



US Department of Agriculture (USDA)  
Food and Nutrition Service (FNS)

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**Food Distribution Program on Indian Reservations  
Regional Vendor Pilot Assessment**

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**Final Report**

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## Glossary

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- **AIS** - Automated Inventory System. The food ordering system ITOs use as part of the national warehouse model (NWM).
- **BIUB** - Best if used by.
- **FDPIR** - Food Distribution Program on Indian Reservations.
- **FIFO** - First-in, first-out. A concept in logistics and transportation where warehouses ship their oldest stock first.
- **ITO** - Indian Tribal Organization.
- **MDV** - Vendor contracted by FNS to operate the regional vendor pilot (RVP).
- **NAFDPIR** - National Association of Food Distribution Programs on Indian Reservations.
- **NWM** - National Warehouse Model.
- **Shipping pallet** - A flat transport structure that supports goods in a stable fashion while being lifted by a forklift or other device.
- **RVP** - Regional Vendor Pilot.

# Executive Summary

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## *ES.1 Introduction*

The U.S. Department of Agriculture (USDA) Food and Nutrition Service (FNS) administers the Food Distribution Program on Indian Reservations (FDPIR). FDPIR provides USDA-purchased foods to low-income households living on Indian reservations and to Native American families residing in designated areas near reservations and in the State of Oklahoma.

FDPIR uses a national warehouse model (NWM) for obtaining and distributing foods to Indian Tribal Organizations (ITOs) or State Agencies, which then distribute the foods to eligible beneficiaries. Under this model, two USDA agencies, the Agricultural Marketing Service (AMS) and the Farm Service Agency (FSA), source and purchase food which is delivered to one of two Federally-contracted national warehouses.<sup>1</sup> The warehouses then package and deliver the food to FDPIR programs across the country based on orders placed by the ITO or State Agency.

To determine whether an alternative model of procurement and distribution of food might provide more effective service and lower costs, FNS initiated a regional vendor pilot (RVP) program from August 2013 to March 2015 that replaced the NWM with a single, regional vendor to source, purchase, and distribute foods to four ITOs in Oklahoma: the Chickasaw Nation, Pawnee Nation, Ponca Tribe, and Sac and Fox Nation. The regional vendor FNS selected to operate the RVP was MDV, a subsidiary of SpartanNash Company.

FNS contracted with Manhattan Strategy Group (MSG) to provide a qualitative and quantitative comparison between the NWM and RVP models. MSG and its subcontractor, NORC at the University of Chicago (NORC), are referred to as the MSG team in this report. The report includes summaries of interviews the MSG team conducted with representatives of the four ITOs and MDV. Additionally, the report examines the total cost under both models of obtaining, storing, transporting, and distributing foods to program participants. The report also provides a comparison of the cost of food products by case and ounce (or ounce-equivalent) where possible.

## *ES.2 ITO Experience*

The interviews with the ITO representatives revealed that they were dissatisfied with the NWM as it was operating before the start of the pilot. On the other hand, the ITO representatives were enthusiastic about the RVP and desired to continue participating in it. They thought that expansion of the pilot program would be beneficial and desirable for all ITOs. ITO staff said they preferred the RVP over the NWM for the following reasons:

1. Easier online ordering system with more reliable information about available food products.
2. Greater stock of food items and fewer instances of food items being out of stock.
3. More recognizable brands and more attractive packaging and labeling.
4. Fewer food items that are recognizable as FDPIR foods.

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<sup>1</sup> In August 2015, FSA and AMS domestic food procurement was combined and all domestic food purchasing is now done through AMS.

5. Easier delivery offloading and food item storing based on the way pallets are organized and delivered. For example, pallets organized by single food item make offloading and storing easier than when multiple food items bundled together on one pallet.
6. Longer or further out best if used by dates for food items.

To improve the RVP, the ITO representatives recommended:

1. Incorporating and distributing traditional native foods.
2. Providing FDPIR cost information to the ITOs so they could work with FNS and other stakeholders to reduce the costs of the program. ITO staff said they were concerned that the regional vendor pilot was likely more expensive to operate than the NWM, which might affect FNS's support for the program. ITO staff said USDA should work with them and MDV to identify ways to reduce costs while maintaining the positive aspects of the pilot.

### *ES.3 Vendor Experience*

MDV believed the RVP worked well for both it and the ITOs. MDV said it was able to consistently provide the ITOs with 99 percent of all FDPIR food items the ITOs ordered. Additionally, MDV said the ITOs informed them that participants were pleased with the number of food items reflecting brands they could find in big box retailers and grocery stores.

MDV said the way they operated the pilot program simplified ordering decisions for the ITOs. The inventory and delivery checks MDV conducted before delivery meant that ITOs rarely had to contend with wrong or incomplete orders. The ordering platform also streamlined the process of selecting foods and the time spent by ITOs on placing orders.

### *ES.4 Program Costs Comparisons*

The MSG team performed a quantitative analysis to compare and contrast the service the NWM and RVP provided to the four ITOs in this study. We collected data on program costs from FNS and MDV, and developed and reviewed the cost analyses with FNS and MDV to ensure they were methodologically sound, realistic, and comparable. We worked with both entities to account for all program costs and to ensure that we described and compared costs consistently. Quantitative analyses were performed on program administrative data for the period from June 2012 through December 2014, a total of 31 months. During this two and one-half year period, the four ITOs in this study were served by the NWM from June 2012 to July 2013 (14 months) and by the RVP from August 2013 to December 2014 (17 months).

The costs of the foods provided to the ITOs by MDV were set by contract when the initial contract was signed in 2012. That contract also provided for the contractor to submit cost adjustments to account for price changes over the period that the pilot operated. In September 2015, FNS agreed to the food cost adjustment amount, resulting in an overall increase in the cost of the pilot. Due to the timing of this study, however, those data are not included in this analysis beyond an adjusted, overall price per participant.

#### **Cost Comparisons**

The analysis of the original cost data concluded that when the four ITOs were served by the NWM, the average monthly cost per participant was \$57 compared with an average monthly cost of \$67 for those same tribes to participate in the pilot project (a 17.5 percent increase in the costs). If the updated monthly program costs due to the price adjustment are evenly distributed across the number of participants per

month during the analysis period, the monthly cost of the pilot, per participant, increases to \$71, a 24 percent increase.

Using the original data, there were 66 comparable food cases between the NWM and RVP, meaning the food cases have the same quantity of the same food (e.g., 24 15.5oz tomato soup cans per case). Among the 66 comparable food cases, RVP products were more expensive than comparable NWM products 44 times, and RVP products were less expensive than comparable NWM products 22 times. So, when all program costs are considered, about 66 percent (or two-thirds) of the RVP cases were more expensive than NWM cases. On average, RVP food cases were \$4.15 more expensive than NWM food cases. The median difference between RVP and NWM food cases was \$4.84.

If the food item costs are compared on the basis of ounce equivalents, the analysis does not change substantially, but it is possible to compare a greater number of products. When ounce equivalents are considered, there are 78 comparable food items between the NWM and RVP. Among those 78 foods, RVP products were more expensive than comparable NWM products 52 times, and RVP products were less expensive than comparable NWM products 26 times. So again, 67 percent (two-thirds) of the RVP foods were more expensive than NWM foods. On average, RVP foods were \$0.01 per ounce more expensive than NWM food cases with a median difference of \$0.02 per ounce.

### *ES.5 Conclusion*

Ultimately, FDPIR stakeholders will have to determine whether the benefits from the RVP identified by the ITOs in this study are worth the higher costs, can be restructured with lower costs, or whether the NWM can be changed in some way to achieve similar benefits

# 1. Assessment of the FDPIR Regional Vendor Pilot

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## 1.1 Introduction

The U.S. Department of Agriculture (USDA) Food and Nutrition Service (FNS) administers the Food Distribution Program on Indian Reservations (FDPIR). FDPIR provides USDA-purchased foods (i.e., USDA Foods) to low-income households living on Indian reservations and to Native American families residing in designated areas near reservations and in the State of Oklahoma.

FDPIR uses a national warehouse model (NWM) for obtaining and distributing foods to Indian Tribal Organizations (ITOs) or State Agencies, which then distribute the foods to eligible beneficiaries, referred to as FDPIR participants in this report. Under this model, two USDA agencies, the Agricultural Marketing Service (AMS) and the Farm Service Agency (FSA), source and purchase food that is delivered to one of two Federally-contracted national warehouses.<sup>2</sup> One warehouse is operated by Americold in Nampa, Idaho and the other warehouse is operated by Paris Brothers, Inc. in Kansas City, Missouri. ITOs and State Agencies order foods from their respective national warehouses using a list of available products. Those foods are then delivered to the ITOs or State Agencies.

FNS operated a regional vendor pilot (RVP) from August 2013 to March 2015 that replaced the standard food distribution model with one that used a single, regional vendor to source, purchase, and distribute foods at four ITOs. FNS selected MDV, a subsidiary of SpartanNash Company, to operate the RVP. The pilot provided FDPIR foods to four ITOs in Oklahoma: the Chickasaw Nation, Pawnee Nation, Ponca Tribe, and Sac and Fox Nation, using a MDV hub located in Oklahoma City, Oklahoma. Since the end of the pilot, the four ITOs have returned to being served by the NWM.

## 1.2 Qualitative and Quantitative Research

FNS contracted with Manhattan Strategy Group (MSG) to conduct an evaluation of the RVP and compare it with the NWM. The results of the evaluation are contained in this report. The report includes summaries of interviews that MSG and its subcontractor, NORC at the University of Chicago, conducted with representatives of the four ITOs and MDV. The MSG team conducted interviews during site visits to ITO and MDV warehouses in Oklahoma in January 2015.

The purpose of the qualitative research performed for this study was to obtain in-depth perspectives and insights from various stakeholders. Traditionally, qualitative data derive from a number of sources, including open-ended responses on surveys, interviews and focus groups, field notes, direct observations, and document reviews. Qualitative data yield rich, descriptive, in-depth understandings about a person's experience or behavior in a socio-cultural setting. In program evaluation, findings from qualitative data provide context for interpretation and understanding connections among processes, outcomes, and effects.

Qualitative data analysis involves structuring and assembling voluminous textual data or imagery, and identifying and generating categories, themes, and trends through inductive inquiry. This includes defining concepts, mapping social phenomena, creating typologies, finding associations, seeking explanations, and developing theories grounded in the data. Procedures used to ensure reliability and

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<sup>2</sup> In August 2015, FSA and AMS domestic food procurement was combined and all domestic food purchasing is now done through AMS.

validation in qualitative analysis include using two researchers to analyze data, reaching a saturation point, searching for negative cases and rival explanations, and triangulation of data with other sources.

For the FDPIR RVP assessment, the research team conducted personal interviews with ITO staff using open-ended interview questions, observed program operations, and photographed warehouses and distributions centers. Researchers independently analyzed the data, and discussed and achieved consensus on the findings. Triangulation across respondents was used wherever possible.

Additionally, the report examines the program and food item costs under both food distribution models for obtaining, storing, transporting, and distributing foods to program participants. The MSG team developed the cost comparisons by analyzing FNS administrative data on program costs. The administrative data are largely compiled from invoices and reports submitted periodically by Paris Brothers and MDV to FNS.

### *1.3 Study Limitations*

The limitations of this study are related to the nature of quantitative and qualitative research and the study's scope of work. These limitations include:

- The experience the four study ITOs had with the national warehouse before the RVP started may not be representative of the experience of the other 96 ITOs that participate in FDPIR.
- Comparing the recently-launched, small-scale RVP to the long-standing, full-scale operation of the NWM may not account for the challenges and benefits possible within a program as it gains experience and scales in size, which can improve a program's efficiency per unit of output.
- The MSG team's inability to verify claims by FNS and the ITOs regarding the MDV and RVP's use of nationally recognized brands, timeliness in making deliveries, responsiveness to ITO requests and order changes, and "user-friendliness" of the technologies used.
- Based on the scope of the work, the MSG team performed a site visit to MDV's Oklahoma City, OK warehouse and interviewed MDV staff but we were unable to perform site visits to the NWM contractors' warehouses or interview their staffs.

## 2. Overview of FDPIR

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### *2.1 Introduction to the Food Distribution Program on Indian Reservations*

The mission of USDA FNS is to reduce hunger and food insecurity by providing children and low-income people access to a healthful diet and nutrition education in a manner that supports American agriculture.<sup>3</sup> To this end, USDA/FNS administers 15 domestic nutrition and education programs, including FDPIR. FDPIR provides USDA Foods to low-income households, including the elderly, households living on Indian reservations, and Native American families residing in designated areas near reservations and in the State of Oklahoma. Other nutrition programs serving Native American populations include the Supplemental Nutrition Assistance Program (SNAP), Commodity Supplemental Food Program (CSFP), the Emergency Food Assistance Program (TEFAP), Special Supplemental Nutrition Program for Women, Infants and Children (WIC), School Meals Programs, and Child and Adult Care Food Program (CACFP).<sup>4</sup>

Established through the Food Stamp Act of 1977, FDPIR is intended to give American Indians and Alaska Natives an opportunity to obtain a more nutritious diet. Its origins date back to the Needy Family Program, which began in 1936. The Needy Family Program continued to provide target populations surplus food commodities through the mid-1970s until it was replaced by the Food Stamp Program. The Food Stamp Act of 1977 gave low-income households on reservations the option of participating in either the Food Stamp Program (the predecessor of SNAP) or FDPIR. As an alternative to food stamps, the program rules issued in December 1978 require that USDA “offer a variety and quantity of commodities for Indian households such that the commodity package represents an acceptable alternative to food stamp benefits.”<sup>5</sup>

FDPIR is authorized through 2018 under Section 4(b) of the Food and Nutrition Act of 2008 (codified in the Agricultural Act of 2014) and Section 4(a) of the Agriculture and Consumer Protection Act of 1973. The program is administered by FNS at the Federal level.<sup>6</sup> Locally, FDPIR is administered by an Indian Tribal Organization (ITO) (either a single tribe or intertribal organization) or by the State.<sup>7</sup> As of January 2015, the program was administered by 100 ITOs and five State Agencies, and provided benefits to almost 91,000 participants<sup>8</sup> from approximately 276 tribes.<sup>9</sup>

Eligible participants for FDPIR are low-income American Indian and non-Indian households that reside on a reservation, and households living in approved areas near a reservation or in Oklahoma. Households must have at least one person who is a member of a Federally-recognized tribe. The household member does not have to be enrolled in the specific tribe operating FDPIR in that service area. Special conditions apply to Oklahoma tribes, which operate food distribution programs within designated tribal jurisdiction service areas. Households that live within these areas must have at least one enrolled member of a Federally-recognized American Indian tribe or Alaska Native Village to be eligible for benefits.

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<sup>3</sup> FNS Website, “About FNS,” <http://www.fns.usda.gov/about-fns>

<sup>4</sup> Children in households that receive FDPIR are categorically eligible to receive meals through CACFP.

<sup>5</sup> Finegold, K., Pindus, N., Levy, D. Tannehill, T. & Hillabrant, W. (November 2009). Tribal Food Assistance: A Comparison of the Food Distribution Program on Indian Reservations (FDPIR) and the Supplemental Nutrition Assistance Program (SNAP). Washington, DC: The Urban Institute, p. 18.

<sup>6</sup> Federal regulations governing the program can be found at 7 CFR Parts [250](#), [253](#), and [254](#).

<sup>7</sup> Food and Nutrition Service Nutrition Program Fact Sheet (July 2014).

<sup>8</sup> FNS Key Data, “March Key Data Report (January 2015 data),”

<http://www.fns.usda.gov/sites/default/files/datastatistics/Keydata-January-2015.pdf>.

<sup>9</sup> FNS website, “About FDPIR,” <http://www.fns.usda.gov/fdpir/about-fdpir>

## 2.2 The FDPIR Food Package

Households that participate in FDPIR receive a monthly food package designed to help them maintain a nutritionally balanced diet. Participants may select from approximately 80 USDA food items,<sup>10</sup> and all of the food that is available through FDPIR must be 100 percent domestic (i.e., produced, processed, and/or packaged in the U.S.). These foods, which align with *Dietary Guidelines for Americans* recommendations, provide participants with access to foods that meet nutrient requirements, promote health, support active lives, and reduce risks of chronic disease.<sup>11</sup> Many of the food items are low in sodium, fat, and sugar or are whole grain, which may help mitigate obesity, high-blood pressure, and diabetes.<sup>12, 13</sup> There are a variety of perishable and non-perishable foods, including fresh produce, available in the food package, including foods in the following categories:<sup>14</sup>

- Fresh, dried, and canned fruits and vegetables,
- Lean beef and poultry,
- Whole-grain and enriched flour, cereals, and pasta,
- Dry and canned beans,
- Low-fat and nonfat milk,
- Lower sodium canned soups,
- Peanuts and peanut butter,
- Rice and other grains,
- Cheese and butter, and
- Vegetable oil.

(A full list of the items in the food package is presented in Appendix A).

ITOs or State agencies (ITOs/SAs) order FDPIR foods from one of the two national warehouses and those foods are then made available to eligible households, which receive a monthly food package based on the number of household members. USDA distribution guide rates, established for households of varying sizes, set monthly distribution amounts by household size for each food category (see Appendix B).

## 2.3 National Warehouse Model

### General Program Administration

The National Warehouse Model (NWM) describes the typical way ITOs/SAs receive food products for their warehouses. As of the writing of this document, the NWM operates under a contract that is managed by staff at AMS. AMS staff work in concert with Food Distribution Division (FDD) staff at FNS headquarters to oversee contractual changes and monitor spending. FDD staff also work directly with

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<sup>10</sup> The Foods Available list for FDPIR is available online at [http://www.fns.usda.gov/sites/default/files/fdd/FY2015\\_FDPIR.pdf](http://www.fns.usda.gov/sites/default/files/fdd/FY2015_FDPIR.pdf).

<sup>11</sup> Recommendations from the Dietary Guidelines for Americans are intended for Americans ages 2 years and over, including those at increased risk of chronic disease, and provide the basis for Federal food and nutrition policy and education initiatives. The Dietary Guidelines encourage Americans to focus on eating a healthful diet—one that focuses on foods and beverages that help achieve and maintain a healthy weight, promote health, and prevent disease. <http://www.health.gov/dietaryguidelines/2015.asp>

<sup>12</sup> Examples include low sodium canned vegetables, low-fat canned chicken, 1% fat shelf stable milk, 90% lean beef roast, light buttery spread.

<sup>13</sup> Steele, C. B., Cardinez, C.J., Richardson, L., Tom-Orme, L., and Shaw, K.M. "Surveillance for Health Behaviors of American Indians and Alaska Natives—Findings from the Behavioral Risk Factor Surveillance System, 2000–2006" (2008). *Public Health Resources*. Paper 270.

<sup>14</sup> Food and Nutrition Service Nutrition Program Fact Sheet (July 2014).

staff from the two contractors that operate the two FDPIR national warehouses, Americold and Paris Brothers, in their day-to-day monitoring of inventory levels, late shipments, “best-if-used-by” (BIUB) issues, etc., and work in tandem with FNS Regional Office staff to provide ongoing monitoring of ITO/SA orders and resolve delivery issues.<sup>15</sup>

## **Sourcing Food Items**

FDD staff determine foods to order for delivery to the national warehouses using ordering trends from previous months’ food orders and recipient preferences, and adjustments to those food orders are made based on changing program participation and product availability.<sup>16</sup> FDD staff send the orders to product specialists at AMS and FSA, who in turn place the food orders on solicitation so that vendors may bid on the contract. Depending on the product, FDD staff members place orders for full-truckload quantities, roughly 1,000 to 2,000 cases for most products, on an annual, quarterly, or monthly basis, depending on agricultural and food processing/production cycles. For example, some fruits and vegetables are harvested and canned once a year; but other products, e.g., dried fruit products, beans, soups, grains, peanuts, oils, and dairy are purchased quarterly; and cheese, ground beef, chicken, and turkey are purchased monthly. Once FDD staff have ordered the foods for distribution to USDA warehouses, the foods are procured by AMS and (during the pilot period) FSA.

Over the course of the pilot, AMS procured fruits, vegetables, meats, beans, egg mix, and soups, and FSA procured cereals, grains, dairy, flours, vegetable oil, and butter.<sup>17</sup> All USDA Foods must be of domestic origin, i.e., they must be grown, processed (if applicable), and packaged in the United States (including territories).<sup>18</sup> Although the two agencies procure different food groups, the process is largely the same for both: they put out solicitations for each product and approved food vendors can then place bids to provide those foods.<sup>19</sup>

Food vendors selling food to USDA must go through an approval process, which involves a review of the vendor’s ability to meet technical specifications for the foods, as well as the financial soundness of the vendor. The number of vendors that provide foods for distribution through FDPIR varies some from year to year, often ranging between 40 and 50 vendors. The number of vendors depends on how many companies respond to the solicitations issued by AMS and FSA, and one vendor may supply multiple products. Once approved, the vendor may bid on any solicitation. The foods are packaged using one of two methods of labeling; the package will either have the vendor’s commercial label (though some vendors may have multiple brands of the same product produced in the same plant), or it will contain a USDA-designed color label. As a result (and depending on the vendor), some of the foods in the national warehouses are nationally recognizable retail brands, other brands represent more regional or local branding, and some foods bear the USDA-designed America’s Best label.<sup>20</sup>

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<sup>15</sup> Information provided by USDA-FNS and based on information in the award notice for the FDPIR Multi-food National Warehouse for Commercial Storage and Distribution Services Contracts posted on Federal Business Opportunities (FBO) (<https://www.fbo.gov/spg/USDA/FSA/KCCO/AG-DPRO-S-12-9980/listing.html>) and FDPIR Management Evaluation Module (<http://www.fns.usda.gov/fdpi-management-evaluation-module>)

<sup>16</sup> Ibid.

<sup>17</sup> In August 2015, AMS and FSA merged their domestic procurement services. This change moved all domestic procurement for FNS programs to AMS. The process described here is the process that was in place while the pilot was operating.

<sup>18</sup> Information provided by USDA-FNS.

<sup>19</sup> Fresh produce for FDPIR is ordered separately through the Department of Defense Fresh Fruits and Vegetables program.

<sup>20</sup> Ibid.

## **Web-Based Supply Chain Management System**

The NWM uses the Web-Based Supply Chain Management (WBSCM) system. WBSCM is a computer application that supports food ordering, procurement, inventory, and product receipt functions. Through WBSCM, FDD staff maintain FDPIR inventory, procure foods from vendors through a national catalog, and track spending.<sup>21</sup> Each ITO/SA uses WBSCM to place food orders from either Americold or Paris Brothers. FDPIR staff log into WBSCM, choose from one of their pre-determined delivery dates, and place orders based on the existing inventory available in the warehouse. An ITO/SA may not make modifications to or cancel WBSCM orders after an “order cut-off date,” defined as seven business days prior to the scheduled/negotiated delivery date for all deliveries. Warehouse inventory in WBSCM is based on actual inventory in the warehouse—when the warehouse receives a product shipment, that information is uploaded into WBSCM and the full quantity of that truck becomes available to order from. Likewise, the WBSCM system allows ITOs/SAs to easily see expected arrival dates for any products that are anticipated within the next 90 days. If a product is out of stock, the WBSCM system lets users know when they can expect the product to arrive back in the warehouse.

The ITOs/SAs also use an Automated Inventory System (AIS) for inventory record-keeping and monthly reporting to FNS.<sup>22</sup> If an ITO/SA runs out of a product and needs a shipment outside of its regular delivery date(s), the ITO/SA works with regional and national FNS staff to resolve the issue on a case-by-case basis.<sup>23</sup>

### **Best if Used By Procedures**

All of the foods that go into the national warehouses are required to have BIUB dates and/or manufacturing dates printed on the product. The national warehouse contractors input the BIUB dates and/or manufacturing date information into their databases.<sup>24</sup> The BIUB dates are monitored to ensure that older product is shipped before newer product to prevent food spoilage and loss, and products are required to have a minimum of two months remaining before their BIUB dates when they are shipped from the contractors’ warehouses. This window allows time for the ITOs/SAs to complete their distributions and for the FDPIR participants to consume the products. When a product does not have enough time remaining to meet the two month requirement, it cannot be shipped to the ITO/SAs and the warehouse contractors are required to place the product on hold and provide USDA with the name of the product, its material code, batch, manufacturing or BIUB date(s), and the quantity of the product. Finally, if a product arrives at an ITO/SA that is damaged or otherwise out of condition, the ITO/SA sets the product aside and works with FNS staff in order to determine proper disposition.<sup>25</sup>

### **Yearly Negotiated Delivery Dates and Shipping Requirements**

National warehouse contractors are required to negotiate regular delivery dates with each ITO/SA. The objective is to balance ITO/SA needs and the requirement for full truckload shipments. When delivering to small ITOs that are in reasonable proximity of one another, the contractor arranges for “multi-stop” truckload shipments rather than “less-than-truckload” shipments. The contractor is also required to inform the ITO/SA of any known food shortages in a recipient’s order at least 24 hours before a regularly scheduled delivery. The contractor is responsible for tailgating the load, i.e., moving product from the

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<sup>21</sup> Ibid. WBSCM was implemented in 2010.

