

# Back in the Race

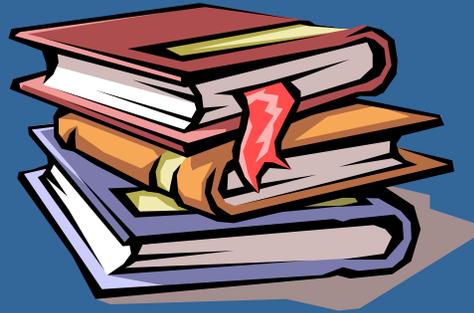
## National Processing



# Why National Processing?

Martha Davenport  
Unicoi County, TN School District  
Recipient Agency Representative -  
ACDA Board of Directors

# The Past History of National Processing



Helene Clark  
General Mills  
Industry Representative –  
ASFSA Executive Board

# The Present

## How National Processing Works Today

Elizabeth Bravo  
Processing Specialist, Texas  
ACDA Processing Committee

# The Future



Cathie McCullough  
Director, Food Distribution Division  
USDA/FNS

# Why National Processing?

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# Commodity Processing...from the School Perspective

- Cost savings technique
- Helps optimize commodities
- Improves menu planning
- Increases customer satisfaction
- Improves food safety
- Saves labor

# Processing as % of Lbs Donated

Commodity	FY 2003	FY 1998	FY 1993
Turkey Products	29%	21%	19%
Egg Products	45%	15%	0%
Chicken Products	72%	67%	29%
Pork Products	35%	18%	14%
Beef Products	49%	25%	12%



## *Survey of State Agencies*

*Processing Activity during  
2002-2003 school year*

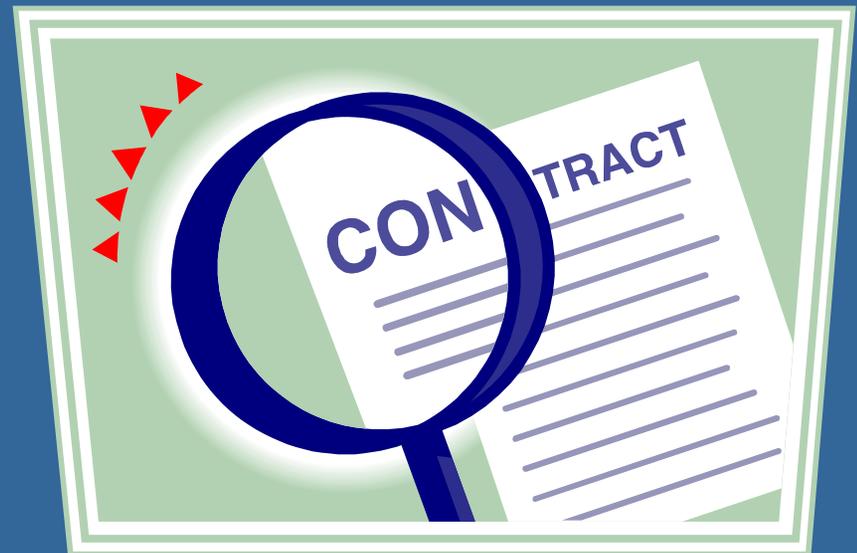
# Overall Response to ACDA Survey

- Sent to 50 State Agencies
- 44 States or 88% responded
- 43 States or 97.7% of the respondents had a processing program



# Processing Contracts Reported

- ~ 80% of states sign "master agreements"
- ~ 40% of states sign "state contracts"



# National Processing 2002-2003

- 25 States signed state participation agreement with at least 1 of the 7 national processors
- The 25 states indicated national processing replaced 76 individual state contracts

# Processing Contracts per ACDA Survey

1200 State processing contracts

- 75 national processing agreements
- 30 school district contracts
- 75 single state contract

= 1020 state contracts

÷ 100 multi-state processors

= 10 contracts per processor

1020 State Processing  
contracts could be replaced  
with

100 National  
Contracts!!



# End Product Data Schedules

- 42 States approved 15,555 EPDS
- 370 EPDS per state
- 13 EPDS per contract
- 31 states accept EPDS electronically
- *\* Rough estimates suggest over 13,000 were duplicative*



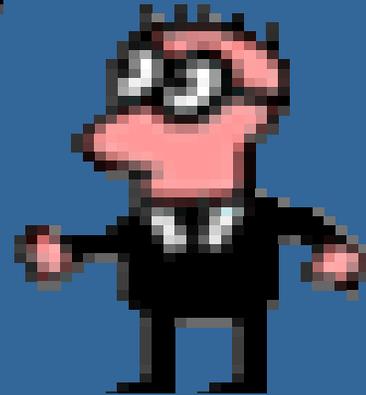
# Reasons State Agencies Did *Not* Participate in National Processing



- 10 States indicated National Processing was not needed
- 8 States indicated they needed to accommodate state contractual requirements
- 5 States indicated the process and procedures were not clear

# Staff Time

- Average state staff managing processing - 1.3 full time equivalents
- Ranged from .20 up to 3.0 full time equivalents
- \*The FTE decreased from 1.5 to 1.3 since 2000-2001.



