No guarantee of replacement



# Managing Commodity Allocations & Inventory



**MONDAY**  
**8:00 AM**

# Contact Us



**FNS General Commodity Inquiries**  
[FDD-PSB@fns.usda.gov](mailto:FDD-PSB@fns.usda.gov)

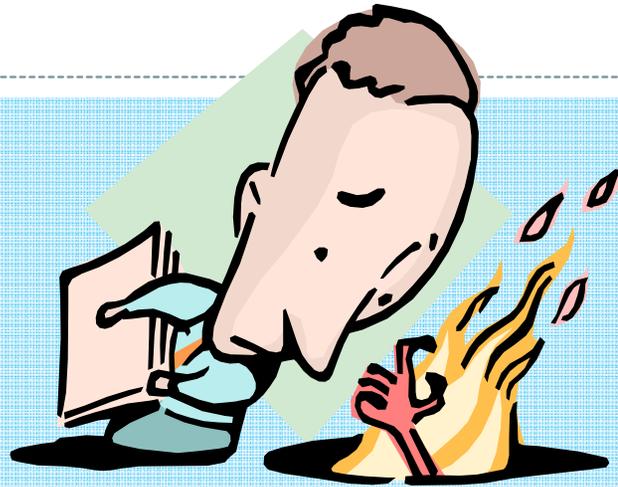
**FNS Commodity Processing Inquiries**  
[NPA@fns.usda.gov](mailto:NPA@fns.usda.gov)

**Sherry Thackeray, USDA FNS Processing  
Initiatives Team**

[Sherry.Thackeray@fns.usda.gov](mailto:Sherry.Thackeray@fns.usda.gov)  
703.305.2652



# Processing 4 Processors



**Questions?**

# **Commodity Distribution through a Commercial Distributor**



## **Challenges & Opportunities**

### **Is it worth it?**

**Pam Fleming**  
**Director, Education Sales**  
**Fox River Foods, Inc.**  
**Montgomery, Illinois**

# What does it take?



## Commitment

- ▶ Time and personnel to understand & implement the systems in order to deliver the products the RA's want, when they want them.
  - Attendance at conferences for training...ACDA, SNA, LAC, Commodity Tastings etc
  - Additional personnel to manage the mechanics
  - Integration of additional processors who offer value to the schools

# What does it take?



## Understanding the systems

- **Indirect Discount Through a Distributor (Hybrid/Net Off Invoice)**
  - Labor intense for distributor.
  - Important to receive CFV and bank info for districts in a timely manner in order to have loaded before the first order ships.
  - Product storage simple; can be sold to anyone

# Fee For Service



## Through a Distributor

- Sometimes referred to as Modified Fee For Service
- Processor bills distributor fee for service only, distributor adds delivery fee so RA only receives one invoice

# Fee For Service

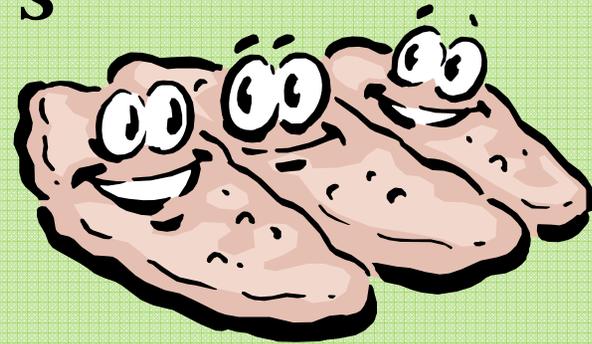


- Product must not be integrated into the normal storage and distribution system in the distributors warehouse. Needs to be kept separate and only delivered to the appropriate school districts.
- RA will receive two invoices, one from the processor for the fee for service and one from the distributor for the delivery fee
- Distributor never takes ownership of this product

# Challenges



- Distributor will have additional processors and SKU's
  - Potatoes
  - 4 Processors
  - 82 different slots
  - Service ~ 360 school districts



## Stocked Net Off Invoice Items for 2007-2008

### Cavendish Farms

Vendor # 280

<u>Fox</u> Product #	<u>Manuf.</u> Product #	<u>Product Description</u>	<u>Pack Size</u>	<u>Commodity</u> Value
365315	04101	Potato Nuggets	6/5#	\$ 3.80
365318	30216	PS 1/2" Oven Crinkle Fry	6/5#	\$ 3.80
365321	6602	Always Crisp Straight Cut Fry	6/5#	\$ 3.80