<sup>22</sup> Ibid. AIS was implemented in 1993.

<sup>23</sup> Ibid.

<sup>24</sup> Best if used by date specifications were included in the national warehouse contractors’ contracts beginning in 2012 in response to “out of condition” food issues raised by the ITOs.

<sup>25</sup> Ibid.

nose of the trailer to the tailgate area to facilitate offloading at each ITO/SA destination; also referred to as dock-to-dock delivery.

### **ITO/SA Food Procurement**

The ITOs/SAs place monthly orders for USDA foods, store the foods when they arrive at the ITO/SA warehouse, distribute them to participating households, and manage inventory. The window for placing orders from the national warehouse is typically 7 to 30 days before the pre-determined delivery date. An ITO/SA must provide warehouse storage space for USDA foods that is of adequate size; has dry, refrigerated, and freezer storage; and is accessible to participants and reachable by tractor-trailer. Upon delivery, the ITO/SA must inspect all shipments to ensure that refrigerated and frozen goods have been properly maintained, canned goods are not dented or showing signs of spoilage, dry foods are free of infestation, and there is no overage or shortage of food items. Instances of out-of-condition or damaged USDA foods must be reported to the FNS Regional Office.

ITOs/SAs are encouraged to maintain a two- to three-month inventory of each food group to ensure that the food resources are sufficient to meet increased demand if participation increases, while providing the full food package benefit level to participating households.<sup>26</sup> The ITOs/SAs must also keep accurate records of the amount of each food item in stock and the quantities of each item that moves in and out of storage. Finally, products with the earliest expiration or BIUB dates must be distributed first (i.e., “first-in, first-out” rule).<sup>27</sup>

### **ITO/SA Food Distribution**

ITOs/SAs generally distribute foods to participants once a month and distribution methods vary across ITOs. At some locations, participants obtain their food from facilities that are set up in a “store concept” (i.e., food is arrayed as it would be in a grocery store with shelves, refrigerated cases, and a checkout counter).<sup>28</sup> Most often participants obtain their food packages at pick-up counters in the warehouse (where food is selected by the participant and boxed by warehouse staff). Participants may also pick up food packages at scheduled “tailgate” sites (where FDPIR staff deliver boxes of food to sites such as a tribal community center that may be closer to participants’ homes), and some ITOs offer home delivery for elders, the disabled, or those lacking reliable transportation (this is typically done by FDPIR staff or tribal Community Health Representatives). Foods that are provided to FDPIR participants follow the food guide rate, which specifies the maximum amounts of foods authorized for each food category, depending on household size (see Appendix B).

## ***2.4 Regional Vendor Pilot***

The RVP was developed to test having a regional entity purchase and distribute food as an alternative to the NWM. As originally designed, the pilot was to begin with operations in a small geographic area with only a few programs and over the course of the pilot, gradually add additional sites. Among the goals of the RVP were to provide fresher products, to determine whether a regional vendor model would reduce storage and transportation costs, and to see if there might be avenues available to procure traditional or local foods from Native American producers.

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<sup>26</sup> Form FNS-152, Monthly Distribution of Donated Foods to Family Units.

<sup>27</sup> Information provided by USDA-FNS

<sup>28</sup> Note that even though participants may select their foods through a “store concept” design, they do not pay for foods distributed through FDPIR.

During the planning phase of the pilot, FNS consulted with the ITOs and the National Association of Food Distribution Programs on Indian Reservations (NAFDPIR), describing the overall objectives of the pilot and asking if there were tribes that would be willing to participate in the pilot. Thirty-one tribes were identified as possible pilot participants. Following this step, FNS developed and disseminated a statement of work and a request for proposals which described the pilot project and included criteria for assessing project success. In September 2012, MDV (a subsidiary of SpartanNash Company) was awarded the contract and four ITOs were selected to participate; the Chickasaw Nation of Oklahoma, the Sac and Fox Nation, the Ponca Tribe, and the Pawnee Nation. The first food deliveries began in 2013.

While the original plan for the RVP called for adding new ITOs in contract option years, additional programs were not added due to budget constraints. Budget constraints also resulted in USDA having to end the pilot in March 2015.

Under the RVP, the ITOs ordered foods directly from MDV using a web-based ordering system that MDV designed for the pilot. MDV's online system listed the items available in the USDA food package (with the exception of fresh produce), indicating the exact quantity in stock.<sup>29</sup> The ITOs typically placed one or two orders per month and there were no minimum order requirements. Once an order was placed, the ITO received an email confirmation from MDV with a scheduled delivery date, and deliveries typically occurred within one week of placing the order. MDV delivery trucks shipped orders to only one ITO at a time and assisted the ITOs with offloading and confirming the order based on the bill of lading.

Certain aspects of program operations were the same under the NWM and RVP but some aspects differed. All foods received by the ITOs through the RVP were required to be of domestic origin and have at least two months of remaining shelf life, similar to the requirements of the NWM. USDA requirements regarding warehouse storage space and proper handling of foods also applied to the RVP. However, during the pilot, the four ITOs did not order USDA foods from the national warehouses using WBSCM, but ordered directly from the regional vendor with no intermediary involvement of FNS staff. The ITOs did continue using AIS for inventory record-keeping and monthly reporting to FNS. The ITOs also continued using the same distribution methods to the participants as they had prior to implementing the RVP.

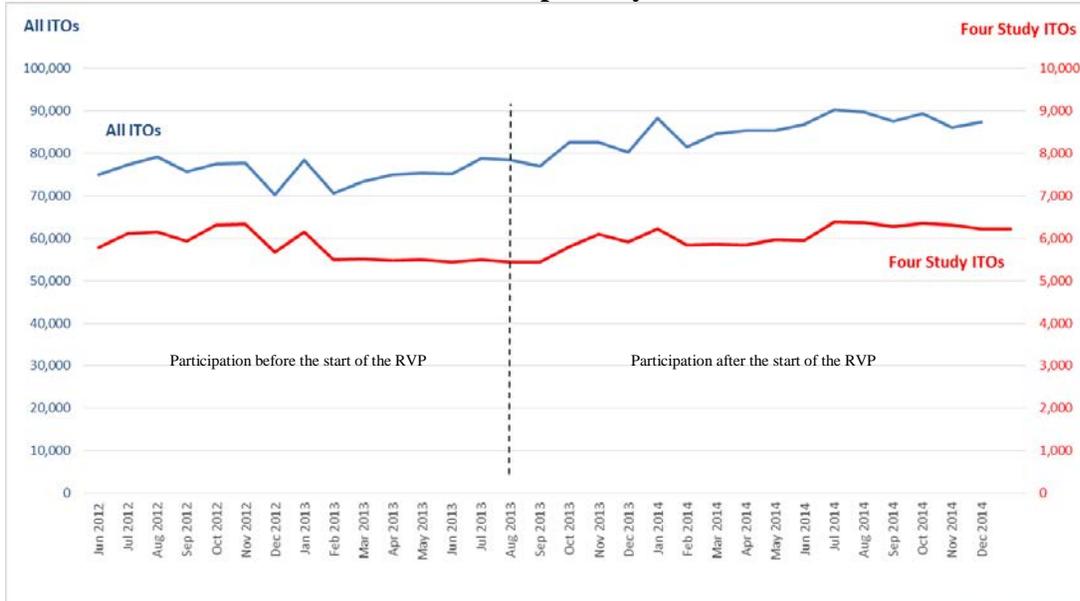
## *2.5 Program Participants Served*

Nationally, FDPIR participation fluctuated between 70,000 and 90,000 people during this study's period of analysis: June 2012 to December 2014. Exhibit 2-1 provides FDPIR participation at the national level and at the four ITOs during the study period.

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<sup>29</sup> The ITOs order fresh produce separately through a local Oklahoma-based vendor operating under FNS' contract with the Department of Defense Fresh Produce Program.

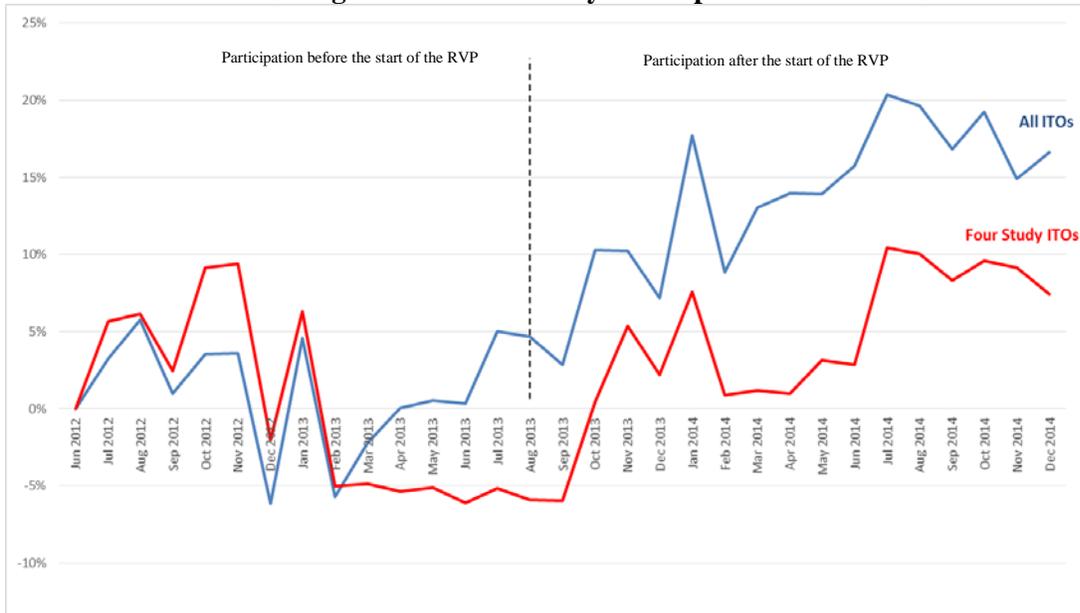
**Exhibit 2-1: The Number of FDPIR Participants by Month**



Source: USDA FNS National Data Bank, Public Use Database, SSIw FDPIR Number of Participants Report, 1989 to 2014.

Exhibit 2-1 shows a national uptick in the number of FDPIR participants in 2013 and 2014, with some month-to-month fluctuation. These participation increases might be explained, in part, by changes in FDPIR eligibility criteria that went into effect in September 2013, as well as SNAP eligibility criteria changes around the same time. Exhibit 2-2 shows monthly percent change in participation, with a similar uptick in participation with month-to-month fluctuation. Participation increased among the ITOs participating in the pilot and those not participating in the pilot during the study period, although the rate of change was greater for all ITOs throughout the period of the pilot and several months prior to it. The scope of this project does not allow us to determine whether changes in FDPIR participation in the four ITOs were related to specific features of the RVP or were just part of the larger trend of increased participation nationwide.

**Exhibit 2-2: Percent Change in FDPIR Monthly Participation Indexed to June 2013**



Source: USDA FNS National Data Bank, Public Use Database, FDPIR Number of Participants Report, 2011 to 2014.

## 3. ITO Experiences with the FDPIR Regional Vendor Pilot

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### 3.1 Introduction

Four ITOs in Oklahoma participated in the RVP. These four ITOs differed in the number of participants they served, ranging from about 280 to 3,700 participants.<sup>30</sup> The four ITOs use similar food distribution methods [i.e., each ITO in the study had one or more distribution center(s) and used one or more “tailgate” location(s)].<sup>31</sup> However, one of the ITOs also has a store-concept setting where participants are given a shopping list that is based on FNS food distribution guide rates by household size (reference Appendix B), and participants are able to pick their desired products from each food category from store shelves.

Each ITO maintains at least one warehouse where it receives deliveries from FDPIR warehouse contractors (i.e., Paris Brothers before the pilot and MDV during the pilot) to store food products prior to distribution to FDPIR participants. The warehouses all accommodate foods stored at room temperature and have refrigerators and freezers for foods that need to be kept chilled or frozen.

#### Qualitative Data Collection

The MSG team conducted site visits at each of the four ITOs during the pilot. The site visits, which took place in January 2015, included a review of each ITO’s receiving area, warehouse, and central distribution location. In addition, we conducted in-depth interviews with the ITO FDPIR directors and warehouse managers. We used an ITO representative interview guide (see Appendix C) at the four participating ITOs that contained questions about:

- The processes and activities associated with the ITO’s selection to participate in the RVP,
- Expectations about the pilot,
- The benefits and challenges experienced under the NWM and RVP,
- Detailed information about FDPIR administration and operations,
- The availability of food products under the NWM and RVP,
- Feedback received from FDPIR program participants, and
- Reflections and recommendations for ways to improve the implementation and operation of the RVP.

In general, we asked these questions in the context of comparing the RVP with the same or similar activities under the NWM.

Since we conducted the ITO interviews with representatives of a small number of ITOs, we report what the ITO representatives said without attribution to any particular individual to protect the anonymity of the interviewees. This section is based on the self-reported perceptions of the interviewees. However, since some of the topics addressed overlapped with those addressed by MDV’s representatives, there is sometimes a source of corroboration.

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<sup>30</sup> December 2014 FNS data.

<sup>31</sup> The site visit schedule did not permit observation of tailgates.

## *3.2 Background*

### **ITO Recruitment/Selection to Participate in the RVP**

In order to determine which ITOs would participate in the RVP, FDD staff consulted tribal leadership in conjunction with a nationwide call for volunteers to participate in the pilot, where each ITO had the same opportunity to volunteer. FDD compiled a list of volunteer ITOs and that list was included in the solicitation for the regional vendor. FNS further specified that under the base (first) year of the contract, no more than a total of about 6,000 participants could participate in the pilot. MDV noted in its technical proposal that participating tribes would be identified based on their proximity to MDV's Oklahoma City warehouse, and then tribes would be selected so as to reach the total participant target of about 6,000.

### **Initial RVP Implementation Activities**

After the RVP contract was awarded to MDV, USDA staff informed each ITO of its selection for the RVP and facilitated site visits by MDV staff. At these site visits, MDV staff identified a point of contact, and described their distribution plans, policies, and procedures, including how to use their web-based ordering system. MDV staff toured each ITO's warehouse and examined the loading docks to identify potential delivery problems.

## *3.3 Expectations at the Beginning of the Pilot*

Each of the participating entities—USDA, the four ITOs, and MDV—had, to a large degree, overlapping plans, expectations, and concerns about the RVP. The USDA's plans and expectations were specified in the request for proposals and resulting contract. Similarly, MDV's plans and expectations were specified in its proposal and associated contract. The plans and expectations of the ITOs were less formal. Interviewees at each of the four ITOs indicated dissatisfaction with the NWM system as they recalled it prior to the start of the pilot. Across the four ITOs, various concerns with the NWM were noted, including the perceived need to order large quantities of food due to concerns about future food availability; a cumbersome ordering system; lack of traditional foods; delivery of spoiled foods; the need for significant inventory management; late deliveries; not receiving all foods that were ordered; and an obsolete reporting system. The ITOs were therefore interested to see the ways the pilot might address these issues.

### **Initial Implementation Benefits and Challenges**

FNS awarded MDV the regional vendor pilot contract in March 2013. Following implementation of the pilot, ITO staff said they found the MDV online system easy to use and were pleased that orders placed through the system were delivered in a reliable manner. One ITO informant said: "Ordering is better, easier, and more efficient. You get an email when you order so you know what we are getting. We order in a week what we used to have to order at least 2 weeks in advance ... This is a big, positive change. We get our food."

ITO staff also described challenges encountered early in the RVP. These challenges included late deliveries and distribution of foods that did not conform to USDA requirements and regulations (e.g., domestic sourcing of foods). The ITO staff said that MDV worked with them and FNS over the course of the first few months of implementation to resolve these issues.

### *On-time Delivery*

Upon receiving an order in its online system, MDV sent a confirmation email that included a scheduled delivery day and time to the ITO. With its other customers, MDV has a two-hour window around the scheduled delivery time (i.e., the MDV truck must appear at the customer's loading dock no more than two hours before or after the scheduled delivery). However, ITO staff said they needed a 30-minute delivery window because they often scheduled participant pickup and tailgates shortly after the scheduled delivery time. A delivery made one or two hours earlier or later than the scheduled delivery time could result in distribution center overcrowding and disappointed customers. In addition, many FDPIR participants lacked reliable transportation, depending on others to get them to the FDPIR distribution center at a specified day and time.

When informed of the required narrow delivery window, MDV agreed to meet the needs of the ITOs. MDV staff said that adhering to a narrow delivery window was challenging during inclement weather conditions or due to unexpected traffic patterns and road construction. Nevertheless, MDV made changes to its delivery schedules and procedures to deliver foods within the requested 30-minute delivery window. Each of the four participating ITOs indicated that they were satisfied with the way that MDV worked with them to shorten the delivery window.

### *Organization of Shipping Pallets*

Similar to the process under the NWM, when making a delivery, MDV drivers back their trucks onto the ITO's loading dock and ITO staff unload the shipping pallets from the truck to the warehouse and take inventory of the actual commodities received. This inventory is then compared with the bill of lading which itemizes the commodities that were loaded onto the truck at the MDV warehouse.

The ITO interviewees indicated that the unloading and inventory counting processes generally proceeded with few problems. The occasional problems encountered included: 1) slight discrepancies in the number of items on the bill of lading and the count of items unloaded and 2) foods damaged in the loading, delivery, and/or unloading process.

Frequently, MDV customers, including the ITOs, ordered a complete pallet of a particular food, however, some orders only took one-half or less of a pallet. In such circumstances, MDV often combined products to fill or almost fill a pallet. MDV staff said that full pallets are easier to manage and organize when loading a delivery truck. However, to make the unloading, inventory counting, and storage processes simpler, some of the ITOs requested that MDV organize deliveries in such a way as to have a single product on each pallet. This approach made it easier for ITO staff to count the items received and validate the MDV bill of lading. While this approach created additional work for MDV, the vendor complied with these requests.

### *USDA-Approved Foods*

Both the ITOs and MDV staff said that in the early stages of the RVP, MDV procured and distributed several products that did not conform to USDA requirements. All foods distributed through FDPIR must: (1) originate in, be processed (if applicable), and be packaged in the United States (including territories), (2) meet sodium standards (e.g., a maximum of 140 milligrams per serving), and (3) meet fat content standards (e.g., 1% milk, 90% lean beef). Early in the RVP, the ITOs discovered that the fruit juice procured by MDV contained materials produced in Brazil, and several canned good items exceeded the maximum salt and/or fat content limits. Once these errors were identified, MDV stopped delivering those foods and sought alternative sources. MDV eventually worked with USDA to identify vendors whose

products met USDA specifications, which resulted in some overlap in products between the RVP and NWM.

MSG attempted to conduct a brand analysis on the products distributed through the NWM and RVP, however, the available administrative data did not provide enough information to determine which labels were nationally-recognizable and which labels were regional or local in nature. Additionally, a large-scale brand perception study among FDPIR program participants and a detailed analysis of geographic distribution for each brand's food items was beyond the scope of this study. Both these approaches are potential avenues for additional research.

### *3.4 RVP Operations*

Staff in the participating ITOs said that NWM operations were similar to MDV's, but were carried out in a less satisfactory fashion. These differences are described below.

#### **Ordering by the ITO**

MDV developed a custom online system for the RVP that ITOs used to place orders, confirm receipt of orders, and schedule delivery times. All the ITO interviewees said MDV's online ordering system was simpler and more intuitive than the NWM's WBSCM system.

#### *Food Availability*

The ITOs said it was rare for a product in the FDPIR food package to be unavailable during the pilot. ITO staff indicated that over the course of the pilot, only a few foods were unavailable from MDV (e.g., canned apricots and creamed corn). They said this was in contrast to their experience under the NWM. ITO staff said they would try to prevent or mitigate instances of food unavailability under the NWM by checking WBSCM repeatedly to confirm product availability, only to find out upon delivery that some foods that had been ordered were unavailable. Without exception, ITO staff said that food availability was better under the RVP than the NWM. One ITO informant said, "If we order it, they [MDV] will have it. If we order it, they will deliver it." Another informant said, "We used to get a lot of calls [from FDPIR participants]: "What are you out of this month?" We don't get those calls ... [with the RVP]."

#### *Food Order Frequency*

Most of the ITOs in the study placed one order each month. Nevertheless, if additional stock was needed, ITOs could place additional orders. Some of the ITOs said they initially expected to make three orders per month, but found that one (and sometimes two) orders met their needs. Occasionally ITOs needed to change their orders close to the scheduled delivery day. The interviewed ITO staff said MDV accommodated short-notice order change requests.

Generally, ITOs placed orders seven days prior to delivery. ITOs said the seven-day window allowed them to be efficient with their ordering and they could use up-to-date inventory numbers to determine what items needed to be replenished. ITO staff indicated that under the NWM, there was a similar timeframe—they could place orders seven days prior to delivery. However, they said that in practice, waiting to place orders until seven days before delivery was not realistic because the longer one waited in placing the order, the greater the chance that needed products would be unavailable from the national warehouses.

The four ITOs said they appreciated that MDV did not have a minimum order requirement. In contrast, the ITO representatives said the NWM tends to wait to fill delivery trucks before sending them out for deliveries.

### *ITO Inventory Management*

There were differences among the ITOs and the ways they managed their inventories under the RVP. Specifically, the ITOs with fewer FDPIR participants tended to manage their inventories with a just-in-time approach. These ITOs tended to have smaller warehouses and, thus, were unable to maintain much more than a one-month inventory. In contrast, the ITOs with larger warehouses were able to order more than a one-month supply of many foods and, therefore, had more flexibility in placing orders. Regardless of the number of participants served and the size of their warehouses, the ITOs said they were satisfied with the ordering and delivering in the RVP which, in turn, improved their ability to manage their inventories. For example, one ITO representative said, “If I have a big problem, for example running out of particular foods, I can email or call MDV. They get back quickly; if MDV has the product, I receive delivery within a week. Sometimes, MDV does not have the product and has to procure it—then I get it in two weeks.”

### *Traditional Foods*

Staff at each ITO stated that they and the program participants wanted culturally appropriate and traditional foods included in the FDPIR food package. Examples of such foods vary by tribe but included bison, wild rice, blue corn meal, and particular forms of hominy or dried sweet corn used in traditional meals. Some ITO staff said such foods were only available through FDPIR when the tribes donated the foods. Noting that MDV obtained ground beef from a Native American vendor (i.e., Red Cloud Food Services’ “Standing Rock Beef” brand), some ITO staff expressed hope that other such vendors could be found to provide more Indian-produced and traditional foods. The RVP, however, was not able to include any traditional foods.

### **Order Processing by MDV**

In a process similar to the NWM, the MDV logistics system identified the location of each product ordered in the MDV warehouse and guided forklift operators to the appropriate locations. Forklift operators brought pallets of the specified quantities of the foods to the loading area where the pallets were enclosed in shrink-wrap. The pallets were then loaded onto MDV trucks, a bill of lading specifying the products loaded was produced, and the truck delivered the product to the ITO.

At each step in the process, the MDV logistics system used product barcodes to update scheduling information and, when available, check shelf life information. Some products (e.g., meat) lacked barcodes and had to be counted manually. In addition, the ordering and logistics systems provided information used to bill USDA and to order additional products from manufacturers when stock reached a set quantity.

### **Order Delivery by MDV**

#### *Food Product Shelf Life and Safety*

ITO staff said that food products delivered under the NWM were often received near or after their BIUB dates and occasionally, they received an entire pallet of food months past its BIUB date. ITO staff said that under the RVP, foods delivered to the ITOs tended to have longer remaining shelf life compared to the NWM. The ITOs also noted fewer instances of deliveries of products past their BIUB date after the RVP was implemented.