# State Agency Workload

## 2002-2003 compared to 2000-2001

- ↑ from 23 to 28 contracts
- ↑ from 253 to 370 EPDS
- ↓ from 1.5 to 1.3 average FTE

# Per the ACDA Survey

- Increase in volume of USDA processing activity
- Pounds processed increased
- Variety of items
- More processors
- More contracts



# Why National Processing?

- Because administrative burden to the State and Processor is reduced...
- Resources can be directed to other critical functions which improve schools' access to processors and program accountability
- Critical functions include:
  - Order coordination and consolidation
  - Oversight of additional processor agreements
  - Monthly Performance Report monitoring
  - End of the year reconciliation

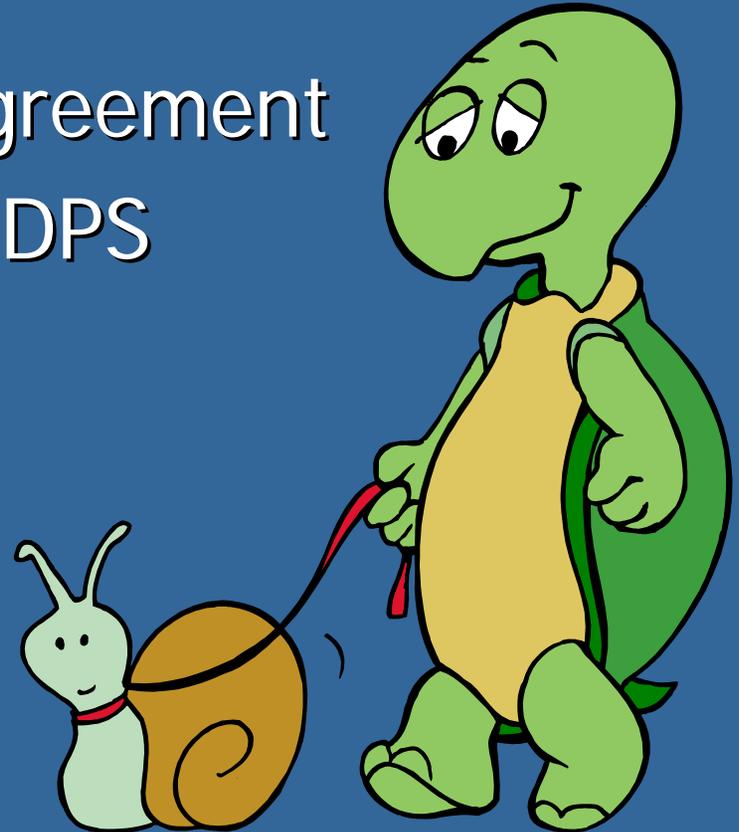
# The Past History of National Processing



Helene Clark  
General Mills  
Industry Representative –  
ASFSA Executive Board

# School Year 2001 – 2002

- Start up
- National Processing Agreement
- National Approval of EDPS
- 7 Processors



