

CSFP Food Ordering & Inventory Management Update

NCSFPA Conference 2014

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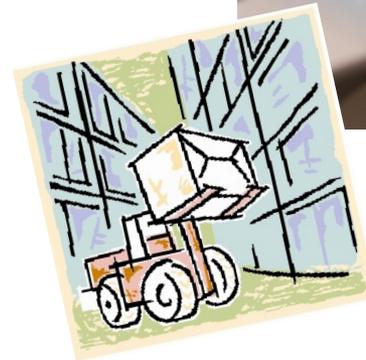


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Agenda

- Carolyn Smalkowski
 - Regulatory Requirements
 - CSFP Inventory Calculator
 - Why Inventory Levels Matter
- Lauren King-Dillon & Special Allen
 - Ordering & Planning
 - Direct Shipments vs. Multi-Food Shipments
 - Inventory Management Best Practices
 - Group Exercise



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Regulatory Requirements

- **Inventory Levels**
 - FNS recommends that States maintain inventories at 2 to 2.5 months by food package category
 - States cannot exceed 6 months of inventory per food package category, consistent with regulations at 7 CFR Part 250
- **Tracking inventories**
 - States are also required to accurately track inventory levels, in accordance with 7 CFR 247.28 and 247.29
 - The CSFP inventory calculator is a useful tool for inventory management
 - It's easy for States to use the inventory calculator too!



The CSFP Inventory Calculator

- Microsoft Excel-based tool which combines data from the FNS-153 and Web-Based Supply Chain Management (WBSCM) Reports to show a months-on-hand inventory level for each food package category for a State agency
- Used by FNS Regional and National Office staff, but is also optionally available to State agencies
- Downloadable with instructions and a training webinar from the CSFP Homepage on the FNS website:
<http://www.fns.usda.gov/csfp/commodity-supplemental-food-program-csfp>