Staff at each of the ITOs said they collaborate with the Indian Health Service (IHS) in assessing food safety in general, and damaged products in particular. When needed, the IHS district sanitarian meets with ITO staff and determines the safety of any foods in question. When judged to be unsafe (by the district sanitarian), foods must be disposed of safely (e.g., to discourage “dumpster diving” for discarded food). Some ITO staff noted that safe food disposal can be a challenge. ITO staff reported that under the RVP rejected or spoiled food products were less of a problem. One ITO representative said, “Since we started participating in the RVP, we make almost no trips to the dump to dispose of expired food.”

### *Split Load Deliveries*

Under the RVP, MDV’s trucks made only one stop per delivery, there were no “split loads” (i.e., deliveries to more than one ITO or other client). If the RVP had been expanded, this approach might have had important cost implications.

## **Food Product Distribution by the ITO**

### *Food Sources, Attractiveness, and Labeling*

According to the ITOs, another benefit of the RVP was the availability of more national brand foods. The sources/manufacturers and labeling of the food products under the RVP were perceived by ITO staff to be superior to those available in the NWM. MDV procured and distributed a number of foods produced by national brands such as Campbell’s soups, Peter Pan peanut butter, and Hungry Jack mashed potatoes mix. ITO staff said many of the national brands used in the RVP had not been available under the NWM. In addition, some commodities, while not national brands, were packaged in attractive ways. Without exception, ITO staff said that program participants were generally enthusiastic about the quality and packaging of the products delivered by the RVP relative to the NWM.

### *FDPIR Participant Response to RVP*

FDPIR participants were not interviewed or contacted as part of this study; however, ITO staff at the four study ITOs said that participant responses were positive due to (1) increased access to national brands, (2) increased availability of popular and staple food products, and (3) attractive packaging of many of the foods available under the RVP. ITO staff also said that participants felt there was less stigma associated with FDPIR participation under the RVP. For example, under the NWM, the packaging of some foods was readily identifiable as FDPIR-provided food. One ITO respondent said that FDPIR is often considered as a “poverty program,” which to some participants and/or their family members is embarrassing. Therefore, having national brands in the program like “Peter Pan Peanut Butter” rather than a jar with a non-nationally recognized brand label made a difference to participants.

## **RVP Expansion**

ITO staff were asked if they thought the RVP should be expanded to other ITOs. Without exception, they were in favor of expansion of the RVP. When asked if there were any concerns about the ways the RVP might be expanded to other tribes, the ITO representatives expressed two concerns: (1) the expansion should be done in stages so that the unique circumstances of different tribes and their FDPIR programs could be addressed; and (2) program costs should be minimized. Before the RVP ended, several respondents had heard, informally, that USDA had originally planned to expand the number of ITOs served each year. The ITO staff said they believed the reason for delaying the expansion involved program cost/budget issues. Some ITO staff speculated that the RVP was more expensive than the NWM per participant or food case delivered because, in their opinion, the RVP used more national brands than

the NWM and had higher operating costs because it only served four ITOs and did not have the economies of scale of the NWM.

When asked about program costs, staff at the ITOs said they had little or no information regarding program costs. As a result of participation in the RVP and because of their perception that costs would be a major factor in the maintenance and expansion of the RVP, ITO staff indicated an interest in obtaining information about program costs.

The ITO staff said that from their perspective, it was difficult to determine the relative influence of various factors associated with cost. For example, staff from each ITO said that in recent years there had been an unexpected increase in the number of FDPIR participants. They attributed this increase to changes in the SNAP benefits package and eligibility requirements, as well as general escalations in the costs of food. Finally, ITO staff said that an evaluation of FDPIR costs should include all elements in the process, not just the comparative cost of the food items under the RVP and the NWM. For example, such an assessment should include the cost of all staff, both ITO and Federal, involved with FDPIR.

The MSG team, in coordination with FNS, accounted for all quantifiable costs associated with the NWM and RVP in the cost analysis described in Chapter 5 of this report.

### **RVP Planning and Administration**

There was variation in the level of involvement reported by the ITOs with respect to RVP planning. Two ITOs said that their participation in project planning was minimal. Staff at these two ITOs welcomed the opportunity to participate in the RVP, but saw the initial site visit by MDV as being *pro forma*, “sort of a meet and greet” according to one ITO representative. On the other hand, interviewees at the other two ITOs said the purpose of the site visits was the sharing of information critical to the success of the RVP—a view shared by MDV.

Three of the four ITOs said that under the NWM they shared information about orders and, occasionally, exchanged food items when one ITO was out or nearly out of a particular commodity and the other had sufficient amounts to share. These ITOs indicated that such information sharing was not needed under the RVP because they almost always received their complete order.

All of the ITOs indicated that communication with MDV during initial project implementation was critical and contributed to the resolution of problems encountered early in the pilot. As mentioned earlier, these problems included timely delivery of orders in the narrow time window requested by the ITOs and delivery of products that did not conform to USDA regulations/standards. After the implementation period, ITO staff said they initiated contact with MDV whenever they had questions or problems. These contacts were conducted by email. While the issues were usually resolved quickly, the ITOs said it sometimes took two or three days for MDV to respond to them. Some ITO staff did, however, indicate they would have preferred a faster response.

### **ITO Concerns about This Study**

Several ITO staff said that they were initially concerned about the scope and validity of this study. They worried that the study might not accurately reflect the needs and circumstances of their programs. At the conclusion of the site visits, these staff indicated that their concerns were largely allayed, and that they looked forward to reviewing the study report.

## **ITO Review of This Study**

The four ITOs that participated in the pilot were provided an opportunity to review and comment on an earlier draft of this evaluation.<sup>32</sup> Generally, the responses from the ITOs indicated that the pilot worked well and they wished that it could have been continued. The comments are paraphrased below:

- Respondents generally thought the report was helpful, detailed, and comprehensive, and that it presented interesting information.
- The report helped respondents better understand why the RVP was not extended.
- Respondents felt that the RVP had helped their programs.
- One respondent expressed disappointment that the RVP was underway at the same time that the FDPIR Income Deductions and Resource Eligibility Rule was implemented (September 2013) because that timing meant that changes in participation (e.g., increases or decreases) could not be traced to pilot activities.<sup>33</sup>
- Respondents commented that because the pilot expansion that was originally planned did not happen, there were no data to see if operating the RVP on a larger scale might have helped reduce costs.

## **Summary of the ITOs Experience with the RVP**

Staff at the ITOs and MDV stated that they were highly motivated to make the RVP succeed. All of the ITO staff indicated dissatisfaction with the NWM and stated that the RVP was superior in terms of ordering, availability of foods, better packaging, manageable quantities, ease of maintaining inventory, and an overall seamless process. ITO staff acknowledged some early challenges that took place during the initial implementation phase of the RVP, but they were pleased by the ways all parties addressed and solved these problems.

### ***3.5 ITO Reflections and Recommendations***

The interviews with the ITO representatives revealed that they were dissatisfied with the NWM as it was operating before the start of the pilot. On the other hand, the ITO representatives were enthusiastic about the RVP and desired to continue participating in it. They thought that expansion of the pilot program would be beneficial and desirable for all ITOs.

ITO staff said they preferred the RVP to the NWM for the following reasons:

- Easier online ordering system with more reliable information about available food products.
- Greater stock of food items and fewer instances of food items being out of stock.
- More recognizable brands and more attractive packaging and labeling.
- Fewer food items that are recognizable as FDPIR foods.
- Easier delivery offloading and food item storing based on the way pallets are organized and delivered. For example, pallets organized by single food item for ease of offloading and storing rather than having multiple food items bundled together on the same pallet.

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<sup>32</sup> MDV, the RVP vendor, and Paris Brothers, the NWM vendor, also had the opportunity to comment on the draft report; neither MDV nor Paris Brothers requested any changes.

<sup>33</sup> The FDPIR Income Deductions and Resource Eligibility Rule established requirements to simplify and improve the administration of and expand access to FDPIR. At this same time there was an increase in participation, which may be attributed, at least in part, to this Rule.

- Longer or further-out best if used by dates for food items.

To improve the RVP, the ITO representatives recommended:

- Incorporating and distributing traditional native foods.<sup>34</sup>
- Providing FDPIR cost information to the ITOs so they could work with FNS and other stakeholders to reduce the costs of the program. ITO staff said they were concerned that the regional vendor pilot was likely more expensive to operate than the NWM, which might affect FNS's support for the program. ITO staff said USDA should work with them and MDV to identify ways to reduce costs while maintaining the positive aspects of the pilot.

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<sup>34</sup> USDA's Food Distribution Division (FDD) has quarterly calls and/or face-to-face meetings that focus on these issues with ITOs and members of the NAFDPIR "Food Package Review Work Group," which represents ITOs.

## 4. Vendor Experiences with the FDPIR Regional Vendor Pilot

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This discussion focuses on the experiences of MDV in providing FDPIR food to pilot ITOs, and on the challenges and successes of the vendor's operations, such as: (1) obtaining FDPIR foods, (2) arranging for ordering and delivery of items to ITOs, and (3) responding to customer feedback from ITOs. This study's research questions about the regional vendor experience include:

- What is the experience of the regional vendor participating in the pilot?
- What benefits does the vendor distribution model offer?
- What challenges has the vendor faced?
- What could be done to improve the vendor distribution model?
- What feedback has the vendor received from end users?
- What are the vendor performance and cost goals?
- What are the vendor performance and cost outcomes?
- In what way has decision making been made easier by this program?
- What is the result/impact and lessons learned from participation in the program?

### 4.1 Data Collection Methods

The MSG team used qualitative methods to assess the operations, challenges, and lessons learned in the pilot program from the perspective of the vendor. We developed a site visit protocol, consisting of an interview guide and observational protocol, for obtaining data from the vendor, MDV. The semi-structured interview protocol collected data on a set of key research questions concerning MDV's participation in and management of the vendor pilot. We developed the interview protocol to parallel the instrument used with participating ITOs, with the exception of additional questions on costs of the vendor pilot. Appendix D includes the vendor interview protocol and Appendix E includes the warehouse tour protocol.

To collect the data, the MSG team members conducted a half-day site visit to MDV's distribution warehouse in Oklahoma City. The site visit included a comprehensive tour of the warehouse where non-refrigerated items were kept, observation of warehouse operations procedures, and viewing of storage for FDPIR food package items.<sup>35</sup> We conducted one on-site interview with a representative with responsibility for pilot warehouse distribution and program operations. We conducted another interview via telephone with an MDV representative with overall oversight responsibilities. Both interviews were 90 minutes in length.

Since we conducted the vendor interviews with representatives of a single company, we report what MDV staff said without attribution to any particular individual to protect the anonymity of the interviewees. This section is based on the self-reported perceptions of the interviewees. However, since some of the topics addressed overlapped with those addressed by the ITOs, there is sometimes a source of corroboration.

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<sup>35</sup> MDV stores all of its refrigerated items in a separate warehouse, which was not accessible during this site visit, thus the specific refrigerated items that are a part of the FDPIR food package were not viewed. However, MDV did provide access to its cooling room, which was described as being very similar in set-up.

## *4.2 MDV Performance Goals for the Pilot*

Prior to being selected as the vendor for the pilot program, MDV had no experience working with USDA, FDPIR, or ITOs. MDV representatives interviewed for the study believed that the pilot program offered an opportunity for the company to expand their business in Oklahoma, as well as an opportunity to demonstrate the relative effectiveness of the MDV distribution model. With an opportunity to showcase the benefits of the MDV distribution model, the vendor hoped that the pilot would provide additional opportunities for MDV to support USDA as the vendor for additional ITOs.

MDV's performance goals for the RVP reflected a combination of contractual obligations and company-specific customer service goals and metrics. MDV representatives indicated that in addition to sourcing the foods according to the required program specifications and delivering the food items, their performance goal for the pilot was to meet a fill rate of at least 97 percent, meaning that of every 100 cases ordered by a community, MDV would be able to provide a minimum of 97 of the cases at the time of the order.

MDV's internal performance goals included accuracy of delivery (goal of 100 percent) and on time delivery (within its two-hour window). Additional internal metrics focused on maintaining efficiencies in stocking and loading inventory. While the vendor pilot was an additional business opportunity, the MDV staff working on the pilot identified the project as being in line with the company's mission statement, which has been focused on serving armed services members and their families at home and abroad. As one interviewee stated, "Our mission statement is we exist to serve our armed service heroes and their families whether at home or abroad. You can apply the mission to the folks that are a part of the tribes."

MDV described its understanding of the pilot as an opportunity to offer national and regional brands that Americans would recognize so that patronage of FDPIR would increase. MDV also believed that a high degree of responsiveness to the ITOs was needed in the pilot. MDV staff described the RVP distribution operations as being informed by both the need to take care of ITO customers, and by the perception that if the ITOs received orders that were missing items, the program would not be able to operate well on a daily basis. MDV staff commented that "If we don't send chicken they don't have it. If it's not there, they can't [offer it] in the program and MDV doesn't look good."

## *4.3 Benefits of the Pilot*

In addition to the ability to provide nationally recognized brands at competitive prices, MDV described its distribution model for the entire pilot as having two main cost advantages for USDA. First, in the MDV model, USDA was not paying upfront for food items. Rather, USDA was only paying for the items that were actually shipped and delivered to the ITOs.<sup>36</sup> Second, the MDV model minimized transportation costs as it had the ability to ship food items from its closest warehouses, in contrast to the NWM, which only has two warehouses that serve ITOs across the country. If the RVP were to expand to include more ITOs, MDV said they had the capability and capacity to manage the expansion since the company has eight national warehouses that are geographically disbursed across the country.

## *4.4 Implementation of the Pilot*

USDA awarded MDV the contract for the vendor pilot in September of 2012. However, USDA delayed the start of the pilot due to a contractual protest from another bidder, and thus issued a revised contract

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<sup>36</sup> Through MDV, the USDA is not charged for the inventory and only has to pay if it is shipped. Through the national warehouse model, USDA pays to maintain an inventory, and so it pays upfront for all of the foods that it maintains in that warehouse.

award in March 2013. USDA provided MDV a 45- to 60-day window to start up the pilot's operations. Implementation of the pilot began with MDV sourcing the approximately 80 items in the FDPIR food package and ordering them from its vendors. MDV also sent its area managers and operations staff to the pilot locations to measure the size of loading docks and ascertain warehouse space.

As a part of its pilot program set-up efforts, MDV selected the ITOs that would participate in the pilot from the larger pool of interested ITOs that USDA had identified. MDV selected communities within a 100-mile radius of their Oklahoma City warehouse as the first group of pilot participants, based on their proximity to a MDV warehouse. As the vendor became familiar with the needs of the ITOs, MDV hoped to add additional communities in Oklahoma to the pilot.

As part of beginning the pilot, MDV scheduled meetings between its pilot operations manager and ITO representatives to plan the ordering and delivery processes and provide each other a point of contact. Internally, MDV trained its warehouse staff on how to select the products and set up its internal systems for managing the inventory. MDV developed a web-based online ordering system for the ITOs to use for monthly ordering of items. MDV staff met with FDPIR program directors and staff in the pilot to hear about the program from the perspective of ITOs. ITOs were also able to visit the MDV warehouse to see the distribution operations for the pilot, as was FNS.

**Exhibit 4-1: MDV Warehouse Aisles Designated for FDPIR Dry Items**



#### **4.5 Program Operations**

This next discussion provides insight into several key vendor processes in the RVP: obtaining and ordering FDPIR food items, inventory management, delivery methods, and administration of the pilot.

#### **Ordering FDPIR Food Items**

##### *Sourcing Food Items for the FDPIR Food Package*

MDV was able to take advantage of some of its relationships with vendors to provide nationally recognizable brands, thus using a hybrid approach drawing on both USDA vendors and its own partners to provide FDPIR foods to the ITOs. From the start of the pilot, MDV generally provided nationally recognized brands and regional labels that consumers are familiar with, although as noted earlier, MDV did initially experience challenges in sourcing some items in the FDPIR food package, e.g., finding vendors who could provide items that met the domestic origin and sodium requirements.

MDV's objective in the pilot program was to use its wide variety of available items and vendor relationships to provide national brand items to the FDPIR program (such as Sunsweet, Campbell's, Libby's, and Creamette). An MDV representative said, "We are proud of the fact that we can offer brand name items in the pilot." To obtain the nationally recognizable branded items, MDV consulted with its existing vendors to ascertain interest in supporting the pilot and the costs involved for obtaining the food items.

FNS reported that the NWM uses 67 vendors while MDV reported that they used 36 vendors, 12 of which were the same as those used by the NWM. Because of the different data entry definitions and conventions used in the NWM and RVP administrative data, the MSG team could not corroborate these numbers using available invoice data.

One of the early challenges for the vendor was understanding the nutritional requirements for items in the FDPIR food package. MDV staff felt that the procurement process did not clearly communicate the specifications for the FDPIR food package and the requirements to comply with food product specifications. MDV did not find out until the initial shipment of products to the four ITOs that some of the items originally sourced did not meet the nutritional requirements for FDPIR. As a result, the full implementation of the pilot was delayed for two months, during which MDV worked to find replacements and only sent the items in the package that were compliant.

Another early challenge for MDV in sourcing the items for the FDPIR package was validating that items met the specifications for the FDPIR program when vendors erroneously certified that an item met the required specifications. For example, MDV found that the fine print on labels indicated that some products (e.g., fruit juice) were not 100 percent domestic, even when the vendor communicated that the items were domestic products. MDV said the items that were the most challenging to source from their existing vendors included juice from 100 percent domestic-grown fruit, canned items with less than 140 milligrams of sodium, and unsalted crackers.

**Exhibit 4-2: FDPIR Green Beans in MDV Warehouse**



To address the domestic product sourcing challenge, MDV worked with USDA to obtain further clarification on the specifications. In some instances, the existing vendors that MDV partnered with were simply not able to provide product meeting USDA specifications. In other cases, issues related to seasonality and timing of production lines prevented MDV from being able to obtain the item from its vendors. For example, a manufacturer that supplies peaches packed in light syrup may not have that product available for MDV to purchase because the growing season ended before the pilot began.<sup>37</sup> To address these challenges, MDV consulted with USDA to obtain the names of vendors that provide foods that do meet the specifications to the national warehouses. MDV pursued relationships with some of these vendors to source items they were not able to find through other means. A hybrid approach drawing on both MDV vendors and USDA-supplied vendors was used to source FDPIR items due to these unforeseen challenges.

**Exhibit 4-3: FDPIR Prunes in the MDV Warehouse**



*Sourcing of traditional foods and foods obtained from Native Producers*

One of the goals of the pilot was to provide traditional Native American foods and that goal was not realized. At the time the pilot was discontinued, no traditional foods had been able to be included in the food package, although MDV did use a Native American retailer, Red Cloud Food Services, in the provision of one non-traditional food item (Standing Rock Beef). Pilot ITOs initially expressed the desire for traditional foods to be available through the pilot, specifically dried sweet corn. From MDV’s perspective, traditional foods could not be sourced until they were approved by USDA as a part of the FDPIR

food package. However, MDV had initial conversations with the Native American vendor it uses concerning the feasibility of obtaining traditional foods.

<sup>37</sup> MDV indicated that items may not be available during the current growing season because the item had been removed from a manufacturer’s product line, or all quantities of the item had already been allocated to another distributor.

### *The ITO Ordering Process*

MDV developed a user-friendly online system that ITOs used to order the specific items needed to replenish their inventory. By logging into the system, the ITOs could place orders for items in quantities that fit their needs at least a week before delivery. MDV based the online system on its retail operations and provided ITOs with the opportunity to see the quantities of items available by case, layer, or pallet, and order all of the items from a single listing. MDV sent ITOs an automatically generated email to confirm that their order had been received and processed. The online system also automatically scheduled the delivery date. MDV provided case-by-case assistance to change delivery dates and times as needed for the ITOs when special events or circumstances arose.

### **Inventory Management**

MDV implemented the FDPIR vendor pilot within the context of larger operations and procedures for serving its main client, the Department of Defense. Because of the limited scope of the pilot project in comparison to MDV's primary business volume, there were no dedicated, full-time staff for the pilot. However, when ITOs placed orders, MDV mobilized staff to provide customer service around the order fulfillment and delivery events.

The inventory process for the pilot involved two components: the receipt of food items ordered from vendors as a part of the FDPIR food package, and the fulfillment of monthly orders for the ITOs. MDV implemented both processes using industry standards, with a heavy reliance on proprietary supply and logistics management software for cataloguing and managing the inventory. While the processes for offloading items as they were received from vendors, storing them, and selecting them for inclusion in a shipment to an ITO were fairly similar to the operations MDV used for its other clients, the vendor made some process adjustments to support the efficiency of pilot operations and promote satisfaction with the quality of the food items delivered to ITOs as a part of their FDPIR orders.

MDV ordered the items for the FDPIR food package based on its tracking and assessment of the volume of items being ordered and moved from the warehouse. MDV organized the warehouse operations to segregate food items for FDPIR from items for their other clients. To this end, MDV established designated warehouse zones solely for FDPIR items. The advantages of this for the vendor were that they were able to capitalize on internal efficiencies in fulfilling orders placed by ITOs, as the products in the FDPIR food package were not mixed in with items for other customers. MDV also established special codes for FDPIR dry, perishable, and frozen goods. Warehouse staff (known as selectors) were specially trained on the inventory codes and location of FDPIR items. When ITOs placed an order, the selector was given fulfillment of the order as his or her sole assignment to ensure the accuracy of the order. Additional efficiencies existed in the logging and tracking of remaining inventory in advance of re-ordering, which MDV carefully monitored.

### *Management of Product Best If Used By and Pack Dates*

A significant concern for pilot ITOs was the challenge of receiving products near their best if used by date. In managing the freshness and quality of FDPIR food items, MDV drew on its larger standards for managing inventory. For example, it is MDV's practice not to accept any item from a food wholesaler with less than six months of shelf life. MDV's processes for managing best if used by and pack dates, and tracking the expiry of products, included consultation with the product manufacturer to confirm the expected shelf life and the entry of expiry information into an automated system, even for items without

**Exhibit 4-4: FDPIR  
Canned Corn in MDV  
Warehouse**



clearly marked best if used by dates. As inventory was received in the warehouse, best if used by dates were uploaded into the system and products were then released for order fulfillment. If, for example, MDV received canned beans with a best if used by date that preceded what was already in inventory, they arranged the inventory to ensure the items with the closest best if used by date left the warehouse first, regardless of when the item arrived at the warehouse. MDV used this code-date control process for every item in the FDPIR food package, which is a deviation from how the vendor handled the inventory for other clients.<sup>38</sup> The rationale is that because FDPIR food items may not turn over as quickly, using the code-date control for every item further ensured that the foods received by the ITOs had at least three additional months of shelf-life, which exceeded FDPIR program requirements. For the few items in the FDPIR package that were not marked with a best if used by date (e.g., dry egg mix, Tio Franco beans, canned beef in juice), MDV managed these items strictly by the principle of first-in, first-out.

## **Delivery Operations**

While delivery operations generally happened within the scope of MDV's established practices for its major clients, the vendor adopted some additional practices to build customer trust and to respond to issues raised by the four ITOs. Several modifications to delivery logistics were thought about in advance of the pilot, but some additional modifications were implemented after the pilot was launched.

One of the modifications MDV made in its delivery process for the RVP was the use of additional order review checks as the ITO orders were pulled from the shelves in preparation for wrapping and loading into the delivery trucks. The intent of this additional process improvement was to ensure that the order was 100 percent correct before it was loaded on the trucks, which were dual zone (dry/refrigerated) trailers. MDV stressed the importance of getting the delivery correct the first time to support customer satisfaction and control project costs.

Another modification in the delivery process was that MDV assigned the same driver to the delivery of FDPIR items to promote an ongoing relationship with the four ITOs. The thought was that having the same driver allowed for a better understanding of the program on MDV's part as they became familiar with the needs and practices of the ITOs. As an MDV warehouse representative stated, "Having the same driver gets rid of the barrier in understanding our customer's needs. This promotes familiarity and our driver gets to know what the ITOs need and who they are. They [ITOs] know that we are going to take care of them: they are going to get a quick response." Using the same driver provided MDV with an opportunity for an informal customer feedback loop through a staff member familiar with the program and the ITOs.

MDV typically operated within a two-hour window for a delivery arrival time, and established a one-hour performance metric for unloading a 53-foot truck. As described in Chapter 3, MDV made several changes in its organization of pallets to accommodate the pilot ITOs. MDV indicated that there were some implications for its operations as a result of changes to accommodate ITOs in the loading and unloading of trucks. Most notably, the load quality for the delivery was affected, as items could not be stacked on one another and this translated into additional time being required to assemble the load for delivery. As a result, loading trucks took more time and the process was not as efficient as it was with MDV's main business volume.