# 7 Processors

- Fruit products

- Wawona
- Lamb Weston
- Horizon

- Egg Products

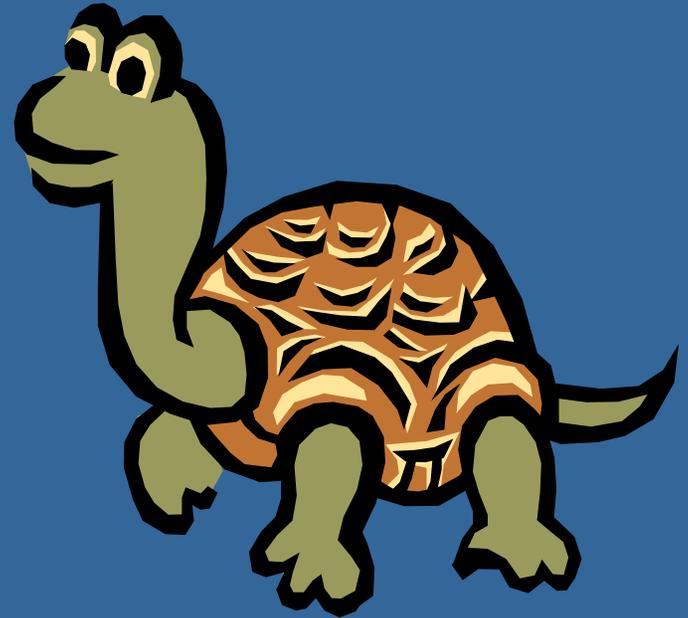
- Michaels
- Sunny Fresh

- Yogurt Processors

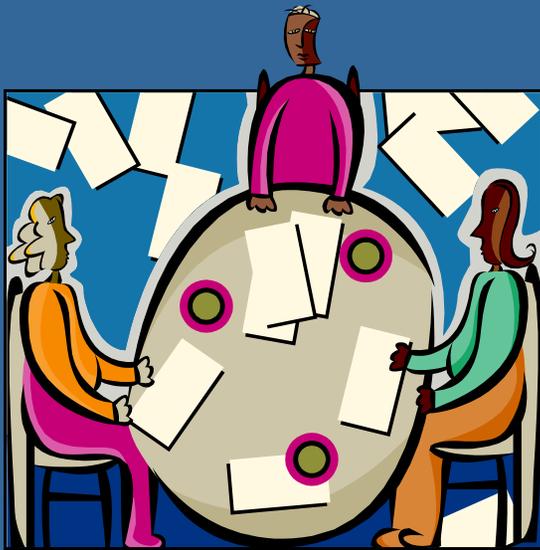
- Dannon
- General Mills

# School Year 2002-2003

- Pilot program renewal
- 25 states participate
- 7 processors
- ~ 75 state processing contracts replaced



# Processors' Initiatives



- Refined roles and responsibilities
- Developed standard state participation form
- Developed summary end product data schedule

# School Year 2003-2004

- Earlier Extension of Pilot
- Increased participation by states
- Recommendations presented to USDA at ANC

# 2004-2005

- Still 7 processors
- Much better!
- Our experience:
  - 2003/2004 4 states participating in NPA
  - 2004/2005 25 states to date participating (more to come)
  - States MUCH more receptive
  - Greatly reduced paperwork
- Now if it was just all electronic!



# The Present

## How National Processing Works Today

Elizabeth Bravo  
Processing Specialist, Texas  
ACDA Processing Committee

# USDA Responsibilities

- Approves national processing agreement
- Approves EPDS's and summary EPDS
- Establishes, holds and monitors bond
- Monitors National Monthly Performance Reports
- Approves sales verification process, if applicable.

# Processor Responsibilities

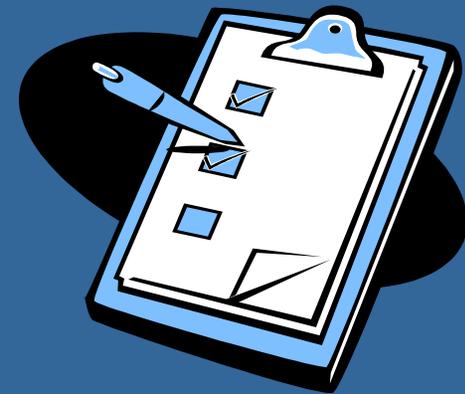
- Sends State Participation Agreement to each state.
- After State agrees, sends the following:
  - Summary EPDS
  - Pricing Information (if requested)
  - Forwards Inventory levels to establish bond level.
  - Submits monthly performance reports to States
  - Submits National MPR to USDA.
  - Conducts and submits sales verifications to applicable States.

# State Agency Responsibilities

- Signs and returns participation agreement to processor
- Includes processor in List of Approved Processors
- Orders donated food for direct ship to processor
- Provides processor with allocation of commodities per RA
- Tracks entitlement PAL
- Monitors MPR information
- Conducts sales verification, if necessary

# Why Does Texas Participate in the National Processing Program?

1. Fewer contracts to review and approve.
2. Decreases file/paperwork maintenance.
3. Still able to designate value pass through system
4. Allows for additional state requirements.
1. And it just makes sense!



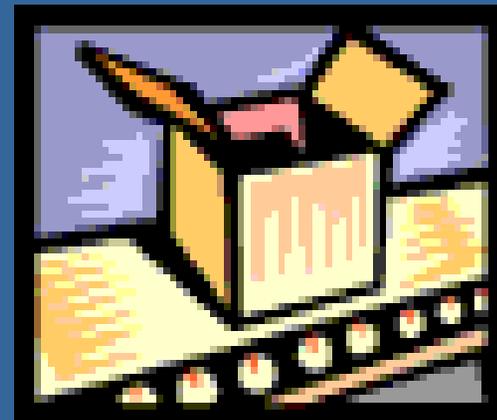
# The Future



Cathie McCullough  
Director, Food Distribution Division  
USDA/FNS

# PROCESSING

## Objectives & Initiatives



- ✧ Redesign reprocessing contracts
- ✧ Standardize and automate
  - ✧ forms and functions
- ✧ Develop processing expertise
  - FNS – Hdq. & Regional Offices
  - States & Schools
- ✧ FNS Hdq. Staff Increase