The CSFP Inventory Calculator

| | A | B | C | D | E | F | G | H | I | K | L | N | O | R |
|----|---|---|--------------------------------|----------------------------|----------------------------|--------------------|-------------------------------|------------------------------------|------------------------------------|--------------------------------------|--|---|-------------|--------------------------------------|
| 1 | CSFP INVENTORY CALCULATOR 3.1 | | Complete all fields in yellow. | | See separate Instructions. | | | | | | | | | |
| 2 | 7/19/2013 | | | | | | | | | | | | | |
| 3 | PARTICIPATION | | | | | | | | | | | | | |
| 4 | I. STATE: | | Total | Infants 0-3 Months | Infants 4-12 Months | Children 1-6 Years | Pregnant/ Breastfeeding Women | Non-Breastfeeding Postpartum Women | Elderly | | | | | |
| 5 | II. CASELOAD: | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | |
| 6 | Percentage of Total Participants: | | | -- | -- | -- | -- | -- | -- | | | | | |
| 7 | | | | | | | | | | | | | | |
| 8 | PRODUCT INFORMATION | | | MONTHLY GUIDE RATES | | | | | INVENTORY & FOOD ORDERS | | | | | |
| 9 | | | Product Pack Size | Infants 0-3 Months | Infants 4-12 Months | Children 1-6 Years | Pregnant/ Breastfeeding Women | Non-Breastfeeding Postpartum Women | Elderly | III. Units On Hand As Of: MM/DD/YYYY | IV. Cases for Deliv. from MM/DD/YYYY to MM/DD/YYYY | V. Optional Case Adjustment for Est. Food Order Changes. Enter +/- Before Number. | Total Units | Est. Months On-Hand As Of MM/DD/YYYY |
| 10 | Food Type | | | | | | | | | | | | | |
| 11 | Vegetables | | 24 | | | 4 | 6 | 4 | 4 | 0 | 0 | | 0 | -- |
| 12 | Juices | | 8 | | 1 | 3 | 3 | 2 | 2 | 0 | 0 | | 0 | -- |
| 13 | Fruit | | 24 | | | 2 | 4 | 2 | 2 | 0 | 0 | | 0 | -- |
| 14 | Chicken, 15 oz | | 12 | | | 2 | 2 | 2 | 2 | 0 | 0 | | 0 | -- |
| 15 | Beef / Stew / Chicken / Chili, 24+ oz | | 24 | | | 1 | 1 | 1 | 1 | 0 | 0 | | 0 | -- |
| 16 | Tuna / Salmon / Chicken, 12, 14.75 or 16 oz | | 24 | | | 2 | 2 | 2 | 2 | 0 | 0 | | 0 | -- |
| 17 | Chicken, 12.5 oz | | 48 | | | 2 | 2 | 2 | 2 | 0 | 0 | | 0 | -- |
| 18 | Egg Mix | | 48 | | | 2 | 2 | 2 | 2 | 0 | 0 | | 0 | -- |
| 19 | Peanut Butter / Dry Beans | | 12 | | | 1 | 1 | 1 | 1 | 0 | 0 | | 0 | -- |
| 20 | Cheese, Reduced Fat | | 12 | | | 1 | 1 | 1 | 1 | 0 | 0 | | 0 | -- |
| 21 | Milk, NFD Instant | | 12 | | | 0.5 | 0.5 | 0.5 | 0.5 | 0 | 0 | | 0 | -- |
| 22 | Milk, UHT | | 12 | | | 4 | 8 | 2 | 2 | 0 | 0 | | 0 | -- |
| 23 | Pasta 2 Lb Package (Spaghetti) | | 12 | | | 1 | 1 | 1 | 1 | 0 | 0 | | 0 | -- |
| 24 | Dehydrated Potatoes | | 12 | | | 1 | 1 | 1 | 1 | 0 | 0 | | 0 | -- |
| 25 | Rice - 24 Pack Size | | 24 | | | 1 | 1 | 1 | 1 | 0 | 0 | | 0 | -- |
| 26 | Rice - 30 Pack Size | | 30 | | | 1 | 1 | 1 | 1 | 0 | 0 | | 0 | -- |
| 27 | Pasta 1 Lb Package (Rotini) | | 20 | | | 2 | 2 | 2 | 2 | 0 | 0 | | 0 | -- |
| 28 | Pasta 1 Lb Package (Macaroni) | | 24 | | | 2 | 2 | 2 | 2 | 0 | 0 | | 0 | -- |
| 29 | Rolled Oats | | 12 | | | 1 | 1 | 1 | 1 | 0 | 0 | | 0 | -- |
| 30 | Cereal, Farina | | 24 | | | 2 | 2 | 2 | 2 | 0 | 0 | | 0 | -- |
| 31 | Cereal, Grits | | 8 | | | 0.5 | 0.5 | 0.5 | 0.5 | 0 | 0 | | 0 | -- |
| 32 | Cereal - 8 Pack Size | | 8 | | | 2 | 2 | 2 | 2 | 0 | 0 | | 0 | -- |
| 33 | Cereal - 10 Pack Size | | 10 | | | 2 | 2 | 2 | 2 | 0 | 0 | | 0 | -- |
| 34 | Cereal - 12 Pack Size | | 12 | | | 2 | 2 | 2 | 2 | 0 | 0 | | 0 | -- |
| 35 | Cereal - 14 Pack Size | | 14 | | | 2 | 2 | 2 | 2 | 0 | 0 | | 0 | -- |
| 36 | Cereal - 16 Pack Size | | 16 | | | 2 | 2 | 2 | 2 | 0 | 0 | | 0 | -- |
| 37 | Infant Formula, 25.7 oz* | | 6 | 5 | 5 | | | | | 0 | 0 | | 0 | -- |
| 38 | Infant Formula, 12 oz, 12.4 oz, 12.5 oz, 12.9 oz* | | 6 | 10 | 10 | | | | | 0 | 0 | | 0 | -- |
| 39 | Infant Rice Cereal 6/8 oz* | | 6 | | 4 | | | | | 0 | 0 | | 0 | -- |
| 40 | Infant Rice Cereal 8/8 oz* | | 8 | | 4 | | | | | 0 | 0 | | 0 | -- |
| 41 | Infant Rice Cereal 12/8 oz* | | 12 | | 4 | | | | | 0 | 0 | | 0 | -- |