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<sup>38</sup> MDV uses code date control methods for its non-FDPIR inventory. However, every item is not managed as closely as the FDPIR food package was because MDV's other clients turn over their inventory frequently.

## **Administration of the Pilot**

MDV said that the vendor pilot required a moderate-to-limited level of additional administration to operate in relation to its non-FDPIR operations. Interactions with both USDA and the ITOs seemed to be infrequent. MDV provided a monthly report to USDA on the items ordered and delivered, along with an invoice for payment. At the time of the study, MDV did not provide any other type of reporting on the pilot operations. In year two of the pilot, MDV had infrequent contact with the ITOs but said the program was working well. Direct communication most often happened when ITOs needed to request a change in delivery date or received items that were damaged. MDV characterized this sort of interaction as infrequent.

MDV provided the ITOs with the delivery bill (also known as the bill of lading) for the order at the time of delivery. MDV provided no additional paperwork to ITOs, but MDV said they could provide additional reporting on actual costs incurred for each order at each of the programs, if requested. At the time of this study's data collection, only one community had requested additional reporting, which was used for its internal tribal audit.

At the time of the January 2015 site visit, the most pressing administrative concern noted by MDV was claiming the price adjustment for food items as specified in the contract between USDA and MDV. This had cost implications for MDV, as there were some items on which they were taking a loss (see the Pilot Cost section below for more information).

### *MDV Communication about Pilot Operations*

When the pilot was in its second year, MDV heard less frequently from the four ITOs than in the first year. There was no requirement in the contract for regular communication with the ITOs, but MDV did acknowledge that this might have been a missed opportunity. The vendor noted that it could have potentially included the pilot ITOs in its regular customer satisfaction survey process. The vendor did not communicate in advance with the ITOs to notify them if a brand item they receive was going to change, which, based on findings from the ITOs, would have been welcome information. The ITOs did provide positive feedback about the foods received initially, and one ITO sent MDV an unsolicited message that expressed satisfaction with the pilot and the foods being provided.

## **Pilot Costs**

The costs for food items offered were negotiated as a part of the contractual agreement for the pilot, but the delay in starting the project posed some challenges for the MDV in managing pilot costs. The delay caused by a protest of the contract had the effect of pushing the start timeline for the pilot beyond the initial start period anticipated by MDV. MDV had prepared for the start of the contract by negotiating prices for products that were locked in place for six months. However, the delay in the start of the contract meant that these prices expired well in advance of the actual first six months of the pilot but before the contract's pre-established six-month negotiation period when the vendor could come back and ask for adjustments in price. Some items that MDV offered did increase in price beyond what MDV had planned for this period of time. To compensate for the price changes, MDV tried to find alternative brands to offer, often regional or house brands as they were more cost-efficient given the circumstances.<sup>39</sup>

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<sup>39</sup> As noted previously, MDV worked to provide ITOs with food items that were nationally and regionally recognizable brands.

For the items in the food package that were supplied solely by USDA vendors (e.g., canned beef), MDV was not able to take advantage of some of the efficiencies of the NWM since MDV was only purchasing food for four tribes. MDV indicated that these USDA-specific vendors sell items in either quarter, half, or full truck quantities, and the lesser amounts are more expensive. Since the NWM serves about 100 ITOs it has more negotiating power with vendors relative to the RVP's negotiating ability given the order sizes associated with the four ITOs in the pilot.

#### *4.6 Lessons Learned*

MDV reported some lessons learned concerning some aspects of pilot implementation and costs for the pilot. The biggest challenge for MDV was understanding and then sourcing some of the products according to the program specifications.

In retrospect, MDV said it would have looked for additional opportunities for dialogue with ITOs before starting the pilot. From a distribution standpoint, MDV would ask additional questions about offloading and receiving orders to avoid the issues ITOs initially encountered with the ways pallets were organized. While MDV would not want any customers to order more food than they were capable of storing and distributing in a timely manner, the vendor did wish that there were more opportunities to help the ITOs better manage their orders to prevent over-ordering items, which some ITOs did.

MDV believed that the opportunity to help ITOs better understand their inventory drawdown would have promoted more efficiencies in ordering, such that ITOs might only have to order some items every other month. MDV also wanted the opportunity to provide more guidance to ITOs on ordering based on the pallet layer quantity of an item to maximize this approach for both the ITOs in terms of inventory management and to enhance the load quality of items when they are delivered.<sup>40</sup> If ITOs ordered in layer quantities, it made it easier for MDV to stack and balance the items. MDV had worked with the two larger ITOs in the pilot and both were able to order using layer quantities. As a result, both MDV and the two ITOs were able to capitalize on program efficiencies that impacted MDV labor costs associated with the program. That said, MDV did note that layer quantity ordering may be a practice that only the larger ITOs can accommodate.

MDV added that they should have looked deeper into opportunities to gather customer feedback through their own established processes. MDV made some adjustments to expectations concerning delivery, and additional conversations would have helped MDV better understand the needs of the ITOs initially. MDV also believed that the pilot should try to address the provision of traditional foods, as there was great interest in this on the part of ITOs in the pilot.

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<sup>40</sup> Pallet layer quantity refers to the number of boxes or cartons stored on a pallet layer.

## *4.7 Conclusion*

MDV believed the RVP worked well for both it and the ITOs. MDV viewed the RVP as a part of its regular business model. According to MDV, the company was able to consistently provide 99 percent of the full range of FDPIR items to ITOs. An MDV representative said another success was that many of the food items provided to the ITOs were nationally and regionally recognizable brands. MDV said the study ITOs informed them that program participants were very pleased with the opportunity to select more brands that are available in national big box and grocery stores.

MDV said their operations during the pilot simplified decisions the ITOs had to make. The extra inventory and delivery checks conducted by MDV before delivery meant that ITOs rarely had to contend with wrong or incomplete orders. MDV's ordering platform streamlined the process of selecting foods and reduced the time spent by ITOs on placing orders. Improvements in ordering and delivery reliability meant that ITOs needed less inventory on hand, as the need to stockpile items that were often scarce under the NWM no longer existed. MDV added that their management of best if used by dates on FDPIR food items reduced the instances of ITOs receiving items past their best if used by dates that could then not be offered to customers.

## 5. Program-Level and Food Item-Level Cost Analysis

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### 5.1 Introduction

The MSG team performed a quantitative analysis to compare the NWM and the RVP costs related to serving the four ITOs. We collected relevant publically available data, as well as non-public data on program costs from FNS and MDV. We developed and reviewed the analyses with FNS and MDV to ensure that the cost analyses were methodologically sound and realistic. We worked with both entities to account for all program costs and ensure we defined and compared costs consistently.

The quantitative analysis was performed on program administrative data for a 31-month period, June 2012 to December 2014. During this 2.5-year period, the NWM served the four ITOs in the study from June 2012 to July 2013 and the RVP served them from August 2013 to December 2014.<sup>41</sup>

Costs for the NWM and RVP in this study are compared at the macro and micro levels. The macro-level cost analysis compares total program costs and the cost per participant each month during the period of analysis, and micro-level cost analysis compares the costs of cases of similar food items, such as a case of apple juice, under the NWM and RVP.

At FNS's request, we present the quantitative analysis in nominal dollars as opposed to constant dollars (also known as inflation adjusted dollars). Nominal dollars represent the actual amount of money spent over a period of time. Nominal dollar analysis in this study is relevant because MSG analyzed only the last year of NWM data related to the four ITOs (i.e., the year before the RVP began) and the prices in that year were used to determine the per-case prices and fees MDV charged in the pilot. The food item case costs in the RVP were held at constant nominal dollars for the duration of the RVP period of analysis as part of the terms of FNS and MDV's contract. If the prices of food items had changed over time during the course of the pilot, constant dollar analysis would have been relevant because inflation changes the purchasing power of money over time.

Another reason constant year dollars were not used is because the period of analysis in this study is relatively short and inflation during that period was relatively low. The MSG team examined the inflation rates in the USDA Economic Research Service (ERS)'s Food Price Outlook 2015<sup>42</sup> for food costs and the Department of Labor, Bureau of Labor Statistics' Producer Price Index (PPI) for services such as warehousing and transportation.<sup>43</sup> The differences between the nominal and constant-dollar analyses are small and would have had little to no effect on the NWM and RVP program costs and food case price comparisons.

### 5.2 Key Data and Data Sources

FNS provided the majority of the data used to perform the quantitative analysis. MDV provided information on the vendors they used in the RVP. Exhibit 5-1 provides a summary of the sources of the data elements used in the quantitative analysis.

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<sup>41</sup> The program cost analyses for this study were based on FNS data available before FNS and MDV renegotiated their contract's costs in September 2015, which resulted in retroactive payments to MDV for products and services rendered during the pilot. As a result, the majority of this cost discussion does not reflect an approximate \$673,000 cost increase that resulted from the adjustment (see Table 5-7).

<sup>42</sup> USDA Economic Research Service, Food Price Outlook, website: <http://www.ers.usda.gov/data-products/food-price-outlook.aspx>

<sup>43</sup> Bureau of Labor Statistics, Producer Price Index, website: <http://www.bls.gov/ppi/>

### Exhibit 5-1: Key Data Elements and Data Sources for the Quantitative Analyses

	Data Element	Source
A	Number of Cases Ordered	<ul style="list-style-type: none"> <li>USDA Web-Based Supply Chain Management System, Multi-Food Requisition Report, June 2012 to July 2013</li> <li>MDV Nash Finch, Monthly FDPIR Vendor Pilot order reports, August 2013 to December 2014.</li> </ul>
B	Food Cost per Case	<ul style="list-style-type: none"> <li>Ibid.</li> </ul>
C	Fee per Case (MDV only)	<ul style="list-style-type: none"> <li>MDV Nash Finch, Monthly FDPIR Vendor Pilot order reports, July 2013 to December 2014.</li> </ul>
D	Transportation Costs (MDV only)	<ul style="list-style-type: none"> <li>USDA, FDPIR Vendor Pilot Food and Transportation Invoices Totals by ITO, July 2013 to December 2014.</li> </ul>
E	Warehousing and Transportation Costs Combined (NWM only)	<ul style="list-style-type: none"> <li>USDA, FDPIR Paris Brothers Warehouse Monthly Charges for Warehousing and Transportation, June 2012 to June 2013.</li> </ul>
F	USDA FDPIR Administration Costs (NWM only)	<ul style="list-style-type: none"> <li>USDA Food Distribution Division Staff</li> </ul>
G	Total Program Costs	<ul style="list-style-type: none"> <li>Calculation = A * (B + C) + D + E + F</li> </ul>
H	Number of Participants Served	<ul style="list-style-type: none"> <li>USDA Food and Nutrition Service National Data Bank, Public Use Database, FDPIR Number of Participants Report, 2012-2014.</li> </ul>

### 5.3 Program-Level Cost Analysis Methodology

The primary cost drivers in assessing the program-level costs are:

- A. Number of food cases ordered by the ITOs (based on ITO projections of the number and needs of program participants as well as current inventory levels),
- B. Cost per food case (varies by food product and sometimes varies over time for specific food products),<sup>44</sup>
- C. Fee per food case (only applies to RVP),
- D. Transportation charges,
- E. Warehousing charges,
- F. USDA FDPIR food ordering costs, and
- G. Number of participants served by the ITOs.

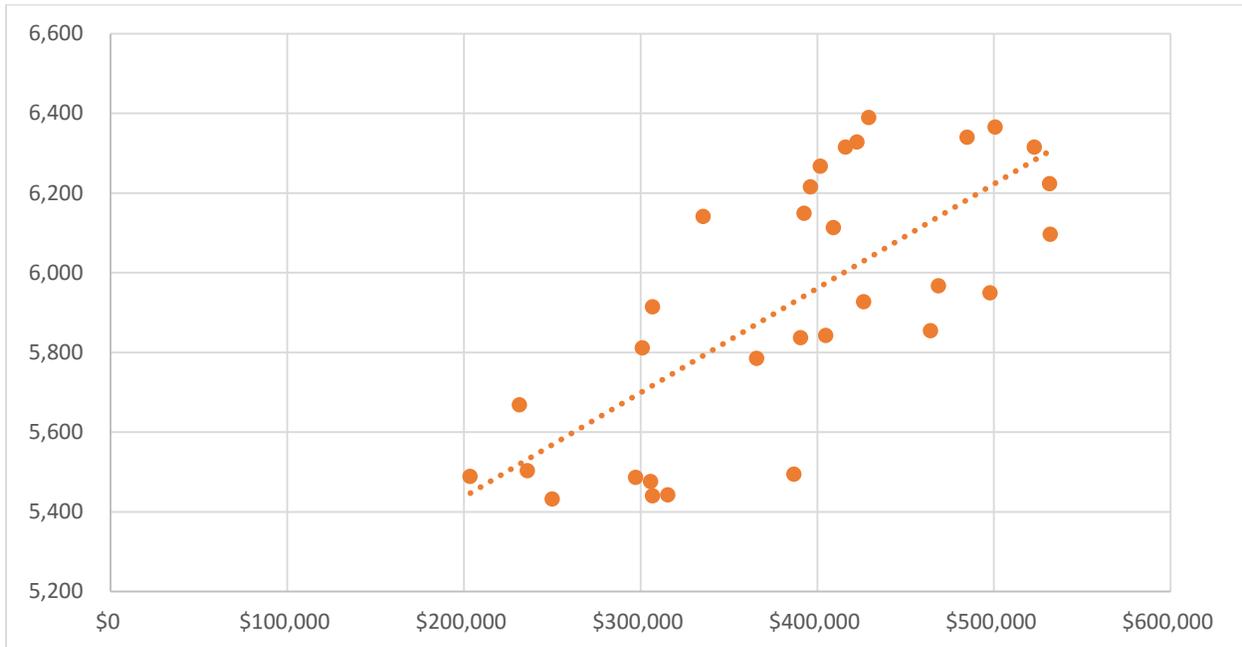
For both the NWM and RVP, the monthly cost of the program is equal to the number of cases of food products ordered by the four ITOs in a month multiplied by the food cost and fee per food case, which varies depending on which food cases are ordered, plus the associated warehousing and transportation costs for the month. Using the letters in the list above to represent the cost elements of program cost, the formula for monthly program costs is:

$$A * (B + C) + D + E + F$$

Total program costs are moderately and positively correlated with of the number of participants in the program. As one might anticipate, when participation increases program costs increase and when participation decreases program costs decrease. The correlation between the number of participants in the program and total program costs (including both NWM and RVP over the period of analysis) is shown in Exhibit 5-2.

<sup>44</sup> MDV food item prices were fixed based on MDV's contract with FNS during the period of analysis. However, MDV food item prices in the analysis calculated for this study vary by month when warehousing and transportation costs are factored in as part total food item costs.

**Exhibit 5-2: Correlation between the Number of Participants and Total Program Costs**



Given the correlation between the number of participants and total program costs, as well as the fluctuation in program participation, it is important to measure the program costs per participant to determine how much the cost per participants differs between the NWM and RVP.

#### *5.4 Program-Level Cost Comparisons*

The MSG team used a monthly program cost formula to compare the costs of the NWM and RVP in serving the four ITOs that participated in the pilot. Exhibit 5-3 provides a summary of the cost analysis. The first column in the exhibit provides information about the month and year assessed. The second column provides information on the number of cases ordered for all food items. The third column details the cost for the NWM or RVP to procure the food cases from suppliers. The fourth column provides information on MDV's fees associated with the ordered food cases. The NWM does not involve a fee since USDA staff procure the foods that are then delivered to the national warehouses operated by Paris Brothers and Americold.<sup>45</sup> MDV charges a fee on food costs of about 16.07 percent.<sup>46</sup> The fifth column provides the MDV transportation costs, which are based on delivery fees that vary for each ITO warehouse. The sixth column provides data on the NWM warehousing and transportation costs which are lumped together in the administrative data provided by FNS. MDV does not have data in this category because its warehousing costs are accounted for in the fee it charges, which is provided in column three, and its standalone transportation costs, in column five. The seventh column provides information on the USDA FDPIR ordering costs under the NWM. The eighth column provides the total program costs per month and is calculated by summing columns three to seven.

<sup>45</sup> Paris Brothers warehouse monthly invoice data submitted to FNS. Paris Brothers served the four ITOs in the study when they participated in the NWM.

<sup>46</sup> Contractually, MDV is supposed to charge a fixed fee on each food case but analysis of the data indicates they charge as high as 29.54 percent for ultra-high temperature milk and as little as 8.84 percent for Our Family Foods Macaroni and Cheese. On average, the fees were approximately 16 percent.

**Exhibit 5-3: NWM and RVP Participants Served, Food Cases Ordered, Associated Costs (Nominal Dollars)**

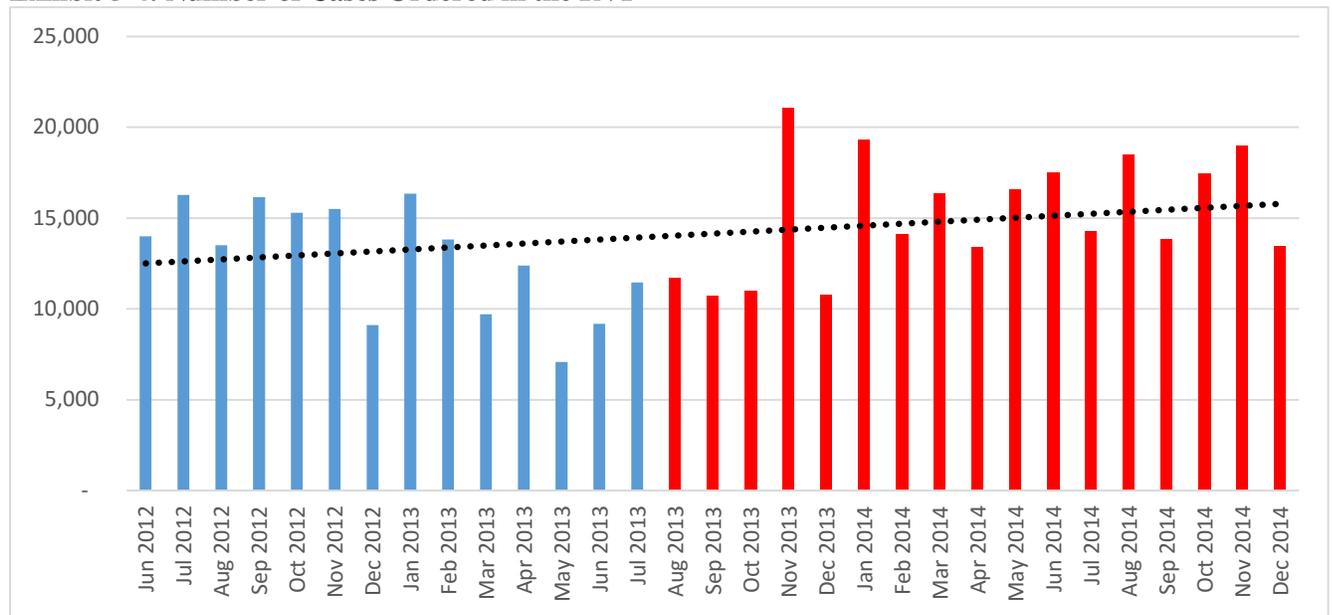
Month and year	Number of cases ordered	Food costs	MDV Fee	MDV Transportation	Paris Brothers Transportation and warehousing	FNS FDPIR ordering costs	Total costs	Number of participants per month	Program costs per participant
<b>NWM</b>									
Jun 2012	14,000	\$327,042	\$0	\$0	\$35,329	\$3,301	\$365,672	5,785	\$63.21
Jul 2012	16,273	\$370,135	\$0	\$0	\$35,826	\$3,301	\$409,261	6,113	\$66.95
Aug 2012	13,511	\$294,753	\$0	\$0	\$37,439	\$3,301	\$335,493	6,141	\$54.63
Sep 2012	16,152	\$382,499	\$0	\$0	\$40,477	\$3,301	\$426,277	5,927	\$71.92
Oct 2012	15,298	\$374,667	\$0	\$0	\$38,050	\$3,301	\$416,018	6,315	\$65.88
Nov 2012	15,502	\$375,553	\$0	\$0	\$43,690	\$3,301	\$422,544	6,328	\$66.77
Dec 2012	9,119	\$190,811	\$0	\$0	\$37,299	\$3,301	\$231,412	5,668	\$40.83
Jan 2013	16,353	\$359,588	\$0	\$0	\$29,806	\$3,301	\$392,696	6,149	\$63.86
Feb 2013	13,821	\$342,942	\$0	\$0	\$40,573	\$3,301	\$386,816	5,494	\$70.41
Mar 2013	9,716	\$200,112	\$0	\$0	\$32,557	\$3,301	\$235,971	5,503	\$42.88
Apr 2013	12,388	\$270,719	\$0	\$0	\$31,738	\$3,301	\$305,758	5,476	\$55.84
May 2013	7,087	\$168,002	\$0	\$0	\$32,249	\$3,301	\$203,552	5,489	\$37.08
Jun 2013	9,180	\$214,382	\$0	\$0	\$32,284	\$3,301	\$249,967	5,432	\$46.02
Jul 2013	11,463	\$260,026	\$0	\$0	\$33,916	\$3,301	\$297,243	5,486	\$54.18
<b>RVP</b>									
Aug 2013	11,679	\$267,442	\$44,331	\$3,668	\$0	\$0	\$315,442	5,442	\$57.96
Sep 2013	10,701	\$256,270	\$43,135	\$7,419	\$0	\$0	\$306,824	5,440	\$56.40
Oct 2013	10,995	\$254,050	\$42,000	\$4,961	\$0	\$0	\$301,010	5,811	\$51.80
Nov 2013	21,057	\$447,208	\$74,852	\$9,794	\$0	\$0	\$531,854	6,096	\$87.25
Dec 2013	10,751	\$259,356	\$43,845	\$3,617	\$0	\$0	\$306,817	5,914	\$51.88
Jan 2014	19,297	\$447,707	\$75,308	\$8,508	\$0	\$0	\$531,522	6,223	\$85.41
Feb 2014	14,080	\$326,503	\$54,753	\$9,289	\$0	\$0	\$390,544	5,837	\$66.91
Mar 2014	16,367	\$391,000	\$65,072	\$8,023	\$0	\$0	\$464,094	5,854	\$79.28
Apr 2014	13,362	\$341,360	\$54,258	\$9,165	\$0	\$0	\$404,784	5,842	\$69.29
May 2014	16,552	\$393,271	\$65,682	\$9,779	\$0	\$0	\$468,732	5,967	\$78.55
Jun 2014	17,526	\$421,797	\$70,699	\$5,318	\$0	\$0	\$497,815	5,949	\$83.68
Jul 2014	14,266	\$358,185	\$59,982	\$11,035	\$0	\$0	\$429,202	6,389	\$67.18
Aug 2014	18,481	\$419,459	\$70,748	\$10,517	\$0	\$0	\$500,723	6,365	\$78.67
Sep 2014	13,836	\$335,605	\$56,486	\$9,758	\$0	\$0	\$401,849	6,267	\$64.12
Oct 2014	17,453	\$409,571	\$68,694	\$6,613	\$0	\$0	\$484,879	6,340	\$76.48
Nov 2014	18,956	\$442,720	\$74,392	\$5,818	\$0	\$0	\$522,930	6,315	\$82.81
Dec 2014	13,438	\$332,038	\$56,086	\$8,031	\$0	\$0	\$396,155	6,215	\$63.74
<b>Column</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	<b>I</b>

Note: Total costs (column G) is equal to food costs (B) + fee (C) + transportation (D) + transportation and warehousing (E) + FNS FDPIR food ordering costs (F)

Aside from USDA Food Distribution Division Staff ordering costs, we developed all cost values using monthly reports from invoices submitted to FNS by either Paris Brothers or MDV (columns B to E in Exhibit 5-3). We developed USDA food ordering costs in coordination with FNS through a multi-step process. First, FNS provided estimates of the number of staff involved in food ordering by General Schedule (GS) level (i.e., one FTE at GS-12 level and 1.5 at GS-13 level). Next, we determined the salary, including benefits (estimated at 30 percent of salary) and overhead (estimated at 30 percent of salary and benefits) for these individuals based on guidance from FNS. Subsequently, we added service charges to FNS ordering staff salary, benefits, and overhead from USDA’s Agricultural Marketing Service (AMS) and Farm Service Agency (FSA), which make food purchases for USDA food assistance programs. Lastly, to identify the costs associated with the four ITOs in the study, we reduced the total cost estimates for the entire FDPIR program described in this paragraph by 96 percent since the study ITOs in the pilot only account for four out of the 100 ITOs participating in the FDPIR.