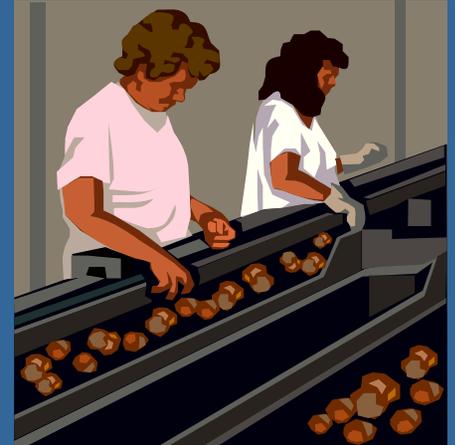
# Processing Initiatives Team (PITs)

- ❖ *Standardize & Electrify*
- ❖ *Technology & e-Gov & ECOS*
- ❖ *Eliminate redundancies and manual data entry.*
- ❖ *National Processing Agreements*
  - ❖ *EPDS Approval*
- ❖ *Training*
- ❖ *State Management Evaluations*
- ❖ *Processing Reg's & State Handbook*
- ❖ *CPA Audit Guidance*



# TOMATO - POTATO DEMO

- SY 04-05 - 6 states participating
- SY 05-06 – 14 states
- Testing standard yield and substitution
- USDA buys bulk
- e.g. Salsa at reduced case price



# National Processing Task Force

- Includes state, processor, and USDA
- ID similar functions at state level
- Eliminate redundancies
- What to automate



**For SY 05-06  
NEXT STEPS...**



# For SY 05-06

- Expand EPDS National Approval
  - AMS will approve ALL Poultry Products
  - FNS will approve fruit, vegetable, cheese, eggs, and NDM
- Electronic EPDS
- Summary EPDS to States
- Continue to review & assess
- Expand NPA Processors



# For SY 06-07 and beyond...

- Expand EPDS approval
  - AMS approves ALL RED meat Products
  - FNS approves "Group B" (i.e. grain, peanut, oil)
- Continue to review, assess & improve
- Expand NPA Processors



# Plans for Future of NPA and ECOS



# ECOS

**USDA** **Electronic Commodity Ordering System**

Login:

Password:

Welcome to USDA Online Ordering

Or enter as a guest and browse our [catalog](#).



USDA's Food and Nutrition Service (FNS) was established to provide:

- needy people with access to a more nutritious diet
- improve the eating habits of the nation's children
- stabilize farm prices through the distribution of surplus foods

The Food Distribution Division (FDD) at FNS Headquarters works with Regional Offices (RO) and State Distributing Agencies (SDA) to determine the commodities available to the many different food assistance programs.

FNS calculates the respective "fair share" of commodities for each SDA based on entitlement and budget data.

This site allows SDAs and Recipient Agencies (RA) to place orders for the commodities offered by FNS.

# WHAT IS ECOS?

- Internet-based system that allows States to electronically submit commodity orders to USDA
- Provides the capability for States without systems to gather commodity information from recipients
- Provides commodity entitlement (PAL)
- Online JIT order monitoring and reporting

# What's in it for me this year?

- JUST IN TIME DATA

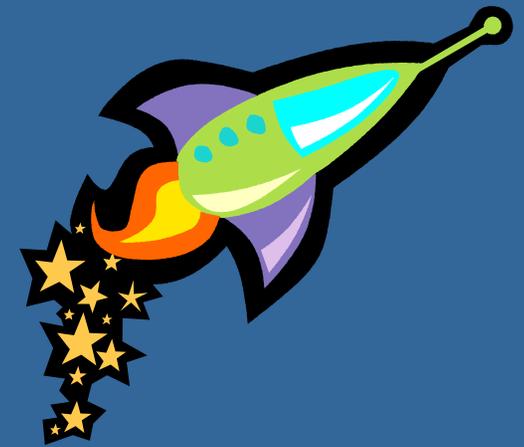
- Direct Ship Schools, Processors and other receiving warehouses
  - access to order info



- States and Processors
  - access to a bulletin board to facilitate less-than-truck-load shipments.....

a big deal!

# What is the Star Wars Plan?



- More JUST IN TIME DATA...and interaction and communication
- SFA's requesting end products and system conversion of requests to raw pound orders.
- Processors, direct-ship schools and receiving warehouses access to delivery receipt info.
- On-line exchange of delivery receipt notice "paperwork"... **A BIG DEAL !**