Ways to Use the CSFP Inventory Calculator

- Measuring inventory levels in real-time to determine if inventory levels are in the recommended range
- Estimating inventory levels in future months to evaluate if you are over- or under-ordering
- Determining whether any existing orders need to be cancelled or diverted OR how many cases you need to order to maintain inventories in the recommended range

Why Inventory Levels Matter

- When State agencies over-order USDA Foods relative to their caseload, it hurts the program
- High inventories:
 - Stretch limited CSFP resources thin
 - Take product away from other State agencies and affect product availability at the end of the year
 - Increase the risk that USDA Foods will go out of condition before they can be distributed to and used by participants
- Low inventories:
 - Increase the risk that a State agency will not have enough food to meet food package requirements and provide full food packages to participants



Questions?



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Ordering & Planning

- Types of Shipments
- WBSCM Order Status
- Order Entry Timeline
- Who Do You Ask for Help?



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Types of Shipments



- **Direct Shipment**

- A full truckload delivery of one or more programs that ships directly from the vendor to the State or local agency warehouse.
- Can be split to deliver to up to 3 different locations.

- **Multi-Food Shipment**

- A delivery from one of the 3 National Warehouses that consists of different food items (“materials”) needed to meet food package needs.



Direct Shipments

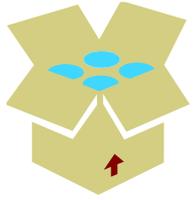


- **Catalog**
 - Sales orders for January – March going on invitation
 - Catalogs open to enter sales orders for remaining 2015 delivery dates
- **Order-By Dates**
 - Setting Lead Times
- **Receipting is Mandatory**
 - Done within 2 business days
- **Notifications**
- **Split Shipments**
 - Other CSFP locations, TEFAP or FDPIR

WBSCM Status Codes – Direct Shipments

| Direct Shipment WBSCM Status Codes | WBSCM - Description |
|---------------------------------------|--|
| Cancelled | Order has been cancelled and cannot be reinstated. |
| Ready for Approval | Order has been entered but not been approved by the SDA. |
| Returned by SDA | SDA has returned the order to the RA. |
| Approved by SDA | Rolled Up & Consolidated Orders from the RA/SDA that have been submitted to FNS for purchase. |
| Returned by SpAgency | Orders that have been returned to the SDA from FNS. Some change needs to be made, see email from FNS HQ for directions. |
| On Invitation | Order is currently on a solicitation to be purchased. No changes can be made until after it has been purchased and is on a Purchase Order. |
| Purchased | On a Purchase Order (contract) |
| Order Received | Order has been delivered and a receipt has been entered in the system. |

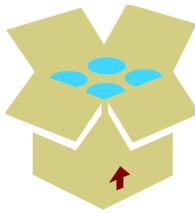
Multi-Food Shipments



- **Catalog**
 - Displays inventory currently in stock
 - If it's 0 or negative, pick an alternative item
 - If a product is at 0 inventory and it's a single line item, contact your regional office to let them know when you will run out and how much you need to ensure complete packages.
- **Order-By Dates**
 - Multi-Food Requisitions should be entered 7 business days before delivery date
- **Receipting is Mandatory**
 - Without a receipt, the order won't display on your multi-food received shipment report



Multi-Food Shipments (cont.)



- **Warehouse Locations**

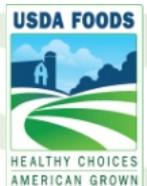
- Each “ship to” on the contract has a negotiated delivery date calendar (weekly, bi-monthly, monthly) which is set up at the beginning of each calendar year.
- If a warehouse is planning on moving, the new site will need to be added to the contract.