The number of cases ordered by month are graphed in Exhibit 5-4. In this graph, and in all the following graphs in this section of the report, blue bars represent months under the NWM model and red bars represent months under the RVP. As Exhibit 5-4 illustrates, the average number of cases ordered per month increased from about 12,500 cases in mid-2012 to about 16,000 cases at the end of 2014.

**Exhibit 5-4: Number of Cases Ordered in the RVP**



Source: USDA Web-Based Supply Chain Management System, Multi-Food Requisition Report, June 2012 to July 2013 and MDV Nash Finch, Monthly FDPIR Vendor Pilot order reports, July 2013 to December 2014.

Note: Blue bars represent the NWM and red bars represent the RVP

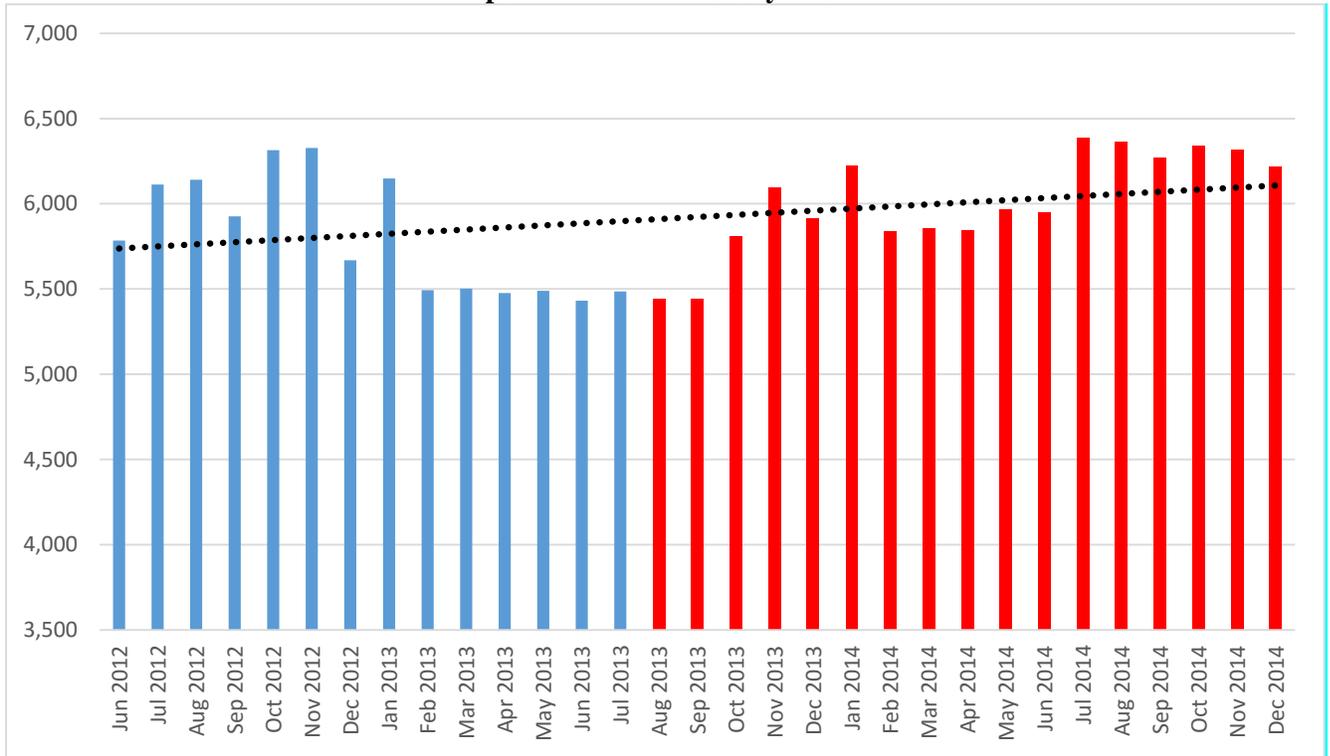
The increase in the number of cases ordered corresponds with an overall trend of increasing FDPIR participation during the pilot. However, while program participation increased at the four study ITOs during the pilot, national FDPIR participation increased as well. Determining to what degree, if any, the increase in FDPIR participation at the four study ITOs during the pilot might be related to improvements associated with the RVP (versus simply being a reflection of the national trend in increased program participation) was beyond the scope of this study.

There are, however, several issues that likely affected participation outside the food distribution model itself (i.e., NWM vs. RVP). As mentioned previously, the national increase may have been caused in part by

changes in FDPIR eligibility criteria that came into effect in September 2013, as well as changes in SNAP eligibility criteria.

Over the period of analysis, June 2012 to December 2014, the average monthly number of program participants increased over time. However, as is obvious in the month-by-month numbers, there were significant fluctuations in the number of participants over time during this period.

**Exhibit 5-5: Number of FDPIR Participants at the Four Study ITOs**

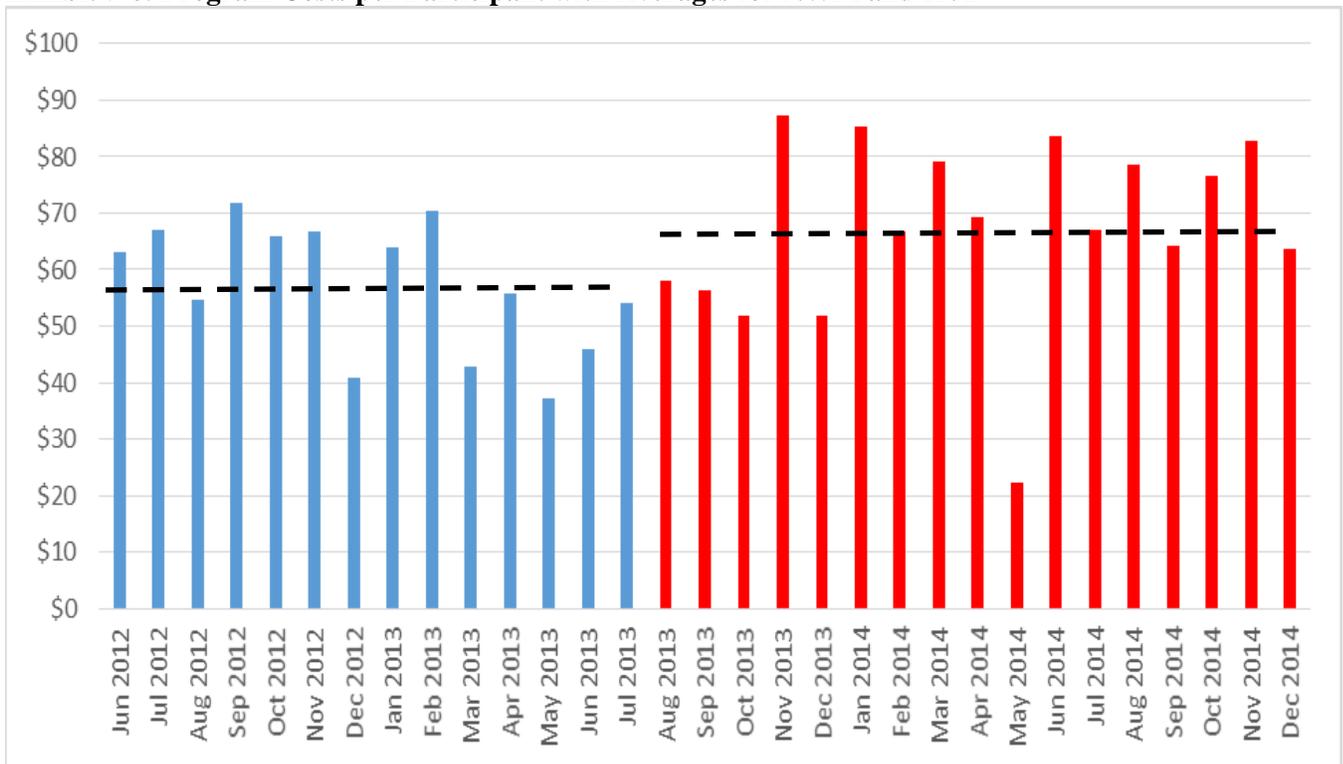


Source: USDA Food and Nutrition Service National Data Bank, Public Use Database, SS1w FDPIR Number of Participants Report, 2012-2014.

Note: Blue bars represent the NWM and red bars represent the RVP

If the monthly program costs in Exhibit 5-3 are divided by the number of participants per month during the period of analysis, the average monthly cost per participant was \$57 when the four ITOs were served by the NWM and \$67 when the ITOs were served by the RVP, which represents a 17.5 percent increase in cost. This cost differential bears out the ITOs' sense that the RVP was more expensive than the NWM.

**Exhibit 5-6: Program Costs per Participant with Averages for NWM and RVP**



As mentioned earlier, the program cost analyses for this study were based on FNS data available before FNS and MDV renegotiated their contract’s costs in September 2015, which resulted in retroactive payments to MDV for products and services rendered during the pilot. The cost adjustment resulted in a total increase in RVP food and overhead costs of \$897,000 over the period from April 2014 – March 2015 (see Exhibit 5-7). Because the pilot evaluation covered a period that was slightly shorter, April 2014 – December 2014, we include only the cost adjustments for that period, for a total increase in costs of \$672,689. By applying the cost difference equally over the nine month evaluation period, the adjusted, per-participant cost of the RVP is \$71, which represents a 24 percent increase over the analysis conducted on the original cost data. Exhibit 5-7 provides a summary of the retroactive changes in program costs associated with FNS and MDV’s contract renegotiations.

**Exhibit 5-7: Retroactive Changes in Program Costs for the RVP based on FNS and MDV’s Contract Renegotiation**

Month	Year	Original Food Price	Renegotiated Food Price	Increase in Food Price	Additional Fee Due	Total Amount Due
April	2014	\$341,360	\$406,677	\$65,317	\$10,496	\$75,814
May	2014	\$398,614	\$481,858	\$83,244	\$13,377	\$96,622
June	2014	\$421,797	\$474,633	\$52,836	\$8,491	\$61,327
July	2014	\$342,034	\$396,720	\$54,686	\$8,788	\$63,474
August	2014	\$419,459	\$492,022	\$72,563	\$11,661	\$84,224
September	2014	\$226,499	\$266,821	\$40,322	\$6,480	\$46,802
October	2014	\$409,571	\$491,091	\$81,519	\$13,100	\$94,620
November	2014	\$442,720	\$517,665	\$74,945	\$12,044	\$86,989
December	2014	\$332,038	\$386,159	\$54,121	\$8,697	\$62,819
January	2015	\$446,476	\$518,196	\$71,719	\$11,525	\$83,245
February	2015	\$347,159	\$396,131	\$48,972	\$7,870	\$56,842
March	2015	\$471,210	\$543,850	\$72,640	\$11,673	\$84,313

*Note: These costs are not included in the analyses and other tables in this report.*

**5.5 Food Case-Level Cost Analysis Methodology**

The food item level cost comparison in this report compares the costs of cases of similar food items. The full cost of a food case incorporates the following cost items:

- A. Cost per food case (varies by food product and sometimes varies over time for specific food products),
- B. Fee per food case (only applies to RVP),
- C. Transportation charges per case,
- D. Warehousing charges per case, and
- E. USDA FDPIR food ordering costs per case (only applies to NWM).

When all costs are combined, the cost per case for each product fluctuates each month in both the NWM and RVP. The monthly cost fluctuation occurs because all case costs are built up from variable costs per case and fixed costs, which are evenly distributed across cases ordered each month to come up with a per case cost estimate. Since FNS and MDV’s contract established fixed food item costs for the duration on the pilot, the variable component of food prices in the RVP was transportation. We developed a weighted average cost per case using the cost per case by month and the number of cases ordered that month.

**Exhibit 5-8: Applicable variable and non-variable costs in the NWM and RVP**

Cost Element	NWM			RVP		
	Cost is fixed per month or variable by truck load	Cost is variable by case	Not applicable	Cost is fixed per month or variable by truck load	Cost is variable by case	Not applicable
Cost per food case		X			X	
(General) fee per food case			X		X	
Transportation costs	X			X		
Warehousing costs	X			X		
USDA FDPIR food ordering costs	X					X

**5.6 Food Item-Level Cost Comparisons**

There were 66 comparable food cases between the NWM and RVP. These comparable food cases have the same quantity of the same food (e.g., 24 15.5oz tomato soup cans per case). Among the 66 comparable food cases, RVP products were more expensive than comparable NWM products 44 times, and RVP products were less expensive than comparable NWM products 22 times. So, when all program costs are considered, the RVP cases were more expensive than NWM cases about 66 percent, or two-thirds, of the time. On average, RVP food cases were \$4.15 more expensive than NWM food cases. The median difference between RVP and NWM food cases was \$4.84.

If the food item costs are compared on the basis of ounce equivalents, the analysis does not change substantially. There are 78 comparable food items between the NWM and RVP when ounce equivalents are considered. Among the 78 foods comparable in ounce equivalents, RVP products were more expensive than comparable NWM products 52 times, and RVP products were less expensive than comparable NWM products 26 times. So, again, RVP foods were more expensive than NWM foods 67 percent, or about two-thirds, of the time. On average, RVP foods were \$0.01 per ounce more expensive than NWM food cases. The median difference between RVP and NWM foods was \$0.02 per ounce.

The MSG team did not observe any patterns that could readily identify which foods might be more expensive or affordable in the RVP relative to the NWM. For example, equivalent cans of black beans and green beans are more expensive in the NWM while equivalent cans of red kidney beans, pinto beans, and white beans were more expensive in the RVP.

Appendix G provides a summary of the NWM and RVP food case and order comparison costs for similar food items. Instances where RVP food cases are more expensive than comparable NWM food cases are identified with red highlighting. Instances where RVP food cases are less expensive than comparable NWM food cases are identified with blue highlighting.

The MSG team worked with FNS to determine if RVP tended to be more expensive than similar items in the NWM depending on whether the products were national or non-national brands, but was not able to complete this detailed analysis within the scope of the project. The biggest challenge was determining what constituted a national vs. non-national brand. As there were limited or no available data on food item branding and nationwide distribution, identifying national, regional, or local brands would have been a matter of perception. Appendix F provides a list of the vendors providing foods to the RVP and the NWM.

## 6. Conclusion

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ITOs that participated in the RVP were very pleased with the program and would like to have been able to continue it indefinitely. The vendor, MDV, was also pleased with the program but wanted the opportunity to adjust their contractually-set prices more frequently to account for changes in market prices. MDV said they were ready and eager for the pilot program to expand to serve more ITOs in Oklahoma and beyond.

If monthly program costs are evenly distributed across the number of participants per month during the period of analysis, the average monthly cost per participant was \$57 when the four ITOs were served by the NWM and \$71 when the ITOs were served by the RVP, which represents a 24 percent increase in cost.

ITO staff said they preferred the RVP over the NWM for the following reasons:

1. Easier online ordering system with more reliable information about available food products.
2. Greater stock of food items and fewer instances of food items being out of stock.
3. More recognizable brands and more attractive packaging and labeling.
4. Fewer food items that are recognizable as FDPIR foods.
5. Easier delivery offloading and food item storing based on the way pallets are organized and delivered. For example, pallets organized by single food item for ease of offloading and storing rather than having multiple food items bundled together.
6. Longer or further out best if used by dates for food items.

Ultimately, FDPIR stakeholders will have to determine whether the benefits from the RVP identified by the study ITOs are worth the higher costs, can be restructured with lower costs, or whether the NWM can be changed in some way to achieve similar benefits.

## Appendix A: FDPIR Food Package

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### USDA FOODS AVAILABLE FOR 2015\* Food Distribution Program on Indian Reservations (FDPIR)

Vegetables		
110020	Beans Black Can - 24/300	24/15.5 oz cans
100306	Beans Green Can - 24/300	24/15.5 oz cans
100372	Beans Light Red Kidney Can - 24/300	24/15.5 oz cans
110021	Beans Pinto Can - 24/300	24/15.5 oz cans
100361	Beans Refried Can - 24/300	24/15.5 oz cans
100363	Beans Vegetarian Can - 24/300	24/15.5 oz cans
100308	Carrots Can - 24/300	24/15.5 oz cans
100310	Corn Cream Style Can - 24/300	24/15.5 oz cans
100311	Corn Whole Kernel No Salt Added Can - 24/300	24/15.5 oz cans
100904	Hominy Can - 24/300	24/15.5 oz cans
100314	Peas Can - 24/300	24/15.5 oz cans
100337	Potatoes Dehydrated Flks Pkg - 12/1 lb pkg	12/1 lb pkg
100331	Potatoes Wht Slices Can - 24/300	24/15.5 oz cans
100322	Soup Tomato Can - 24/1	24/10.5 cans
100321	Soup Vegetable Can - 24/1	24/10.5 cans
110163	Soup Crm of Chicken RDU Sod Ctn-12/22 oz	12/22 oz cartons
110164	Soup Crm of Mushrm RDU Sod Ctn-12/22 oz	12/22 oz cartons
100335	Spaghetti Sauce Meatless Can - 24/300	24/15.5 oz cans
100323	Spinach Can - 24/300	24/15.5 oz cans
100316	Sweet Potatoes Can - 24/300	24/15.5 oz cans
100328	Tomato Diced No Salt Added Can-24/300	24/15.5 oz cans
100333	Tomato Sauce Can - 24/300	24/15.5 oz cans
100320	Veg Mix Can - 24/300	24/15.5 oz cans
Juice		
100893	Apple Juice Plst Btl - 8/64 fl oz	8/64 oz bottle
100899	Cranberry Apple Juice Plst Btl - 8/64 fl oz	8/64 oz bottle
100895	Grape Concord Juice Plst Btl - 8/64 fl oz	8/64 oz bottle
100896	Grapefruit Juice Plst Btl - 8.64 fl oz	8/64 oz bottle
100897	Orange Juice Plst Btl - 8/64 fl oz	8/64 oz bottle
100898	Tomato Juice Plst Btl - 8/64 fl oz	8/64 oz bottle
Dry		
100380	Beans Great Northern Dry Pkg - 12/2 lb	12/2 lb packages
100382	Beans Pinto Dry Pkg - 12/2 lb	12/2 lb packages
Miscellanae		
100044	Egg Mix Dried Pkg - 48/6 oz	48/6 oz packages
Fruit		
100207	Applesauce Can - 24/300	24/15.5 oz cans

100210	Apricot Halves Can - 24/30	24/15.5 oz cans
100211	Mixed Fruit Can - 24/300	24/15.5 oz cans
100218	Peaches Cling Slices Can - 24/300	24/15.5 oz cans
100223	Pears Can - 2/4300	24/15.5 oz cans
100290	Plums Pitted Dried Pkg - 24/1 lb	24/1 lb. pkg
100295	Raisins Pkg - 24/15 oz	24/15 oz pkg
100297	Fruit and Nut Mix Dried Pkg-24/1 lb.	24/1 lb. pkg
<b>Meat</b>		
100127	Beef Can - 24/24 oz	24/24 oz cans
100159	Beef Fine Ground Frz Pkg - 40/1 lb	40/1 lb packages
100166	Beef Roast Round Frz Ctn - 38-42 lb	20/2# carton
100526	Beef Stew Can - 24/24 oz	24/24 oz cans
110478	Chicken Boned Can - 24/15 oz	24/15 oz cans
110154	Chicken Consumer Split Breast Pkg-6/5 lb**	6/5# packages
100880	Chicken Whole Bagged Frz Ctn-36-43 lb**	10/4# packages
100198	Salmon Pink Can - 24/14.75 oz	24/14.75 oz can
110245	Turkey Breast Cooked Ctn-12/3.25 lb.	12/3.25 lb ctn
<b>Dairy, Pasta, Grains, Nuts</b>		
100918	Bakery Flour Mix Lowfat Bag - 6/5 lb	6/5 lb bag
100001	Butter Print Salted Ctn - 36/1 lb	36/1 lb cartons
100921	Buttery Spread Light Tubs-12/15 OZ	12/15 oz tubs
110198	Cheese Blind Amer Skm yel Reg slc Lvs-6/5lb	6/5 lb package
110199	Cheese Process Reg Lvs-6/5 lb	6/5 lb loaves
100471	Cornmeal Degermed Yellow Bag - 8/5 lb	8/5 lb bag
100910	Crackers Unsalted Box - 12/16 oz	12/16 oz box
100433	Egg Noodle 1/2 Inch Wide Pkg - 12/1 lb	12/1 lb packages
100473	Farina Wheat Pkg - 24/14 oz	24/14 oz package
100400	Flour All Purp Enrch Blch Bag - 8/5 lb	8/5 lb bag
100410	Flour Whole Wheat Bag - 8/5 lb	8/5 lb bag
101024	Macaroni & Cheese 1404 Pkg - 48/7.25 oz	48/7.25 oz pkg
100050	Milk 1% Milkfat UHT 1500 Box - 12/32 fl oz	12/32 oz packages
100065	Milk Instant NDM Pkg - 12/25.6 oz	12/25.6 oz
110162	Milk Skim Evaporated Can-24/12 fl oz	24/12 fl oz cans
100465	Oats Rolled Tube - 12/42 oz	12/42 oz tube
100441	Oil Vegetable Btl - 9/48 oz	9/48 oz bottles
110511	Pasta Macaroni Plain Elbow Box - 20/1 LB	24/1 lb boxes
110450	Pasta Spaghetti Box - 20/1 lb	20/1 lb packages
100395	Peanut Butter Smooth Jar - 12/18 oz	12/18 oz jars
100391	Peanuts Roasted Reg Unsl Pkg - 12/16 oz	12/16 oz package
100492	Rice US#2 Long Grain Pkg - 30/2 lb	30/2 lb packages
100435	Whole Grain Pasta Rotini Mac Pkg - 24/1 lb	20/1 lb packages
100449	CEREAL CORN FLKS 1080 PKG-12/18 OZ	12/18 oz pkg
100929	CEREAL OAT CIRCLES 1344 PKG-12/14 OZ	12/14 oz pkg
110265	CEREAL CORN RICE BISC 1080 PKG-14/12 OZ	14/12 oz pkg

100457	CEREAL RICE CRISP 1008 PKG-16/12 OZ	16/12 oz pkg
100933	CEREAL WT BRAN FLKS 1344 PKG-14/17.3OZ	14/17.3 oz pkg
100446	CEREAL CORN SQUARES 1344 PKG-14/14 OZ	14/14 oz pkg
<b>Specialty/Seasonal Items</b>		
100182	Pork Ham Waterad Frz Ctn - 12/3 lb ***	12/3 lb carton
100319	Pumpkin Can - 24/300	24/15.5 oz cans
100213	Cranberry Sauce Can-24/300	24/15.5 oz cans

\*Purchases are subject to market conditions.  
\*\*Product available rotating every other quarter.  
\*\*\*Purchases are subject to availability of funds.