## Stocked Net Off Invoice Items for 2007-2008

### Lamb Weston

Vendor # 712

Fox Product #	Manuf. Product #	Product Description	Pack Size	Commodity Value
364532	S0026	Starz	6/5#	\$ 3.80
364533	B02	Tri Pattie with Vitamin C	6/5#	\$ 3.80
365495	X12	Generation 7 Thin Regular Fry	6/4#	\$ 3.04
365992	X14	Generation 7 Concertinas 1/2"	6/4.5#	\$ 3.42
365995	S35	Thin Stealth Fry 5/16"	6/5#	\$ 3.80
365996	S57	3/8" Stealth Fry	6/5#	\$ 3.80
365999	S14	Stealth 1/4" Oven Shoestrings	6/4.5#	\$ 3.42
660519	A28	Potatoes Crispy Cubes	6/6#	\$ 4.56
365208	SP06	Special Pak Shoestring 1/4"	6/6#	\$ 4.56
365210	PP50	Supreme Tater Puffs	6/5#	\$ 3.80
365998	D0073	Seasoned Twisters Original	6/5#	\$ 3.80
365997	S19	Stealth Fries Regular Cut	6/5#	\$ 3.80
365444	B43	5/16" Regular Fries	6/5#	\$ 3.80
365451	23C	Canola Quick Fries	6/4#	\$ 3.04
365448	23G	Canola Quick Fries 5/16"	6/4#	\$ 3.04
365450	C22	Crinkle Cut Fries 1/2"	6/5#	\$ 3.80
365456	C28	Crispy Coat 3/8"	6/5#	\$ 3.80
365453	C26	Crispy Coat Thin 5/16"	6/5#	\$ 3.80
365454	D23	Criss Cut Fries	6/4.5#	\$ 3.42
365443	P55	Criss Cut Fries	6/4.5#	\$ 3.42
365446	X15	Generation 7 Colossal Crinkle	6/4.5#	\$ 3.42
365452	B27	Hashbrowns	21#	\$ 2.66
365440	A26	Potato Roundabouts	6/5#	\$ 3.80
365449	R12	Ranch Wedges	6/5#	\$ 3.80
365455	B91	Seasoned 3/8" Cut	6/5#	\$ 3.80
365441	C27	Seasoned Wedge	6/5#	\$ 3.80
365447	S34	Stealth Fries 1/4"	6/4.5#	\$ 3.42
365457	H31	Tater Puffs	6/5#	\$ 3.80

**Stocked Net Off Invoice Items for 2007-2008**

**McCain**

Vendor # 908

<u>Fox Product #</u>	<u>Manuf. Product #</u>	<u>Product Description</u>	<u>Pack Size</u>	<u>Potato Commodity Value</u>	<u>Cheese Commodity Value</u>
361011	OIF01028	Ore-Ida Evercrisp Thin Fry	6/5#	\$ 3.80	\$ -
361014	MCF03789	McCain Flavorlasts Thin Fry	6/5#	\$ 3.80	\$ -
361017	MXF269	McCain Garlic Gusto Fry	6/5#	\$ 3.80	\$ -
361019	MCL03622	McCain Spiral Canyon Fry	6/4#	\$ 3.04	\$ -
361066	OIF03456	McCain Smiles	6/4#	\$ 3.04	\$ -
361069	MCX03936	McCain Cosmic Shapes	6/4#	\$ 3.04	\$ -
364200	MCF03758	McCain Baby Potato Pancakes	6/3#	\$ 2.28	\$ -
364202	MCX03710	McCain Hash Brown Stix	160/2.25oz	\$ 2.85	\$ -
364204	OIF00589	Ore Ida Hash Brown Patty	6/3#	\$ 2.13	\$ -
365319	OIF00055	Ore Ida Oven Ready Crinkle Cut	6/5#	\$ 3.80	\$ -
365459	MCX03620	McCain Canyon 5/16" Fry ZTF	6/5#	\$ 3.80	\$ -
365461	MCF03788	McCain Flavorlast Thick Fries 7/16"	6/5#	\$ 3.80	\$ -
365462	OIF00049	Ore-Ida Triangle Patty	6/5#	\$ 3.80	\$ -
365460	OIF00215	Ore-Ida Versitots Tater Tots	6/5#	\$ 3.80	\$ -
365458	MCL03623	McCain Cross Trax Fry	6/4.5#	\$ 3.42	\$ -
365464	MCF03786	Flavorlast Shoestring Fry	6/5#	\$ 3.80	\$ -
365465	MCF03790	McCain Flavorlast Thin Regular Fries	6/5#	\$ 3.80	\$ -
365466	MCX03626	McCain 8" Wedge Fry	6/5#	\$ 3.80	\$ -
365468	MCL03624	McCain Redstone Canyon Cubes	6/5#	\$ 3.80	\$ -
365469	OIF00024	Ore-Ida Country Style Wedge Fry	6/5#	\$ 3.80	\$ -
361063	50010468	Anchor Breaded Mozzarella Sticks	6/4#	\$ -	\$ 15.93
361409	80008480	Golden Crisp Battered Mozzarella Sticks	6/2#	\$ -	\$ 9.13
397580	10310600	Zooms! Pepperoni Pizza Stuffed Breadsticks - Special Order (2wks notice)	4/4.5#	\$ -	\$ 4.37
397582	10310601	Zooms! Mozzarella Stuffed Breadsticks - Special Order (2wks notice)	4/4.5#	\$ -	\$ 8.84
397584	10310602	Zooms! Taco Stuffed Breadsticks	4/4.5#	\$ -	\$ 3.17
397586	10310599	Zooms! Ham & Cheese Stuffed Biscuits - Special Order (2wks notice)	2/7.8#	\$ -	\$ 5.17
365471	GFR40	Golden Fry 3/8" Straight Cut	6/5#	\$ 3.80	\$ -
361013	MCF03731	McCain 5/16" Swt Potato (Harvest Splendor Thin Stix) Special Order	6/2.5#	\$ 5.59	\$ -
365463	MCF03761	McCain Ovations 3/8" Crinkle Cut Special Order (2wks Notice)	6/5#	\$ 3.80	\$ -