- **Combined Loads**

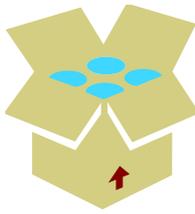
- Warehouse may ship with product to another destination to utilize full truck loads to save the program transportation costs.



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Multi-Food Shipments (cont.)



- **Multi-Food Requisitions**
 - **Due 7 BUSINESS DAYS** before delivery date
 - **Maximum of 1/3 truckload** per food group
 - **Order direct shipments** if possible (full or split trucks)
- **FNS monitors requisitions & requests modifications**
 - **1 requisition** per delivery date
 - **Each food item or material** should only be listed once on a requisition



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WBSCM Status Codes – Multi-Food Shipments

| Multi- Food WBSCM Status Code | WBSCM - Description |
|----------------------------------|---|
| Cancelled | Order line item has been cancelled and cannot be reinstated. |
| Ready for Approval | Order line item has been entered and will be delivered on negotiated delivery date. |
| Order Received | Order has been delivered and a receipt has been entered in the system. |

Purchase Periods for Direct Shipments



- **Yearly**
 - IDIQ – Fruits & Vegetables
 - Orders due a year in advance
 - Can change destination before “Approved by SpAgency”
 - With HQ approval, can cancel and place additional orders
 - Purchase Order Modifications required for destination changes (45 days prior to start of delivery period)
- **Monthly**
 - Cheese and chicken
 - Orders go on solicitation 2 months prior to delivery period
 - Changes, additions and cancellations allowed before “Approved by SpAgency”
 - Purchase Order Modifications required for destination changes (30 days prior to start of delivery period)



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Purchase Periods for Direct Shipments



- **Quarterly**
 - All other materials
 - Orders go on solicitation 3 months prior to initial delivery period
 - Changes, additions and cancellations allowed before “Approved by SpAgency”
 - Purchase Order Modifications required for destination changes (30 days prior to start of delivery period)

Order Planning

| Material | Material Description | Purchase Period | Orders Due | Example |
|----------------------------|--|--------------------------------|----------------------|--|
| IDIQ VEGETABLES | | | | |
| 100306 | BEANS GREEN CAN-24/300 | Yearly (September - August) | Spring of Prior Year | Orders for October 2014- September 2015 deliveries; Due May 2014 |
| 100308 | CARROTS CAN-24/300 | | | |
| 100311 | CORN WHOLE KERNEL CAN-24/300 | | | |
| 100314 | PEAS CAN-24/300 | | | |
| 100331 | POTATOES WHT SLICES CAN-24/300 | | | |
| 100328 | TOMATO DICED CAN-24/300 | | | |
| 100320 | VEG MIX CAN-24/300 | | | |
| NON IDIQ VEGETABLES | | | | |
| 100363 | BEANS VEGETARIAN CAN-24/300 | Quarterly | | * Orders for January - March deliveries due in October; Orders for April - June deliveries due in January; Orders for July - September deliveries due in April; Orders for October - December deliveries due in July* |
| 100335 | SPAGHETTI SAUCE MEATLESS CAN-24/300 | | | |
| 100323 | SPINACH CAN-24/300 | | | |
| 100316 | SWEET POTATOES W/ SYRUP CAN-24/300 | | | |
| IDIQ FRUITS | | | | |
| 100210 | APRICOT HALVES CAN-24/300 | Yearly (September - August) | Spring of Prior Year | Orders for October 2014- September 2015 deliveries; Due May 2014 |
| 100211 | MIXED FRUIT CAN-24/300 | | | |
| 100218 | PEACHES CLING SLICES CAN-24/300 | | | |
| 100223 | PEARS CAN-24/300 | | | |
| NON IDIQ FRUITS | | | | |
| 100207 | APPLESAUCE CAN-24/300 | Quarterly | | *Same* |
| 100233 | PLUMS PURPLE CAN-24/300 | | | |
| JUICES | | | | |
| 100893 | APPLE JUICE PLST BTL-8/64 FL OZ | Quarterly | | *Same* |
| 100899 | CRANBERRYAPPLE JUICE PLST BTL-8/64 FL OZ | | | |
| 100895 | GRAPE CONCORD JUICE PLST BTL-8/64 FL OZ | | | |
| 100897 | ORANGE JUICE PLST BTL-8/64 FL OZ | | | |
| 100898 | TOMATO JUICE PLST BTL-8/64 FL OZ | | | |
| MEAT/FISH | | | | |
| 100127 | BEEF CAN-24/24 OZ | Quarterly | | *Same* |
| 100138 | BEEF CHILI W/O BEANS CAN-24/24 OZ | | | |
| 100526 | BEEF STEW CAN-24/24 OZ | | | |
| 110412 | CHICKEN BONED CAN-12/15 OZ | Monthly | 2 months prior | Orders for August deliveries due in June; Orders for September deliveries due in July etc; EXCEPTION: Orders for October - December |
| 100198 | SALMON PINK CAN-24/14.75 OZ | Bi-Annually | | Orders for September - December deliveries due in April; Orders for January - August deliveries due in October. |