## Appendix B: FDPIR Monthly Distribution Guide Rates by Household Size

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### FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS MONTHLY DISTRIBUTION GUIDE RATES BY HOUSEHOLD SIZE

Effective: June 1, 2015

**NOTE: The availability of individual products is subject to market conditions**

<i>Household Size</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	
USDA Food	Number of Items Per Month								Options
<b>GRAINS, CEREAL, RICE and PASTA</b>									
<b>Cereal, Dry</b> (all sizes)	1 unit per person								Corn, Oat, Rice, Bran
<b>Quick Oats</b> (42 oz. package) or <b>Farina</b> (14 oz. package)	1 unit per person								
<b>Spaghetti</b> (2 lb. pkg. & 1 lb. box)	Any combination of options cannot exceed <b>5 lbs.</b> per person; limit of 1 lb. of Macaroni & Cheese per person								
<b>Macaroni &amp; Cheese</b> (7.25 oz.)	<ul style="list-style-type: none"> <li>• Three 7.25 oz. boxes of Macaroni &amp; Cheese are treated as 1 lb.</li> </ul>								
<b>Macaroni</b> (1 lb.)									
<b>Whole Grain Rotini</b> (1 lb.)									
<b>Egg Noodles</b> (1 lb.)									
<b>Rice</b> (2 lb.)									
<b>Cornmeal /Flour</b> (5 lb. bag)	Up to <b>2</b> units per person								Cornmeal, All Purpose Flour, Whole Wheat Flour
<b>Bakery Mix</b> (5 lb. bag)	1 per 4 mos.	1 per 2 mos.	1	1	2	2	2	2	
<b>Saltine Crackers</b> (1 lb. box)	1 unit per person 1 – 16 oz. package counts as 1 unit								

<i>Household Size</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	
<b>USDA Food</b>	<b>Number of Items Per Month</b>								<b>Options</b>
<b>VEGETABLES and SOUP</b>									
<b>Canned Vegetables</b> (15.5 oz. can)  <b>Fresh Vegetables</b> (see attached list)	Up to <b>11</b> units per person								Carrots, Corn Kernel, Corn Cream, Hominy, Green Beans, Peas, Potatoes, Spinach, Mixed Vegetables, Diced Tomatoes, Dehydrated Potatoes (1 lb. package), Spaghetti Sauce, and Tomato Sauce. Seasonal (October-December): Sweet Potatoes and Pumpkin
<b>Soups</b>	Up to <b>3</b> units per person								Chunky Beef Stew (24 oz), Tomato and Vegetarian Vegetable (10.5 oz), Cream of Mushroom, Cream of Chicken (22 oz RTE)
<b>FRUIT and JUICE</b>									
<b>Canned Fruit</b> (15.5 oz. can)  <b>Fresh Fruit</b> (see attached list)  <b>Dried Fruit</b> (15-16 oz)	Up to <b>10</b> units per person								Applesauce, Apricots, Peaches, Pears, Mixed Fruit, Dried Plums, Raisins
<b>Juices</b> (64 oz bottles)	Up to <b>2</b> units per person (64 oz)								Apple, Grape, Orange, Grapefruit, Tomato, Cranberry-based
<b>MEAT, POULTRY, FISH, BEANS, EGGS, AND NUTS</b>									
<b>Canned Meat/Poultry/Fish</b> (12-24 oz. can)  <b>Frozen Ground Beef</b> (1 lb. package)  <b>Frozen Pork Chops</b> (1 lb. package)  <b>Frozen Chicken</b> (3 -5 lbs.)  <b>Frozen Beef Roast</b> (2 lb.)  <b>Frozen Cooked Turkey Roast</b> (3.25 lbs. average)	Any combination of units cannot exceed <b>3</b> units per person:  <ul style="list-style-type: none"> <li>• 2 canned or frozen products 16 oz (1 lb.) or smaller are treated as 1 unit. For example, 2 ground beef chubs are treated as 1 unit.</li> <li>• Individual frozen chicken packs, beef and turkey roasts, and cans larger than 16 oz. are treated as 1 unit each.</li> </ul>								Canned Beef, Canned Chicken, Canned Salmon  <b>NOTES:</b> <ul style="list-style-type: none"> <li>• Frozen Pork Ham (water added; 3 lb.) available November and December (one per person per month; no substitution with other meat products)</li> <li>• Ground Bison, subject to availability, (limit one 1 lb. per person, per month; no substitution with other meat products)</li> </ul>

<i>Household Size</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	
<b>USDA Food</b>	<b>Number of Items Per Month</b>								<b>Options</b>
<b>Canned Beans</b> (15.5 oz. can)	Up to <b>4</b> units per person								Vegetarian, Kidney, Refried (no fat added), Black, Pinto, Great Northern
<b>Dry Beans</b> (2 lb. bag)	(A 2 lb. bag of dry beans counts as 2 units)								
<b>All Purpose Egg Mix</b> (6 oz. package)	Up to <b>2</b> units per person								
<b>Smooth Peanut Butter</b> (18 oz.) or <b>Roasted Peanuts</b> (12 or 16 oz.) or <b>Fruit &amp; Nut Mix</b> (1 lb.)	1 unit per person								
<b>MILK and CHEESE</b>									
<b>Block Process American Cheese</b> or <b>Sliced Reduced-fat Cheese Blend</b> (5 lb. loaf)	1 per 2 mos.	1	2	2	3	3	4	4	
<b>Skim evaporated milk</b> (12 oz. can)	Up to 4 units per person								
<b>Instant Nonfat Dry Milk</b> (25.6 oz. box) or -	1 per 2 mos.	1	2	2	3	3	4	4	1 unit of Instant Nonfat Dry Milk may be exchanged for 8 units of UHT milk
<b>1% Ultra High Temperature (UHT) Milk</b> (32 fl. oz. carton)	Up to 4 units per person								
<b>OIL</b>									
<b>Vegetable Oil</b> (48 fl. oz.) or <b>Light Buttery Spread</b> (15 oz.) or <b>Butter</b> (16 oz.)	1	1	2	2	3	3	4	4	For 3 person and larger households:  48 fluid ounces of vegetable oil = 45 ounces of light buttery spread = 1 lb. of butter
	2	3	6	6	9	9	12	12	
	1	2	2	2	3	3	4	4	

**Food Distribution Program on Indian  
Reservations  
Fresh Fruit and Vegetable Guide  
Rates**

**Guide Rates:**

FDPIR households may substitute 1 pound of fresh produce for 1 canned item, up to a total of 10 cans of fruit and 11 cans of vegetables per person. Some produce items are not pre-bagged, but are offered in bulk. The number of loose items equal to 1 can is listed below.

**Substitution Rate:**

FDPIR households may substitute 1 pound of vegetables for 1 pound of fruit for up to 5 pounds of fruit per person.

<b><u>Vegetables</u></b>	<b><u>Equal to 1 can</u></b>	<b><u>Fruits</u></b>	<b><u>Equal to 1 can</u></b>
Carrots	8 medium	Apples	3 medium
Baby Carrots	1 lb.	Avocado	2 medium
Broccoli	1 lb.	Grapefruit	2 medium
Yellow Onions	4 medium	Oranges	3 medium
Red Onions	4 medium	Pears	3 medium
Russet Potatoes	2 medium	Mixed Fruit	1 lb. bag
Red Potatoes	3 medium	Lemons	4 medium
Winter Squash	1 medium		
Summer Squash	2 medium	<b><u>Seasonal:</u></b>	
Sweet Potatoes	2 medium	Peaches	3 medium
Turnips	3 medium	Cherries	1 lb.
Cabbage	1 medium	Seedless Grapes	1 lb.
Celery	1 medium bunch	Honey Dew Melon	½ medium
Mixed Vegetables	1 lb.	Kiwi	6 medium
Brussels Sprouts	1 lb.	Nectarines	3 medium
Cauliflower	1 medium (2 small)	Plums	6 medium
Romaine Lettuce	1 bunch		
Radishes	1 lb.		
<b><u>Seasonal:</u></b>			
Corn	3 large ears (5 medium)		
Asparagus	1 medium bunch		
Tomatoes	3 medium		
Cherry Tomatoes	1 pint		
Grape Tomatoes	1 pint		
Cucumbers	2 medium		
Green Pepper	3 medium		

## Appendix C: Indian Tribal Organization (ITO) Interview Protocol

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### Food Distribution Program on Indian Reservations (FDPIR) Regional Vendor Pilot Assessment

#### Indian Tribal Organization (ITO) Interview Protocol

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*Directions to interviewer:* Prior to conducting the interview please obtain written informed consent from the participant. Countersign each copy of the form and return one to the participant.

*Fill out the form at the end of the interview. Remember to store hard copies of the protocol in a locked cabinet.*

ITO		Study ID	
✓		<i>FDPIR Director</i>	<i>Warehouse Manager</i>
ITO A		ITO A1	ITO A2
ITO B)		ITO B1	ITO B2
ITO C		ITO C1	ITO C2
ITO D		ITO D1	ITO D2
Interviewed by:		Date & Time: January , 2015 ____ AM PM	Location:

**Purpose:** The purpose of the interview is to obtain information from the FDPIR Director and Warehouse Manager about the implementation of the Regional Vendor Pilot. The following topics are addressed:

- A. Background**
- B. Intended Outcomes and Overall Benefits and Disadvantages**
- C. Facilitators and Challenges to Implementation**
- D. Program Operations**
  - 1. *Ordering*
    - i. *Minimum Ordering*
    - ii. *Frequency*
    - iii. *Time to Receive Items*
    - iv. *Receiving Wrong Items*
    - v. *Shared Loads*
  - 2. *Unavailable Products*
  - 3. *Inventory*
  - 4. *Administration*
- E. Differences between the regional vendor pilot and the national warehouse model**
- F. Participant Feedback**
- G. Reflections and Recommendations**

Most questions will be answered by both the FDPIR Director and Warehouse Manager. Some questions will be answered by the FDPIR Director (Q3) or Warehouse Manager (Q16-21). Please note that items with an asterisk (\*) are questions that must be asked during the interview.

## **Background**

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To begin, we would like to get some background information about your program and the service area.

*Ask both FDPIR Director and Warehouse Manager*

- 1. \*What is your role with the [name of ITO]?
- 2. \*For background about the [name of ITO] FDPIR program, can you tell me:
  - a. How long has the [name of ITO] FDPIR program been operating?
  - b. How many FDPIR staff are there? What are their roles?
    - i. *Probe: Director, intake/certification specialists, warehouse management, loading/offloading truck, pulling orders, preparing reports, placing orders, processing inventory, etc.*
  - c. What is the service area?
  - d. What tribes are served by this program?
  - e. What food distribution methods are used by the [name of ITO] (store self-selection, warehouse pick-up, tailgates, home delivery)?
  - f. How many food distribution sites are there?
    - i. By type (store, warehouse, tailgate)
  - g. How many participants are typically served each month?
    - i. Does the number of households vary much during the course of the year?
    - ii. [IF YES]: How and Why?

*Ask FDPIR Director only*

- 3. \*We would like to focus on the implementation of the regional vendor pilot program (“the pilot”) by the [name of ITO].
  - a. When did the [name of ITO] begin the pilot program?
  - b. Did the [name of ITO] consult with other ITOs about applying? Or USDA?

- c. Has the organizational structure at the [name of ITO] changed through the pilot? If so, how has it changed?
- d. Do participants access or use the program differently since the pilot began? If so, how has this changed?

### **Intended Outcomes and Overall Benefits and Disadvantages**

*The next set of questions focuses on the intended outcomes of the Regional Vendor Pilot and your perceptions of the overall benefits and disadvantage to date.*

*Ask both FDPIR Director and Warehouse Manager*

4. \*Why did you want to take part in the pilot and what did you want to get out of it?
5. \*From your perspective, what are the overall benefits of the pilot compared to the national warehouse model (“the national model”)?
6. \*From your perspective, what are the overall disadvantages of the pilot compared to the national model?

### **Facilitators and Challenges to Implementation**

*Before we get into specifics about operations and processes, we would like to ask about what has helped or hindered implementation of the regional vendor pilot.*

*Ask both FDPIR Director and Warehouse Manager*

7. \*What did you do in order to prepare for the pilot?  
*Probe: Training? Processes? Logistics? Systems?*
8. \*What support, if any, did you get to start the pilot?  
*Probe: From USDA? From MDV? From the other ITOs? From others?*
9. \*What challenges have you experienced with the pilot?  
*Probe: Cost negotiations? Change in warehouse processes? Increased or fluctuating food costs (unit, case)? Increased or fluctuating transportation costs? Logistics? Delivery delays? Relationships? Communications? Seasonal limitations or concerns? Certain foods not available? Certain foods not delivered? Foods rejected or not used?*
10. \*If applicable: Have there been any challenges implementing the pilot across multiple stores/warehouses in the [name of ITO’s]’s service area?
11. \*What, if any, benefits are there to the geographic grouping of the four ITOs in the pilot? Why are all four ITOs in the pilot from Oklahoma?
12. \*Do you coordinate or partner with the other pilot ITOs in any way? If so, please describe.  
*Probe: How often do you talk with each other? How long have you been working together? What do you discuss? Do you troubleshoot together?*

### **Program Operations**

*Now we would like to ask some questions about program operations, including ordering, unavailable products, inventory, and administration.*

*Ask both FDPIR Director and Warehouse Manager*

13. \*Could you describe the basic processes for ordering food items?

**Ordering** *Ask both FDPIR Director and Warehouse Manager*

14. How do you decide what food items are ordered?

15. \*How have food ordering processes or systems changed as a result of the pilot? Are new types of foods available as part of the pilot now?

**Minimum Ordering:** *Ask Warehouse Manager only*

16. With the pilot, is there a minimum order that you have to place for any product? What is it? Is this different from the national model?

**Frequency:** *Ask Warehouse Manager only*

17. \*How many orders do you place per month? When do you place the order? Could you place more orders if you wanted to? Is this different from the national model? How does that work for you? Is this change beneficial or detrimental?

**Delivery** *Ask both FDPIR Director and Warehouse Manager*

18. \*How has the delivery process changed between the national model and the pilot?
- How has it changed? What caused the changes and is the change beneficial or detrimental?
  - (Probe if needed)* How has the frequency of delivery changed, if at all?
  - How many deliveries did you get per year as part of the national model?
  - How many deliveries do you get now?

**Time to Receive Items:** *Ask Warehouse Manager only*

19. \*After receiving an order, how long does it take the vendor to make a delivery? Has this changed, why has it changed, and is this change beneficial or detrimental?

**Receiving Wrong Items:** *Ask Warehouse Manager only*

20. \*How often do you get the wrong items? Has this changed, why has it changed, and is this change beneficial or detrimental?

**Shared Loads:** *Ask Warehouse Manager only*

21. Are any deliveries or products shared between you and other ITOs? When you are low on a product do you ever get something from another ITO? Was this different under the national model? Is this change beneficial or detrimental?

**Traditional Foods and Native American Producers**

22. \*Have you received any traditional food items through the pilot? Which products do you receive? If not, why are these products not available?

*Probe: Venison, buffalo, salmon, dried corn, dried hominy, wild rice, other?*

23. \*Are any of the food that you receive through the pilot provided/sourced through Native American producers? Which one(s)? If not, why are they not available?

**Unavailable Products** *Ask both FDPIR Director and Warehouse Manager*

24. \*Are any products not available through the pilot? Which products are not available? Why were they not available, and how often were they not available?

*Probe: None; Beef, meat, fish, chicken; Fruits, vegetables, beans, nuts; Dairy products; Other?*

25. \*How many times did you have to re-order products during the pilot because they were not available?

**Inventory** Ask both *FDPIR Director and Warehouse Manager*

26. \*How do you manage the inventory? Tell us about it. What tools or system do you use? How often do you track inventory? Is any of this different from before the pilot?

27. \*What changes in tracking inventory would you like to see? *Probe: None, reliable delivery, more inventory, less inventory, more storage space, new technology, other*

**Administration** Ask both *FDPIR Director and Warehouse Manager*

28. \*What have been the most significant changes in warehouse management and operations with the pilot? Have these changes been beneficial or detrimental?

29. Has the amount of paperwork changed since implementation of the pilot? If yes, how and why?  
*Probe: Orders, receiving, inventory records, forms and reporting to FNS?*

30. \*What administrative changes would you like to see implemented to help run the pilot perform more efficiently?  
*Probe: None, more staff, more staff training, more or different technology, more product variety, less paperwork, other?*

31. \*What operational changes would you like to see implemented to help the pilot perform more efficiently?  
*Probe: None, more ordering flexibility, more timely delivery, more warehouse space, less product substitution, other?*

**Differences between the regional vendor pilot and the national warehouse model**

*The next set of questions focuses on the differences between the regional vendor pilot and the national warehouse model. Please refer to the handout provided.*

Ask *FDPIR Director and Warehouse Manager*

32. \*For each of the following topics, has there been a change between the national model and the pilot? If a change has been observed, please described (1) what changed has occurred, and (2) how?

	Items / Process	What change has occurred?
A	Case costs	
B	Transportation costs	
C	Storage costs	
D	Other costs	
E	Overall program costs	
F	Inventory turnover (i.e., high/low demand, moves off fast, sits on shelf, no one wants it)	
G	Food spoilage or loss	
	Perishable	
	Nonperishable	
H	Access to:	
	Food package	

	Items / Process	What change has occurred?
	Traditional foods	
	Local foods	
	Foods sourced from native producers	
	Fresh foods	
	Healthy foods	
	Quality foods	
I	Food variety and choice	
J	Labeling attractiveness	
K	Labeling detail (e.g., nutritional detail, ingredients)	
L	Packaging quality	
M	Packaging size	
N	Warehouse staff (FTE)	
O	Warehouse costs	
P	Warehouse capacity (sq. ft.)	
Q	Warehouse and food distribution staff training	

### **Participant Feedback**

*We are interested in knowing what participants think about the program since the implementation of the regional vendor pilot.*

*Ask both FDPIR Director and Warehouse Manager*

33. \*Did you tell the participants that you were taking part in the pilot? What did you do? Did you ask them for any input?
34. \*Have you received any feedback from FDPIR participants about the pilot? If so, what are their impressions?  
*Probe: Satisfaction with food products (quality, variety, availability, value)? Changes in perception about the FDPIR program?*
35. \*Have there been any changes in FDPIR participation since [name of ITO] the pilot began?  
*Probe: Changes in number of participants? Changes in types of participants?*

### **Reflections and Recommendations**

*To conclude, we would like to ask you about your assessment of the regional vendor pilot and your recommendations for improvements or changes.*

*Ask both FDPIR Director and Warehouse Manager*

36. \*Have you gotten what you wanted out of the pilot? What has been achieved?
37. \*What role does USDA play in the pilot? Do you feel like they are listening to you?
38. \*If the pilot was to be expanded to other communities, what would you change? What should MDV change?
39. \*How can the pilot be improved?

- a. What should MDV do to improve the pilot program?
  - b. \*What should USDA do to improve the pilot program?
40. Is there anything you would like to add or share about your experience with the pilot or anything that we didn't ask you?

*Thank you very much for your participation in this interview.  
We appreciate your cooperation and the time you have taken to speak with us.*

## Appendix D: Vendor Interview Protocol

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### Food Distribution Program on Indian Reservations (FDPIR) Regional Vendor Pilot Assessment

#### Vendor Interview Protocol

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*Directions to interviewer:* Prior to conducting the interview please obtain written informed consent from the participant. Countersign each copy of the form and return one to the participant. Fill out the form at the end of the interview. Remember to store hard copies of the protocol in a locked cabinet.

<b>Vendor:</b>		
<b>Interviewed by:</b>	<b>Date &amp; Time:</b> January     , 2015 _____ AM PM	<b>Location:</b>

*Purpose:* The purpose of the interview is to obtain information from the Vendor about the implementation of the Regional Vendor Pilot. The following topics are addressed:

- H. Background**
- I. Intended Outcomes and Overall Benefits and Disadvantages**
- J. Implementation**
- K. Costs**
- L. Program Operations**
  - 1. Ordering
  - 2. Inventory
  - 3. Delivery
  - 4. Administration
- M. Differences between the regional vendor pilot and the national warehouse model**
- N. ITO Feedback**
- O. Reflections and Recommendations**

## **FDPIR Regional Vendor Pilot: Vendor Questions**

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*To begin, we would like to get some background information about MDV and the organization of the pilot.*

### **Background**

1. \*How did MDV learn about the regional vendor pilot (“the pilot”) opportunity?
  - a. Why did you want to take part?
  - b. What did you hope to get out of it?
  - c. When did MDV begin implementing the pilot?
2. \*Did MDV have previous experience with the Food Distribution Program National Warehouse Model? Working with the Indian Tribal Organizations (ITOs)? With USDA/Food and Nutrition Service? With a similar food distribution model?
3. \*For background about the pilot, tell us how it is organized. Do you have an organization chart?
  - a. What is your role with MDV and the pilot?
  - b. How many staff work on the pilot? What are their roles? Where are they located? *Probe: Who is the customer service representative? Is it typical to have a high-level executives involved in customer service?*
  - c. What is the service area? Is this typical for MDV?
  - d. How many warehouses do you use for the pilot?
  - e. How many vendors do you use to provide the foods in the FDPIR food package?

### **Intended Outcomes and Overall Benefits and Disadvantages**

*The next set of questions focuses on the intended outcomes of the Regional Vendor Pilot and your perceptions of the overall benefits and disadvantage to date.*

4. \*What are MDV’s performance goals for the pilot? What about cost goals?
5. Do you have any knowledge of or experience with the National Warehouse Model (“the national model”)? Or a similar model? Tell us about that. [ASK ONLY IF NOT COVERED ABOVE IN QUESTION 2]
  - a. \*From your perspective, what are the overall benefits of the pilot compared to the national model (or similar model)?
  - b. \*From your perspective, what are the overall disadvantages of the pilot compared to the national model (or similar model)?

### **Implementation**

*Before we get into specifics about operations and processes, we would like to ask about what has helped or hindered implementation of the pilot.*

6. \*To begin, what did you do to prepare for the pilot?  
*Probe: Kick-off with USAD/FNS? Visit ITOs? Other?*

7. \*We would like to ask you about working with the four ITOs?
  - a. How were they chosen to participate in the pilot?
  - b. How do you coordinate with them?  
*Probe: How often do you talk with each one? What do you discuss? Do you troubleshoot together? Do you talk to the larger ITOs more than the smaller ones?*
  - c. Does the geographic grouping of the regional vendor pilot with four ITOs in south central Oklahoma work?  
*Probe: If no, why not? How would this work for scaling up the pilot? Probe for how logistics are managed, potential challenges and successes of the MDV approach to executing the regional model.*
  - d. Are you interested in increasing the number of ITOs in the pilot? Why or why not?
8. \*What factors seem to influence the success and challenges of the pilot?
  - a. What aspects of the pilot are working well?
  - b. What challenges have you experienced in implementing the regional vendor pilot program?  
  
*Probe: Cost negotiations? Change in warehouse processes? Increased or fluctuating food costs (unit, case)? Increased or fluctuating transportation costs? Logistics? Delivery delays? Relationships? Communications? Seasonal limitations or concerns? Certain foods not available? Certain foods not ordered or delivered? Foods rejected or not used?*
9. \*Based on your experience, are there any changes you would make to the pilot start-up process or early implementation with the ITOs?

### Costs

10. \*We would like to understand the costs involved with the pilot and providing the FDPIR food package.
  - a. What costs are factored into the agreed-upon unit cost for the FDPIR-approved foods?  
*Probe: Overhead? Labor? Profit? Transportation? Fuel? Do these costs vary by food?*
  - b. What about per case costs?  
*Probe: General and administrative costs? Labor? Profit?*
  - c. What costs are hard to control?
11. Are there things that FNS does or does not do that affect the cost? Are there things that the ITOs do or do not do that affect the cost?
12. \*Does MDV do cost-benefit or cost-effectiveness analyses? What have you found?

13. \*We understand that *labelling* and *packaging quality* are important to the FDPIR program and consumers. How do factors such as *label attractiveness*, *label detail about nutrition*, *packaging quality*, and *package size* fit into your decision-making process for selecting vendors? Are these products more expensive?

*\*Probe: [TO ADDRESS FNS QUESTION ABOUT VENDOR SELECTION] How many of the vendors you use for FDPIR are ones provided by FNS/USDA? How many are unique to MDV? Are there any that both MDV and USDA use that were ones you used before the regional vendor pilot? Can you provide us with a list of vendors used for each of the products in the FDPIR package and the source of the vendor?*

## **Program Operations**

*Now we would like to ask some questions about program operations, including ordering, inventory, delivery, and administration.*

### ***Ordering***

14. \*How does the ordering process with the ITOs work? Tell us about that.
- What are the challenges?
  - What would you change?
  - What did you learn that might inform scaling-up the pilot?
  - To your knowledge, is this process different from the national model?

*Probe:*

*How do ITOs place orders? Did you provide training to the ITOs?*

*How often do the ITOs place orders? Do the ITOs order foods at different frequencies?*

*Do orders vary by ITO in terms of quantities and types of foods ordered?*

*What is the smallest order size you accept?*

*What are requirements for an order before it can be placed by an ITO? How much notice is needed, is there a minimum dollar value or number of cases that must be ordered, maximum number of items that can be ordered)*

*How often do you make delivery trips for each ITO?*

*Can you describe a typical order for the ITOs?*

15. \*Can you tell us about the specifications for the items in the FDPIR food package? What is involved? Do the specifications make it hard or easy to obtain the product?
16. \*We understand that the pilot would provide traditional foods. Has that occurred?
17. \*Are any foods obtained from native producers? Or locally-sourced? Do you obtain any foods from the National Warehouse (i.e., Paris Brothers?)

### ***Inventory***

18. \*Tell us about how MDV fulfills the ITO's orders.
19. \*Please describe the inventory management system used by MDV.