## Stocked Net Off Invoice Items for 2007-2008

### Simplot

Vendor # 1114 @ 1099

Box Product #	Manuf. Product #	Product Description	Pack Size	Commodity Value
126353	40152	True Recipe Potato w/out Milk	6/6# can	\$ 3.63
126371	04350	Idahoan Real Mashed Potato	12/26oz pkg	\$ 5.22
127616	04374	Redskin Mashed Potatoes	24/16oz pkg	\$ 6.58
362876	25941	3/8" Regular Fry N/S	30#	\$ 3.80
362984	46430	Blue Ribbon Shoe Strings	30#	\$ 3.42
362986	47106	Ultra-Clear 3/8" Straight Cut	30#	\$ 3.80
363317	25943	1/2" Crinkle Cut N/S	30#	\$ 3.80
364525	28022	Tri-Tater 240/2oz	30#	\$ 3.80
365145	37227	Classic Tater Sticks	24#	\$ 3.04
365181	47401	Savory Thin Cut	30#	\$ 3.80
365183	23801	Ranch Wedge	30#	\$ 3.80
365184	47601	Savory Wedges	30#	\$ 3.80
365188	47303	Krunchie Wedge 8 Cut	30#	\$ 3.80
365189	43001	101 Hash Brown Patties	30#	\$ 3.80
365190	28301	Tiny Triangles 1oz.	30#	\$ 3.80
365191	47014	Savory Loop Fry	30#	\$ 3.80
365197	23117	Skincredible Lattice Fry	27#	\$ 3.42
365203	22122	Tater Pal Oven Crinkle Cut	30#	\$ 3.80
365300	47108	Conquest Regulars	30#	\$ 3.80
365308	47998	Conquest Shoe Strings	27#	\$ 3.42
365309	47999	Conquest Thin Cuts	30#	\$ 3.80
365310	37022	Classic Gems	30#	\$ 3.80
365320	29902	Original Spudsters 540ct	20#	\$ 2.53
365324	47512	Natural Crisp Shoe Strings	27#	\$ 3.42
365433	47412	Natural Crisp Thin Cuts	30#	\$ 3.80
365470	47911	Ultra-Clear 5/6" Crinkle Cut	30#	\$ 3.80
365472	47003	Infinity Thin Cut	24#	\$ 3.04
365475	00052	Infinity 3/8" Crinkle Cut	24#	\$ 3.04
365476	47007	Infinity 1/4" Shoestrings	24#	\$ 3.04
365477	47920	Jr. Buffalo's Potato Slice	24#	\$ 3.04
374220	37422	Classic Tater Bucks	30#	\$ 3.80
469897	360	Idaho YukonGold Mashed Potato	6/3.24#	\$ 6.60
126380	20405	Idaho Real Mashed Potato	6/3.24#	\$ 5.20

# Challenges



- **Bid pricing confusion**

Be clear when giving us a bid price. Should be a commercial price, not netted out for Indirect Discount

- **Bid awards/Bank Assignments**

We need timely communication when banks are moved. Only one distributor should hold the bank for a district

# Opportunities



- **Additional Volume**
  - Reprocessed commodities are an opportunity for additional sales no matter what the system
  - Distributor will no longer have the spikes in items that we once did with the old way of handling commodities
  - If the Distributor handles commodities systems well, there are many opportunities for new bids

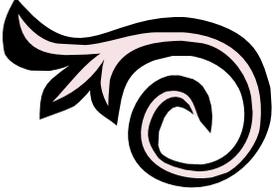
# Is it worth it for a Distributor?



- Absolutely.....for the Distributor that is dedicated to the school segment and in it for the long term
- We all need to take responsibility for our piece of the puzzle.
- **THE PARTNERSHIP BETWEEN PROCESSOR, DISTRIBUTOR AND RA SHOULD BE MUTUALLY BENEFICIAL**



**Questions?**

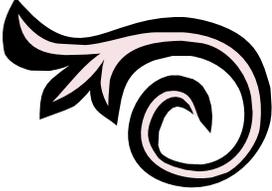


# Wrap Up



**Questions?**



 **To be continued** 



**At the bar...**