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Order Planning (cont.)

| Material | Material Description | Purchase Period | Orders Due | Example |
|-------------------|--|-----------------|----------------|---|
| 100380 | BEANS GREAT NORTHERN DRY PKG-12/2 LB | Quarterly | | *Same* |
| 100385 | BEANS LIGHT RED KIDNEY DRY PKG-12/2 LB | | | |
| 100382 | BEANS PINTO DRY PKG-12/2 LB | | | |
| 100395 | PEANUT BUTTER SMOOTH JAR-12/18 OZ | | | |
| CHEESE | | | | |
| 100035 | CHEESE BLEND AMER SKM LVS-12/2 LB | Monthly | 2 months prior | Orders for August deliveries due in June; Orders for September deliveries due in July etc; EXCEPTION: Orders for October - December |
| MILK | | | | |
| 100065 | MILK INSTANT NDM PKG-12/25.6 OZ | Quarterly | | *Same* |
| 100050 | MILK 1% MILKFAT UHT 1500 BOX-12/32 FL OZ | | | |
| RICE/PASTA | | | | |
| 100428 | PASTA MACARONI PLAIN ELBOW PKG-24/1 LB | Quarterly | | *Same* |
| 110450 | PASTA SPAGHETTI PKG-20/1 LB | | | |
| 100492 | RICE US#2 LONG GRAIN PKG-30/2 LB | | | |
| 100435 | WHOLE GRAIN PASTA ROTINI MAC PKG-24/1 | | | |
| CEREALS | | | | |
| 100473 | FARINA WHEAT PKG-24/14 OZ | Quarterly | | *Same* |
| 100466 | OATS ROLLED PKG-12/3 LB | | | |
| 100446 | CEREAL CORN SQUARES 1344 PKG-14/14 OZ | | | |
| 100449 | CEREAL CORN FLKS 1080 PKG-12/18 OZ | | | |
| 100929 | CEREAL OAT CIRCLES 1344 PKG-12/14 OZ | | | |
| 100457 | CEREAL RICE CRISP 1008 PKG-16/12 OZ | | | |
| 110265 | CEREAL CORN RICE BISC 1080 PKG-14/12 OZ | | | |
| 100933 | CEREAL WT BRAN FLKS 1344 PKG-14/17.3OZ | | | |
| 110374 | CEREAL WT SHREDDED 2160 PKG-10/16.4 OZ | | | |



Knowledge Check #1:

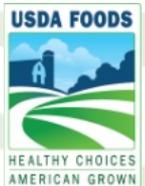
Which of the following is NOT an IDIQ Fruit?