20. \*How do you manage the “best by” dates?
21. \*What ordering or inventory changes could help the pilot run more efficiently?  
*Probe: None? Reliable delivery? More inventory? Less inventory? More storage space? New technology? Other?*

### ***Delivery***

22. \*Tell us about the delivery process to the ITOs.
- What are the challenges?
  - What would you change?
  - What did you learn that might inform Phase II? Or scaling-up the pilot?
  - To your knowledge is this different from the national model?

#### *Probe:*

*How much time does it take, on average, between MDV’s receipt of an order and when the food is delivered?*

*What’s the delivery schedule? Are deliveries on-time? Late?*

*Are you able to fulfill the ITOs orders?*

*Are orders or deliveries shared by two or more ITOs?*

*Where any foods ordered but not delivered?*

*Have wrong items or quantities been delivered? How was this fixed?*

*Are there any foods that have not been available? Which ones? Why? For how long?*

*How many times did ITOs have to re-order products during the year because they were not available for shipment when requested?*

### ***Administration***

23. \*Tell us about how MDV and FNS work together on the pilot.  
*Probe: Guidance? Oversight? Communication? Interaction?*
24. What is the reporting process to FNS?
- Does the pilot involve more or less paperwork, documentation, and reporting than similar food distribution models?
25. \*Based on your experience, are there any changes you would make in the procurement or contracting process with USDA/FNS? Or in the early implementation with the ITOs?
26. \*What can USDA/FNS do to make administration of the pilot better for MDV? Easier for the ITOs?

### **Participant Feedback**

*We are interested in knowing what the ITOs think about the pilot.*

27. \*Do you have a process in place to obtain feedback from the ITOs about the pilot?

28. \*What feedback have you received? Did MDV change anything as a result of the ITO's feedback?

*Probe: Satisfaction or dissatisfaction with food products (quality, variety, availability, value; attractiveness); ordering process; deliveries?*

### **Reflections and Recommendations**

29. \*Thinking about your experience over the past couple of years, has MDV met its expectations for the pilot? What has been achieved?
30. \*If the pilot was expanded to other communities, what would you change?
31. \*How can the pilot be improved?
32. \*Is there anything you would like to add or share about your experience with the pilot or anything that we didn't ask you?

*Thank you!*

## Appendix E: Warehouse Tour Protocol

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### Food Distribution Program on Indian Reservations (FDPIR) Regional Vendor Pilot Assessment - Warehouse Tour

ITO		LOCATION
Chickasaw Nation		
Pawnee Nation of Oklahoma		
Ponca Tribe of Oklahoma		
Sac and Fox Nation		
<b>Site Visitor:</b>	<b>Date:</b> January , 2015	<b>Time:</b> _____ AM PM

#### A. PHOTOS OF WAREHOUSE

1. Take photos of all sections of the warehouse, as noted below.
2. Ask to see the area where rejected products are kept. Take photos of these products and note the condition (e.g., dented cans, missing labels, etc.).

PHOTO TAKEN?	AREA	NOTES
	Warehouse	
	Loading and receiving	
	Storage	
	Racks of canned and dry goods	
	Bins for fresh produce	
	Coolers	
	Freezers	
	Refuse (spoilage) area	
	Packing and distribution	
	Store	
	Other	

**B. PHOTOS OF FOOD ITEMS**

1. Obtain “Shopping List” (i.e., checklist of all food items). *See Sac and Fox Nation example*
2. Take photos of *all products in each category* noted below. You must capture the “use by” and “expiration dates” AND the labelling and branding. in each photo. *Also use the “USDA Foods Available for 2015” handout as a reference for each product.*
3. Take a step back from the shelves (in a store) or the racks to photograph the broader environmental context.
4. Identify missing products (i.e., product outages) using the “Shopping List” from each ITO.

PHOTO TAKEN?	PRODUCT	NOTES
	Canned vegetables	
	Fresh vegetables	
	Seasonal vegetables	
	Canned fruit	
	Fresh fruit	
	Seasonal fruit	
	Juice	
	Canned beans	
	Dry beans	
	Egg mix	
	Peanut butter and peanuts	
	Rice and pasta	
	Oatmeal	
	Cornmeal and flour	
	Cereals	
	Bakery mix	
	Soups	
	Crackers	
	Oil	
	Cheese	
	Milk products	
	Canned Meat	
	Frozen meat	
	Traditional Foods (identify)	

## Appendix F: NWM and RVP Vendors

FNS reported that the NWM uses 67 vendors. MDV reported they used 36 vendors, of which 12 were the same as those used by the NWM. Because of the different data entry definitions and conventions used in the NWM and RVP administrative data, the MSG team could not corroborate these numbers using available invoice data. The common vendors in the exhibit below are shaded in matching colors.

### List of NWM Vendors:

#	NWM Vendors	RVP Vendors
1	21 C Foods	Alder Foods
2	Algood Food	American Foods Group
3	American Blanching Company	Basic American Foods
4	American Custom Meats	Bremner
5	American Italian Pasta Co.	Bruce Foods
6	Ameriquial Group	Campbell Sales Co.
7	Aunt Kitty's Foods	Challenge Dairy
8	Basic American Foods	Cherry Central Cooperative
9	Bektrom Foods, Inc.	Conagra/Ralston
10	Burnette Foods	Crider Foods Inc.
11	Central Milling LLC	Furmano Foods
12	Cherry Central Cooperative	General Mills
13	Cherry Meat Packers	House of Raeford Farms
14	Clement Pappas & Co	Icicle Seafoods
15	Commerical Lynks	JB Sanfillipo
16	Conagra Foods	Kaco Supply Company
17	Dakota Grower's Pasta Company	Lakeside Foods
18	Del Monte Foods	Land O Lakes
19	Farmland Foods	Mc Call Farms
20	Furman Foods	Ventura
21	Golden Boy Foods	Libby's
22	Gossner Foods	Mom Brand Sales
23	Grain Millers	Our Family
24	Guidry Liason Group	Nestle
25	Gulf Pacific Rice Co.	New World Pasta
26	Harris Ranch Beef Company	Pinnacle Food Corp
27	Hirzel Canning Company	R & T Consulting
28	Honeyville Grain	Red Cloud Food Services
29	Hoopeston Foods	Schreiber Foods
30	House of Raeford Farms	Sonstegard Foods
31	IBakeFoods	Sun-Maid
32	Jimbo's Jumbo's	Sunsweet
33	Jobbers Meat Packing	Tabatchnick Fine Foods
34	John Hofmeister & Son	Teasdale Foods
35	Kelley Bean Company	Transylvania Vocational Services

#	NWM Vendors	RVP Vendors
36	Knouse Foods	Tyson Foods
37	Komal Herbals	
38	Lakeside Foods	
39	Lifeline Foods	
40	Lion Raisins	
41	Ludford's	
42	Mc Call Farms	
43	Mom Brand Sales	
44	Native American Enterpries	
45	Nebraska Bean	
46	Neil Jones Foods Company	
47	O-AT-KA Milk Products Coop	
48	Pacific Coast Producers	
49	Packers's Canning Company	
50	Philadelphia Macaroni Company	
51	Pinnacle Food Corp	
52	Producers Rice Mill	
53	Ralcorp Holdings	
54	Red Gold	
55	Riceland Foods	
56	Robert H Barrios	
57	Seneca Foods Corporation	
58	Shawnee Milling	
59	Sonstegard Foods	
60	Stafford County Flour Mills	
61	Stutz Packing Company	
62	Sun-Maid	
63	Tabatchnick Fine Foods	
64	Transylvania Vocational Services	
65	Twenty-First Century Bean	
66	Tyson Foods	
67	WorldWide Connect LLC	

## Appendix G: NWM and RVP Case Cost and Order Comparison for Similar Food Items

Row Labels	Cases	Weighted Average Cost per Case (Nominal)	Average of Ounces (or Ounces Equivalent) per Packet	Cost per Ounce or Ounce Equivalent	Difference in Cost per Ounce (i.e., NWM cost - RVP cost)	Difference in Cost per Case (i.e., NWM cost - RVP cost)
<b>Apricot</b>						
<b>Apricot</b>						
RVP						
Libby's - U1 LIBBY'S APRICOT HLVS N JCE (24 Pack / 15.5 oz / Can)	1,910	\$11.17	372	\$0.03	\$0.02	\$8.25
NWM						
Del Monte / Seneca Foods Corporation - APRICOT HALVES CAN-24/300 (24 Pack / 300 / Can)	734	\$19.42	372	\$0.05		
<b>Bakery mix</b>						
<b>Bakery mix</b>						
RVP						
Mountain Maid - U2 MOUNTAIN MAID LF RS BAKRY M (6 Pack / 5 lb / Bag)	3,764	\$17.11	480	\$0.04	\$0.02	\$11.52
NWM						
Transylvania Vocational Services - BAKERY FLOUR MIX LOWFAT BAG-6/5 LB (6 Pack / 5 lb / Bag)	2,975	\$28.63	480	\$0.06		
<b>Beans</b>						
<b>Black</b>						
RVP						
Tio Franco - U7 TIO FRANCO BLACK BEANS LW S (24 Pack / 15.5 oz / Can)	700	\$11.40	372	\$0.03	\$0.00	\$0.34
NWM						
Mc Call Farms / Burnette Foods / Seneca Foods Corporation - BEANS BLACK CAN-24/300 (24 Pack / 300 / Can)	486	\$11.73	372	\$0.03		
<b>Green beans</b>						
RVP						
Our Family - U7 OUR FAMILY NSA CUT GRN BRAN (12 Pack / 300 / Can)	692	\$4.75	186	\$0.03		Not equivalent
Margaret Holmes - U7 MARGARET HOLMES GRN BEANS L (24 Pack / 15.5 oz / Can)	5,047	\$9.51	372	\$0.03	\$0.01	\$1.97
NWM						
Seneca Foods Corporation / Del Monte - BEANS GREEN CAN-24/300 (24 Pack / 300 / Can)	4,173	\$11.48	372	\$0.03		

Row Labels	Cases	Weighted Average Cost per Case (Nominal)	Average of Ounces (or Ounces Equivalent) per Packet	Cost per Ounce or Ounce Equivalent	Difference in Cost per Ounce (i.e., NWM cost - RVP cost)	Difference in Cost per Case (i.e., NWM cost - RVP cost)
<b>Red kidney</b>						
RVP						
American Farms - U7 AMERICAN FARMS LT RED KID B (24 Pack / 15.5 oz / Can)	857	\$14.02	372	\$0.04	\$0.00	-\$1.03
NWM						
Burnette Foods / Packer's Canning Company / Native American Enterprises / Robert H Barrios - BEANS LIGHT RED KIDNEY CAN-24/300 (24 Pack / 300 / Can)	693	\$12.99	372	\$0.03		
<b>Refried</b>						
RVP						
Tio Franco - U7 TIO FRANCE REFRIED BEANS (24 Pack / 15.5 oz / Can)	1,714	\$17.71	372	\$0.05	-\$0.01	-\$4.84
NWM						
Hoopeston Foods / Seneca Foods Corporation - BEANS REFRIED CAN-24/300 (24 Pack / 300 / Can)	1,448	\$12.87	372	\$0.03		
<b>Vegetarian</b>						
RVP						
American Farms - U7 AMERICAN FARMS VEGETARIAN B (24 Pack / 15.5 oz / Can)	821	\$17.70	372	\$0.05	-\$0.01	-\$5.22
NWM						
Burnette Foods / Robert H Barrios / Lakeside Foods / Native American Enterprises / Seneca Foods Corporation - BEANS VEGETARIAN CAN-24/300 (24 Pack / 300 / Can)	1,106	\$12.48	372	\$0.03		
<b>White</b>						
RVP						
Peak - U8 PEAK GREAT NORTHERN (12 Pack / 2 lb / Package)	1,372	\$28.12	384	\$0.07	-\$0.03	-\$11.35
NWM						
Kelley Bean Co. / Nebraska Bean - BEANS GREAT NORTHERN DRY PKG-12/2 LB (12 Pack / 2 lb / Package)	1,125	\$16.76	384	\$0.04		
<b>Pinto (Package)</b>						
RVP						
Peak - U8 PEAK PINTO BEANS (12 Pack / 2 lb / Package)	4,868	\$29.89	384	\$0.08	-\$0.04	-\$14.27
NWM						
Twenty-First Century Bean / Nebraska Bean - BEANS PINTO DRY PKG-12/2 LB (12 Pack / 2 lb / Package)	3,746	\$15.62	384	\$0.04		
<b>Pinto (Can)</b>						

Row Labels	Cases	Weighted Average Cost per Case (Nominal)	Average of Ounces (or Ounces Equivalent) per Packet	Cost per Ounce or Ounce Equivalent	Difference in Cost per Ounce (i.e., NWM cost - RVP cost)	Difference in Cost per Case (i.e., NWM cost - RVP cost)
RVP						
Tio Franco - U7 TIO FRANCO PINTO BEANS LW S (24 Pack / 15.5 oz / Can)	1,588	\$14.03	372	\$0.04	-\$0.01	-\$1.89
NWM						
Burnette Foods / Packer's Canning Company - BEANS PINTO CAN-24/300 (24 Pack / 300 / Can)	1,621	\$12.14	372	\$0.03		
<b>Beef</b>						
<b>Beef ground</b>						
RVP						
Schenck - U4 SCHENCK BEEF GRD BULK FRZ (30 Pack / 1 lb / Package)	8,123	\$106.99	480	\$0.22		Not equivalent
NWM						
Cherry Meat Packers / American Custom Meats - BEEF FINE GROUND FRZ PKG-40/1 LB (40 Pack / 1 lb / Package)	5,673	\$109.51	640	\$0.17		Not equivalent
<b>Can</b>						
RVP						
- U4 CANNED BEEF (24 Pack / 24 oz / Can)	278	\$64.62	576	\$0.11	\$0.14	\$79.38
NWM						
Lakeside Foods - BEEF CAN-24/24 OZ (24 Pack / 24 oz / Can)	552	\$144.00	576	\$0.25		
<b>Roast</b>						
RVP						
U4 #AMERICAN FOODS BEEF ROAST	416	\$114.15				Not equivalent
UX ARMOUR ROAST BEEF W/GRAVY	40	\$73.88				Not equivalent
- U4 BEEF RD RST USDA SELCT/HGHR (20 Pack / 2# / Carton)	1,948	\$116.54	640	\$0.18	\$0.08	Not equivalent
NWM						
Jobbers Meat Packing / Native American Enterprises / Harris Ranch Beef Company - BEEF ROAST ROUND FRZ CTN-38-42 LB (1 Pack / 39 lb / Carton)	2,045	\$162.43	624	\$0.26		Not equivalent
<b>Butter</b>						
<b>Butter tub</b>						
RVP						
Land O Lake - U2 LAND O LAKE LT BUT W/CNL OL (12 Pack / 15 oz / Tub)	3,905	\$39.64	180	\$0.22	-\$0.15	-\$27.03
NWM						

Row Labels	Cases	Weighted Average Cost per Case (Nominal)	Average of Ounces (or Ounces Equivalent) per Packet	Cost per Ounce or Ounce Equivalent	Difference in Cost per Ounce (i.e., NWM cost - RVP cost)	Difference in Cost per Case (i.e., NWM cost - RVP cost)
Conagra Foods - BUTTERY SPREAD LIGHT TUBS-12/15 OZ (12 Pack / 15 oz / Tub)	3,019	\$12.61	180	\$0.07		
<b>Butter quarter</b>						
RVP						
Farm's Best - U2 FARMBEST BUTTER QUARTERS or U2-FARMBEST BUTTER 1LB QTRS (36 Pack / 1 lb / Package)	253	\$92.44	576	\$0.16	-\$0.02	-\$12.30
NWM						
Associated Milk Producers - BUTTER PRINT SALTED CTN-36/1 LB (36 Pack / 1 lb / Carton)	358	\$80.14	576	\$0.14		
<b>Carrots</b>						
<b>Carrots</b>						
RVP						
MVP - U7 MVP CARROTS LOW SODIUM (24 Pack / 15.5 oz / Can)	1,779	\$9.98	372	\$0.03	\$0.01	\$3.17
NWM						
Seneca Foods Corporation - CARROTS CAN-24/300 (24 Pack / 300 / Can)	1,174	\$13.16	372	\$0.04		
<b>Cereal</b>						
<b>Bran flakes</b>						
RVP						
Ralston - U6 RALSTON BRAN FLAKES (14 Pack / 17.3 oz / Box)	821	\$22.05	242.2	\$0.09	\$0.00	-\$0.84
NWM						
Ralcorp Holdings / MOM Brand Sales - CEREAL WT BRAN FLKS 1344 PKG-14/17.3 OZ (14 Pack / 17.30 oz / Package)	374	\$21.21	242.2	\$0.09		
CEREAL WT BRAN FLKS 1440 PKG-14/17.3OZ	213	\$21.40	242.2	\$0.09		Not equivalent
CEREAL WT BRAN FLKS 1440 PKG-12/16 OZ	90	\$16.47	192	\$0.09		Not equivalent
<b>Corn Flakes</b>						
RVP						
Ralston - U6 RALSTON CORN FLAKES (12 Pack / 18 oz / Box)	1,280	\$19.25	216	\$0.09	-\$0.02	-\$3.93
NWM						
Ralcorp Holdings / MOM Brand Sales - CEREAL CORN FLKS 1080 PKG-12/18 OZ (12 Pack / 18 oz / Package)	1,090	\$15.33	216	\$0.07		
CEREAL CORN FLKS 1344 PKG-12/18 OZ	152	\$14.24	216	\$0.07		
<b>Corn rice biscuits</b>						

Row Labels	Cases	Weighted Average Cost per Case (Nominal)	Average of Ounces (or Ounces Equivalent) per Packet	Cost per Ounce or Ounce Equivalent	Difference in Cost per Ounce (i.e., NWM cost - RVP cost)	Difference in Cost per Case (i.e., NWM cost - RVP cost)
RVP Ralston - U6 RALSTON CORN RICE BISCUITS or U6 RALSTON RICE BISCUITS (14 Pack / 12 oz / Box)	707	\$24.96	168	\$0.15	-\$0.04	-\$7.08
NWM CEREAL CORN RICE BISC 1344 PKG-14/12 OZ	797	\$17.88	168	\$0.11		
<b>Corn squares</b>						
RVP U6 BIG G CORN CHEX CEREAL	490	\$46.23				
Big G - U6 BIG G CORN CHEX CEREAL (16 Pack / 12 oz / Box)	402	\$46.35	192	\$0.24	-\$0.13	Not equivalent
NWM Ralcorp Holdings - CEREAL CORN SQUARES 1344 PKG-14/14 OZ (14 Pack / 14 oz / Package)	635	\$22.06	196	\$0.11		
<b>Farina wheat</b>						
RVP Ralston - U2 RALSTON FARINA WHEAT PKG (24 Pack / 28 oz / Package)	1,682	\$21.09	672	\$0.03	\$0.02	Not equivalent
NWM Mom Brand Sales / Honeyville Grain - FARINA WHEAT PKG-24/14 OZ (24 Pack / 14 oz / Package)	675	\$16.33	336	\$0.05		
<b>Oat circles</b>						
RVP Ralston - U6 RALSTON TASTEEOS (12 Pack / 14 oz / Box)	1,349	\$21.94	168	\$0.13	-\$0.04	-\$5.95
NWM Mom Brand Sales - CEREAL OAT CIRCLES 1344 PKG-12/14 OZ (12 Pack / 14 oz / Package)	928	\$15.99	168	\$0.10		
<b>Rice</b>						
RVP Malt O Meal - U6 MALT O MEAL RICE CEREAL (14 Pack / 12 oz / Box)	1,474	\$23.29	168	\$0.14	-\$0.04	-\$7.55
NWM Ralcorp Holdings / Mom Brand Sales - CEREAL RICE CRISP 1008 PKG-16/12 OZ (16 Pack / 12 oz / Package)	713	\$18.06	192	\$0.09		Not equivalent
CEREAL RICE 1080 PKG-16/12 OZ	112	\$17.84	192	\$0.09		
CEREAL RICE 1080 PKG-14/12 OZ	263	\$15.75	168	\$0.09		

Row Labels	Cases	Weighted Average Cost per Case (Nominal)	Average of Ounces (or Ounces Equivalent) per Packet	Cost per Ounce or Ounce Equivalent	Difference in Cost per Ounce (i.e., NWM cost - RVP cost)	Difference in Cost per Case (i.e., NWM cost - RVP cost)
<b>Cheese</b>						
<b>Cheese slices</b>						
RVP Cooper - U2 COOPER CHSE PROCESS REG IVS or U2 SLICE COOPER CHEESE LOAF (6 Pack / 5 lb / Sliced loaf)	3,030	\$62.43	480	\$0.13	-\$0.01	-\$3.45
NWM Bongards Creameries - CHEESE BLND AMER SKMYEL REGSLC LVS-6/5LB (6 Pack / 5 lb / Sliced loaf)	2,487	\$58.98	480	\$0.12		
<b>Cheese loaf</b>						
RVP Cooper - U2 BLOCKED COOPER SKIM CHEESE or U2 COOPER CHS BLND AMER SKM YL (6 Pack / 5 lb / Whole loaf)	5,369	\$79.56	480	\$0.17	-\$0.03	-\$15.95
NWM Bongards Creameries - CHEESE PROCESS REG LVS-6/5 LB (6 Pack / 5 lb / Whole loaf)	4,785	\$63.61	480	\$0.13		
<b>Chicken</b>						
<b>Boned</b>						
RVP Crider - U4 CRIDER WHITE CHICKEN (12 Pack / 12.5 oz / Can)	836	\$6.75	150	\$0.04	\$0.08	Not equivalent
NWM CHICKEN BONED CAN-48/12.5 OZ	278	\$88.32	600	\$0.15		
CHICKEN BONED CAN-24/16OZ	448	\$49.24	384	\$0.13		Not equivalent
<b>Breast</b>						
RVP U4 HORMEL CHK CHICKEN BREAST - U4 1068 TBIRD IQF BREAST A4350 (6 Pack / 5# / Package)	2,070 2,755	\$6.76 \$53.48	 480	 \$0.11	 -\$0.01	 -\$3.79
NWM OK Foods - CHICKEN CONSUMER SPLIT BREAST PKG-6/5 LB (6 Pack / 5 lb / Package)	3,363	\$49.69	480	\$0.10		
<b>Whole</b>						
RVP Tyson Foods - U4 TYSON CHICKEN WHOLE BIRD (10 Pack / 4# / Package)	1,602	\$62.07	640	\$0.10		Not equivalent

Row Labels	Cases	Weighted Average Cost per Case (Nominal)	Average of Ounces (or Ounces Equivalent) per Packet	Cost per Ounce or Ounce Equivalent	Difference in Cost per Ounce (i.e., NWM cost - RVP cost)	Difference in Cost per Case (i.e., NWM cost - RVP cost)
NWM						
Tyson Foods - CHICKEN WHOLE BAGGED FRZ CTN-36-43 LB (1 Pack / 36-43 lb / Carton)	1,092	\$38.78	632	\$0.06		Not equivalent
<b>Corn</b>						
<b>Hominy</b>						
RVP						
Hart - U7 HART WHT HOMINY LOW SODIUM (24 Pack / 15.5 oz / Can)	822	\$11.12	372	\$0.03	\$0.01	\$3.14
NWM						
Seneca Foods Corporation / Hoopston Foods - HOMINY CAN-24/300 (24 Pack / 300 / Can)	820	\$14.26	372	\$0.04		
<b>Whole kernel</b>						
RVP						
Libby's - U7 LIBBY'S CORN WHL KERNEL LS (24 Pack / 15.5 oz / Can)	6,043	\$11.39	372	\$0.03	\$0.00	\$0.49
NWM						
Del Monte / Lakeside Foods - CORN WHOLE KERNEL CAN-24/300 (24 Pack / 300 / Can)	3,981	\$11.88	372	\$0.03		
Seneca Foods Corporation - CORN WHOLE KERNEL LOW SOD CAN-24/300 (24 Pack / 300 / Can)	434	\$11.89	372	\$0.03		
<b>Cornmeal</b>						
<b>Cornmeal</b>						
RVP						
U2 MTN MAID DGERMD YLW CRN MEA	397	\$20.29				
Shawnee Best - U2SHAWNEE BEST YELLOW CORNMEAL (8 Pack / 5 lb / Bag)	2,877	\$20.34	640	\$0.03	-\$0.01	-\$8.99
NWM						
Lifeline Foods / Shawnee Milling - CORNMEAL DEGERMED YELLOW BAG-8/5 LB (8 Pack / 5 lb / Bag)	2,884	\$11.35	640	\$0.02		
<b>Crackers</b>						
<b>Crackers</b>						
RVP						
Bremner - U2 BREMNER CRACKERS UNSALTD BO (12 Pack / 16 oz / Box)	6,383	\$32.81	192	\$0.17	-\$0.08	-\$15.59
NWM						
IBakeFoods - CRACKERS UNSALTED BOX-12/16 OZ (12 Pack / 16 oz / Box)	5,096	\$17.22	192	\$0.09		
<b>Cream of corn</b>						