- A. Apricots
- B. Applesauce
- C. Mixed Fruit
- D. Peaches
- E. Pears

ANSWER: B. Applesauce



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Knowledge Check #2:

Which of the following are all IDIQ Vegetables?

- A. Carrots, Corn, Green Beans, Peas, Potatoes, Spaghetti Sauce & Veg Beans
- B. Carrots, Corn, Green Beans, Peas, Potatoes, Spinach & Veg Beans
- C. Carrots, Corn, Green Beans, Peas, Potatoes, Spinach & Veg Beans
- D. Carrots, Corn, Green Beans, Peas, Potatoes, Tomatoes & Veg Mix

ANSWER:

D. Carrots, Corn, Green Beans, Peas, Potatoes, Tomatoes & Veg Mix

Spaghetti Sauce, Spinach, and Veg Beans are NON IDIQ



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Knowledge Check #3:

A full truck of juice is 1025 cases. How much can be placed on a multi-food requisition?

- A. 1025 cases
- B. 500 cases
- C. 342 cases
- D. 250 cases

ANSWER: C. 342

It can be split 100 cases of Apple J, 100 cases Orange J, 100 cases Grape J & 42 cases of Tomato J. As long as it does not exceed the total 342 cases

Top 10 Inventory Management Best Practices

1. Plan Ahead – Use the Optional Inventory Calculator!
2. Enter Orders Early
3. Review Orders Often
4. Know Your Orders
5. Notice Order Status'
6. Enter Goods Receipts
7. Notify us of Late Deliveries
8. Refer to Your Tools
9. Ask Questions
10. Make Your Regional Office Staff Your Best Friends!



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Group Exercise!

- State L has a caseload of 10,000 (all elderly)
- They know they need to order cheese, UHT milk and chicken.
- At the end of December they will have 0 months of inventory of UHT milk and cheese.
- They will have 2 months of canned chicken (material 110412 which can no longer be ordered; its been replaced by 110477 pouched chicken)

Group Exercise!

- UHT Milk: 12 units per case; 1,500 cases per truck
= 18,000 units per truck
- Distribution Rate = 2 packages per month
- 1 truck contains enough product for 9,000 food packages
- ***How many trucks would State L have to purchase for January – March to maintain around a 2-month inventory?***
- ***When should they request delivery?***

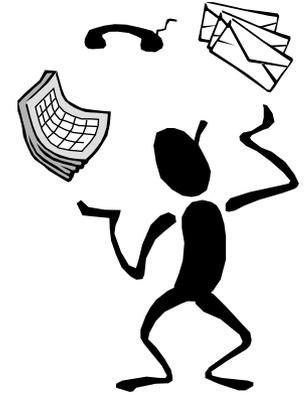
Group Exercise!

- Cheese: 12 units per case; 1,650 cases per truck
= 19,800 units per truck
- Distribution Rate = 1 package per month
- 1 truck contains enough product for 19,800 food packages
- ***How many trucks would State L have to purchase for January – March to maintain around a 2-month inventory?***
- ***When should they request delivery?***

Group Exercise!

- Canned Chicken: 12 units per case; 1,500 cases per truck
= 18,000 units per truck
- Pouched Chicken: 36 units per case; 1,600 cases per truck
= 57,600 units per truck
- Distribution Rate = 2 packages per month
- How many trucks would State L have to purchase of 110477 for January – March to maintain around a 2-month inventory?
- When should they request delivery?
- State L forgot they already have 2 months of 110412 on hand. How much do they have to order of 110477 to ensure they get through the quarter?
- When should they request delivery?

Who to Contact



- **Multi-Food Delivery Issues**
 - Contact your respective warehouse
- **Food Availability Issues**
 - Contact your Regional Office for more information
 - If it's a new issue, they will contact HQ personnel
- **WBSCM Technical and Usage Issues**
 - WBSCM Help Desk
 - Email: WBSCMhelp@ams.usda.gov
 - Phone: 877-927-2648
 - Hours: 8:00 AM to 5:00 PM EST



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Questions?



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Thank You!



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