Row Labels	Cases	Weighted Average Cost per Case (Nominal)	Average of Ounces (or Ounces Equivalent) per Packet	Cost per Ounce or Ounce Equivalent	Difference in Cost per Ounce (i.e., NWM cost - RVP cost)	Difference in Cost per Case (i.e., NWM cost - RVP cost)
<b>Cream of corn</b>						
RVP						
Sunshine - U7 SUNSHINE CREAM CORN LOW SOD (24 Pack / 15.5 oz / Can)	524	\$12.22	372	\$0.03	\$0.00	\$0.21
NWM						
Lakeside Foods / Del Monte - CORN CREAM STYLE CAN-24/300 (24 Pack / 300 / Can)	1,212	\$12.43	372	\$0.03		
<b>Egg</b>						
<b>Dried egg mix</b>						
RVP						
Sonstegard - U5 SONSTEGARD DRIED EGG MIX (30 Pack / 6 oz / Package)	3,383	\$60.10	180	\$0.33	-\$0.11	Not equivalent
NWM						
Sonstegard Foods Company - EGG MIX DRIED PKG-48/6 OZ (48 Pack / 6 oz / Package)	1,921	\$64.61	288	\$0.22		
<b>Fish</b>						
<b>Fish</b>						
RVP						
Honey Boy - U4 HONEY BOY PINK SALMON (24 Pack / 14.75 oz / Unknown)	381	\$65.76	354	\$0.19	-\$0.02	-\$6.68
NWM						
SALMON PINK CAN-24/14.75 OZ	725	\$59.08	354	\$0.17		
<b>Flour</b>						
<b>All purpose</b>						
RVP						
UX GOLD MEDAL ALL PURPOSE FLOU	910	\$22.62				
Shawnee Best - U2 SHAWNEE BEST ALL PURP FLOUR (8 Pack / 5 lb / Bag)	9,031	\$22.90	640	\$0.04	-\$0.02	-\$10.46
NWM						
Stafford County Flour Mills / Central Milling LLC - FLOUR ALL PURP ENRCH BLCH BAG-8/5 LB (8 Pack / 5 lb / Bag)	6,990	\$12.45	640	\$0.02		
<b>Whole wheat</b>						
RVP						
Gold Medal - U2 GOLD MEDAL WHOLE WHEAT FLOU (8 Pack / 5 lb / Bag)	960	\$28.34	640	\$0.04	-\$0.02	-\$15.60

Row Labels	Cases	Weighted Average Cost per Case (Nominal)	Average of Ounces (or Ounces Equivalent) per Packet	Cost per Ounce or Ounce Equivalent	Difference in Cost per Ounce (i.e., NWM cost - RVP cost)	Difference in Cost per Case (i.e., NWM cost - RVP cost)
NWM Stafford County Flour Mills / 21 C Foods / Central Milling LLC - FLOUR WHOLE WHEAT BAG-8/5 LB (8 Pack / 5 lb / Bag)	636	\$12.74	640	\$0.02		
<b>Instant potatoes</b>						
<b>Instant potatoes</b>						
RVP Hungry Jack - U7 HUNGRY JACK INST MASHED POT (12 Pack / 1 lb / Package)	2,880	\$26.52	192	\$0.14	-\$0.04	-\$7.71
NWM Basic American Foods / Stutz Packing Company - POTATOES DEHYDRATED FLKS PKG-12/1 LB (12 Pack / 1 lb / Package)	1,104	\$18.82	192	\$0.10		
<b>Juice</b>						
<b>Apple</b>						
RVP Fruit Patch - U3 CHERRY CNT FRT PATH APL JCE (8 Pack / 64 oz / Bottle)	6,081	\$25.02	512	\$0.05	\$0.00	-\$1.55
NWM Burnette Foods / Cherry Central Cooperative / Knouse Foods / Commerical Lynks / WorldWide Connect LLC - APPLE JUICE PLST BTL-8/64 FL OZ (8 Pack / 64 fl oz / Bottle)	4,915	\$23.47	512	\$0.05		
<b>Cranberry</b>						
RVP Fruit Patch - U3 FRUIT PATCH CRAN-APPLE JUIC (8 Pack / 64 oz / Bottle)	3,110	\$16.83	512	\$0.03	\$0.02	\$10.12
NWM Cherry Central Cooperative / Knouse Foods / Commerical Lynks / Ludford's - CRANBERRYAPPLE JUICE PLST BTL-8/64 FL OZ (8 Pack / 64 fl oz / Bottle)	2,937	\$26.95	512	\$0.05		
<b>Grape</b>						
RVP Old Orchard - U3 OLD ORCHARD 100% GRAPE JUIC (8 Pack / 64 oz / Bottle)	3,862	\$16.84	512	\$0.03	\$0.02	\$9.51
NWM Cherry Central Cooperative / Ludford's / Commerical Lynks / Burnette Foods - GRAPE CONCORD JUICE PLST BTL-8/64 FL OZ (8 Pack / 64 fl oz / Bottle)	2,826	\$26.35	512	\$0.05		
<b>Grapefruit</b>						
RVP						

Row Labels	Cases	Weighted Average Cost per Case (Nominal)	Average of Ounces (or Ounces Equivalent) per Packet	Cost per Ounce or Ounce Equivalent	Difference in Cost per Ounce (i.e., NWM cost - RVP cost)	Difference in Cost per Case (i.e., NWM cost - RVP cost)
Fruit Patch - U3 FRUIT PATCH GRAPEFRUIT JUIC (8 Pack / 64 oz / Bottle)	483	\$26.21	512	\$0.05	-\$0.02	-\$11.86
NWM						
Clement Pappas & Co / Ludford's - GRAPEFRUIT JUCE PLST BTL-8/64 FL OZ (8 Pack / 64 fl oz / Bottle)	563	\$14.35	512	\$0.03		
<b>Orange</b>						
RVP						
Fruit Patch - U3 CHERRY C FRT PATCH ORNG JCE (8 Pack / 64 oz / Bottle)	5,609	\$24.11	512	\$0.05	-\$0.01	-\$7.55
NWM						
Cherry Central Cooperative / Commerical Lynks / Clement Pappas & Co / Ludford's - ORANGE JUICE PLST BTL-8/64 FL OZ (8 Pack / 64 fl oz / Bottle)	5,601	\$16.57	512	\$0.03		
<b>Tomato</b>						
RVP						
V8 - U3 V8 TOMATO JUICE LOW SODIUM (8 Pack / 64 oz / Bottle)	1,736	\$24.33	512	\$0.05	-\$0.03	-\$13.39
NWM						
Clement Pappas & Co / Del Monte Foods, Inc / Giovanni Food Co / Ludford's - TOMATO JUICE PLST BTL-8/64 FL OZ (8 Pack / 64 fl oz / Bottle)	1,180	\$10.94	512	\$0.02		
<b>Mac and cheese</b>						
<b>Mac and cheese</b>						
RVP						
Our Family - U2 OUR FAM MAC&CHS NF#4450185 (48 Pack / 7.25 oz / Package)	6,127	\$7.98	348	\$0.02	\$0.05	\$17.80
NWM						
Philadelphia Macaroni Company / Bektrom Foods, Inc. - MACARONI & CHEESE 1404 PKG-48/7.25 OZ (48 Pack / 7.25 oz / Package)	2,373	\$25.78	348	\$0.07		
<b>Milk</b>						
<b>Evaporated</b>						
RVP						
Carnation - U2 CARNATION EVAPORATED FF MIL (24 Pack / 12 fl / Can)	10,047	\$30.80	288	\$0.11	-\$0.06	-\$16.19
NWM						
O-AT-KA Milk Products Coop - MILK SKIM EVAPORATED CAN-24/12 FL OZ (24 Pack / 12 FL oz / Can)	7,879	\$14.61	288	\$0.05		
<b>Milk instant</b>						
RVP						

Row Labels	Cases	Weighted Average Cost per Case (Nominal)	Average of Ounces (or Ounces Equivalent) per Packet	Cost per Ounce or Ounce Equivalent	Difference in Cost per Ounce (i.e., NWM cost - RVP cost)	Difference in Cost per Case (i.e., NWM cost - RVP cost)
Mountain Maid - U2 MOUNTAIN MAID INT NF DRY ML (12 Pack / 25.6 oz / Package)	395	\$117.47	307.2	\$0.38	-\$0.23	-\$70.15
NWM						
Transylvania Vocational Services - MILK INSTANT NDM PKG-12/25.6 OZ (12 Pack / 25.6 oz / Package)	263	\$47.33	307.2	\$0.15		
<b>Milk UHT</b>						
RVP						
- U2 MILK 1% MILKFAT UHT 1500 BO (12 Pack / 32 oz / Package)	25,170	\$15.51	384	\$0.04	-\$0.01	-\$4.84
NWM						
Gossner Foods / Robert H Barrios - MILK 1% MILKFAT UHT 1500 BOX-12/32 FL OZ (12 Pack / 32 fl oz / Box)	18,669	\$10.67	384	\$0.03		
<b>Mixed fruits</b>						
<b>Mixed fruit</b>						
RVP						
MVP - U1 MVP MIXED FRUIT IN JUICE (12 Pack / 15.5 oz / Can)	7,207	\$9.84	186	\$0.05	-\$0.01	Not equivalent
NWM						
Del Monte / Pacific Coast Producers - MIXED FRUIT CAN-24/300 (24 Pack / 300 / Can)	2,219	\$16.76	372	\$0.05		
<b>Mixed fruits and nuts</b>						
<b>Mixed fruits and nuts</b>						
RVP						
- U1 MT MAN DRIED MXD FRT-110160 (12 Pack / 16 oz / Bag)	566	\$63.84	192	\$0.33	-\$0.15	Not equivalent
NWM						
Stutz Packing Company - FRUIT AND NUT MIX DRIED PKG-24/1 LB (24 Pack / 1 lb / Package)	697	\$69.07	384	\$0.18		
<b>Mixed vegetables</b>						
<b>Mixed vegetables</b>						
RVP						
Tendersweet - U7 TENDERSWT MXD VEGETABLES NS (24 Pack / 15.5 oz / Can)	1,659	\$6.85	372	\$0.02	\$0.02	\$7.74
NWM						
Lakeside Foods / Del Monte - VEG MIX CAN-24/300 (24 Pack / 300 / Can)	1,009	\$14.59	372	\$0.04		
<b>Noodle</b>						

Row Labels	Cases	Weighted Average Cost per Case (Nominal)	Average of Ounces (or Ounces Equivalent) per Packet	Cost per Ounce or Ounce Equivalent	Difference in Cost per Ounce (i.e., NWM cost - RVP cost)	Difference in Cost per Case (i.e., NWM cost - RVP cost)
<b>Egg noodle</b>						
RVP						
- U2 EGG NOODLE 1/2' WIDE PKG (12 Pack / 1 lb / Package)	4,243	\$19.96	192	\$0.10	-\$0.05	-\$10.52
NWM						
American Italian Pasta Co / Dakota Growers' Pasta Company / Philadelphia Macaroni Company - EGGNOODLE 1/2 INCH WIDE PKG-12/1 LB (12 Pack / 1 lb / Package)	3,278	\$9.45	192	\$0.05		
<b>Rotini</b>						
RVP						
U2 HLTHY HVST WHL GRAIN ROTINI	116					Not equivalent
Ronzoni - U2 RONZONI PASTA ROTINI HLTHY (20 Pack / 1 lb / Package)	773	\$19.08	320	\$0.06	-\$0.03	-\$8.27
NWM						
Dakota Growers' Pasta Company / American Italian Pasta Co - WHOLE GRAIN PASTA ROTINI MAC PKG-20/1 LB (20 Pack / 1 lb / Package)	493	\$10.81	320	\$0.03		
<b>Spaghetti</b>						
RVP						
Creamette - U2 CREAMETTE SPAGHETTI (12 Pack / 2 lb / Package)	4,358	\$28.38	384	\$0.07	-\$0.05	-\$17.43
NWM						
American Italian Pasta Co / Dakota Growers' Pasta Company - PASTA SPAGHETTI PKG-12/2 LB (12 Pack / 2 lb / Package)	3,584	\$10.95	384	\$0.03		
<b>Elbow macaroni</b>						
RVP						
Skinner - U2 SKINNER SHORT CUT ELBOWS (24 Pack / 1 lb / Package)	3,564	\$30.94	384	\$0.08	-\$0.05	-\$18.30
NWM						
American Italian Pasta Co / Dakota Growers' Pasta Company / Zerega's, A Sons / Philadelphia Macaroni Company - PASTA MACARONI PLAIN ELBOW PKG-24/1 LB (24 Pack / 1 lb / Package)	2,535	\$12.63	384	\$0.03		
<b>Oats</b>						
<b>Oats</b>						
RVP						
Ralston - U2 RALSTON QUICK OATS (12 Pack / 42 oz / Tube)	3,603	\$25.77	504	\$0.05	-\$0.01	-\$5.44
NWM						

Row Labels	Cases	Weighted Average Cost per Case (Nominal)	Average of Ounces (or Ounces Equivalent) per Packet	Cost per Ounce or Ounce Equivalent	Difference in Cost per Ounce (i.e., NWM cost - RVP cost)	Difference in Cost per Case (i.e., NWM cost - RVP cost)
Mom Brand Sales / Ralcorp Holdings / Grain Millers - OATS ROLLED TUBE-12/42 OZ (12 Pack / 42 oz / Tube)	3,025	\$20.33	504	\$0.04		
<b>Oil</b>						
<b>Vegetable oil</b>						
RVP						
U2 LOUANA VEGETABLE OIL (9 Pack / 48 oz / Bottle)	3,102	\$28.22	432	\$0.07	-\$0.02	Not equivalent
NWM						
OIL VEGETABLE BTL-8/48 OZ	3,546	\$19.00	384	\$0.05		
<b>Peaches</b>						
<b>Peaches</b>						
RVP						
Our Family - U1 OUR FAMILY LITE SLCD PEACHE (24 Pack / 15.5 oz / Can)	3,658	\$19.66	372	\$0.05	-\$0.01	-\$2.54
NWM						
Pacific Coast Producers / Del Monte / Seneca Foods Corporation - PEACHES CLING SLICES CAN-24/300 (24 Pack / 300 / Can)	4,533	\$17.12	372	\$0.05		
<b>Peanut butter</b>						
<b>Peanut butter</b>						
RVP						
U2 PETER PAN CRMY PNUT BUTTER	911	\$40.77				
- U2 AMERICAN CREAM PNUT BUTTER (12 Pack / 18 oz / Jar)	4,162	\$40.96	216	\$0.19	-\$0.10	-\$22.29
NWM						
Algood Food / Clements Foods Company / American Blanching Company / Guidry Liason Group / Golden Boy Foods - PEANUT BUTTER SMOOTH JAR-12/18 OZ (12 Pack / 18 oz / Jar)	3,141	\$18.67	216	\$0.09		
<b>Peanuts</b>						
<b>Peanuts</b>						
RVP						
Fisher - U2 FISHER PNUTS RSTD REG UNS/P (12 Pack / 16 oz / Package)	2,097	\$43.35	192	\$0.23	-\$0.13	-\$24.17
NWM						
Jimbo's Jumbo's / Komal Herbals / Commerical Lynks - PEANUTS ROASTED REG UNSL PKG-12/16 OZ (12 Pack / 16 oz / Package)	958	\$19.17	192	\$0.10		

Row Labels	Cases	Weighted Average Cost per Case (Nominal)	Average of Ounces (or Ounces Equivalent) per Packet	Cost per Ounce or Ounce Equivalent	Difference in Cost per Ounce (i.e., NWM cost - RVP cost)	Difference in Cost per Case (i.e., NWM cost - RVP cost)
<b>Pears</b>						
<b>Pears</b>						
RVP						
Our Family - U1 OUR FAMILY SL LITE BART PEA (24 Pack / 15.5 oz / Can)	2,154	\$19.67	372	\$0.05	\$0.00	-\$0.57
NWM						
Pacific Coast Producers / Del Monte / Neil Jones Food Company - PEARS CAN-24/300 (24 Pack / 300 / Can)	1,721	\$19.10	372	\$0.05		
<b>Peas</b>						
<b>Peas</b>						
RVP						
Libby's - U7 LIBBY'S PEAS LOW SODIUM (24 Pack / 15.5 oz / Can)	2,113	\$15.70	372	\$0.04	-\$0.01	-\$2.22
NWM						
Seneca Foods Corporation / Del Monte - PEAS CAN-24/300 (24 Pack / 300 / Can)	1,677	\$13.48	372	\$0.04		
<b>Plums</b>						
<b>Plums</b>						
RVP						
Sunsweet - U2 SUNSWEET PITTED PRUNES CAN (12 Pack / 18 oz / Package)	675	\$38.75	216	\$0.18	-\$0.08	Not equivalent
NWM						
PLUMS PITTED DRIED PKG-24/1 LB	120	\$36.57	384	\$0.10		
<b>Pork</b>						
<b>Pork</b>						
NWM						
Farmland Foods / John Hofmeister & Son - PORK HAM WATERAD FRZ CTN-12/3 LB (12 Pack / 3 lb / Carton)	1,005	\$61.61	576	\$0.11		Unique to NWM
<b>Potatoes</b>						
<b>Potatoes</b>						
RVP						
MVP - U7 MVP POT WHT SLCS CAN LW SOD (12 Pack / 15.5 oz / Can)	3,710	\$8.04	186	\$0.04	-\$0.01	Not equivalent
NWM						

Row Labels	Cases	Weighted Average Cost per Case (Nominal)	Average of Ounces (or Ounces Equivalent) per Packet	Cost per Ounce or Ounce Equivalent	Difference in Cost per Ounce (i.e., NWM cost - RVP cost)	Difference in Cost per Case (i.e., NWM cost - RVP cost)
Seneca Foods Corporation - POTATOES WHT SLICES CAN-24/300 (24 Pack / 300 / Can)	1,712	\$12.50	372	\$0.03		
<b>Pumpkin</b>						
<b>Pumpkin</b>						
RVP						
Festal - U7 FESTAL PUMPKIN LOW SOD CND (24 Pack / 15.5 oz / Can)	506	\$21.35	372	\$0.06	\$0.00	\$1.81
NWM						
PUMPKIN CAN-24/300	401	\$23.16	372	\$0.06		
<b>Raisins</b>						
<b>Raisins</b>						
RVP						
Sun Maid - U2 SUN MAID RAISINS (24 Pack / 15 oz / Package)	1,070	\$50.28	360	\$0.14	-\$0.04	-\$15.44
NWM						
Sun-maid Growers of CA / Lion Raisins - RAISINS PKG-24/15 OZ (24 Pack / 15 oz / Package)	406	\$34.84	360	\$0.10		
<b>Rice</b>						
<b>Long grain</b>						
RVP						
Farmer's - U2 FARMER'S RICE US#2 LONG RIC (12 Pack / 2 lb / Package)	2,938	\$18.50	384	\$0.05	-\$0.02	Not equivalent
NWM						
Riceland Foods / Producers Rice Mill / Gulf Pacific Rice Co. - RICE US#2 LONG GRAIN PKG-30/2 LB (30 Pack / 2 lb / Package)	1,013	\$24.78	960	\$0.03		
<b>Sauce</b>						
<b>Applesauce</b>						
RVP						
Royal Patch - U1 ROYAL PATCH UNSWTN APPLESCE (24 Pack / 15.5 oz / Can)	1,259	\$19.54	372	\$0.05	\$0.00	\$1.16
NWM						
Burnette Foods - APPLESAUCE CAN-24/300 (24 Pack / 300 / Can)	1,104	\$20.70	372	\$0.06		
<b>Cranberry</b>						
RVP						

Row Labels	Cases	Weighted Average Cost per Case (Nominal)	Average of Ounces (or Ounces Equivalent) per Packet	Cost per Ounce or Ounce Equivalent	Difference in Cost per Ounce (i.e., NWM cost - RVP cost)	Difference in Cost per Case (i.e., NWM cost - RVP cost)
- U1 CRANBERRY SAUCE (24 Pack / 15.5 oz / Can)	593	\$25.54	372	\$0.07	-\$0.03	-\$10.06
NWM						
Clement Pappas & Co - CRANBERRY SAUCE CAN-24/300 (24 Pack / 300 / Can)	376	\$15.47	372	\$0.04		
<b>Spaghetti</b>						
RVP						
Furmano - U7 FURMANO SPAGHETE SCE LOW SO (24 Pack / 15.5 oz / Can)	2,880	\$26.80	372	\$0.07	-\$0.05	-\$17.11
NWM						
Red Gold / Furman Foods / Del Monte - SPAGHETTI SAUCE MEATLESS CAN-24/300 (24 Pack / 300 / Can)	2,711	\$9.69	372	\$0.03		
<b>Tomato</b>						
RVP						
Furmano - U7 FURMANO TOMATO SAUCE LOW SO (24 Pack / 15.5 oz / Can)	2,957	\$14.47	372	\$0.04	-\$0.01	-\$4.98
NWM						
Del Monte / Red Gold - TOMATO SAUCE CAN-24/300 (24 Pack / 300 / Can)	2,867	\$9.49	372	\$0.03		
<b>Soup</b>						
<b>Cream of chicken</b>						
RVP						
Tabatchnick Fine Foods - U7 TABATCHNICK CRM OF CHKN SOU (12 Pack / 22 oz / Carton)	2,306	\$14.27	264	\$0.05	\$0.01	\$3.84
NWM						
Tabatchnick Fine Foods - SOUP CRM OF CHICKEN RDU SOD CTN-12/22 OZ (12 Pack / 22 oz / Carton)	1,932	\$18.11	264	\$0.07		
<b>Cream of mushroom</b>						
RVP						
Tabatchnick Fine Foods - U7 TABATCHICK CRM OF MUSHROOM (12 Pack / 22 oz / Carton)	1,941	\$27.23	264	\$0.10	-\$0.04	-\$9.68
NWM						
Tabatchnick Fine Foods - SOUP CRM OF MUSHRM RDU SOD CTN-12/22 OZ (12 Pack / 22 oz / Carton)	1,717	\$17.55	264	\$0.07		
<b>Tomato</b>						
RVP						
Campbell - U7 CAMPBELL COND TOM SOUP 480M (48 Pack / 10.5 cans / Can)	843	\$24.10	720	\$0.03	\$0.00	Not equivalent

Row Labels	Cases	Weighted Average Cost per Case (Nominal)	Average of Ounces (or Ounces Equivalent) per Packet	Cost per Ounce or Ounce Equivalent	Difference in Cost per Ounce (i.e., NWM cost - RVP cost)	Difference in Cost per Case (i.e., NWM cost - RVP cost)
NWM Hirzel Canning Company / Seneca Foods Corporation / Del Monte / Mc Call Farms - SOUP TOMATO CAN-24/1 (24 Pack / 1 / Can)	578	\$12.37	360	\$0.03		
<b>Vegetable</b>						
RVP Campbell - U7 CAMPBELL'S HLTY REQUEST VEG (24 Pack / 10.5 cans / Can)	3,173	\$7.77	360	\$0.02	\$0.02	\$7.43
NWM Aunt Kitty's Foods / Seneca Foods Corporation - SOUP VEGETABLE CAN-24/1 (24 Pack / 1 / Can)	459	\$15.20	360	\$0.04		
<b>Spinach</b>						
<b>Spinach</b>						
RVP Margaret Holmes - U7 MARGARET HOLMES SPINACH LS (24 Pack / 15.5 oz / Can)	1,684	\$10.74	372	\$0.03	\$0.00	\$1.44
NWM 0 - SPINACH CAN-24/300 (24 Pack / 300 / Can)	1,289	\$12.18	372	\$0.03		
<b>Stew</b>						
<b>Beef</b>						
RVP Armour - U4 ARMOUR BEEF STEW (24 Pack / 24 oz / Can)	8,418	\$19.25	576	\$0.03	\$0.04	\$21.46
NWM Pinnacle Food Corp / Ameriquel Group - BEEF STEW CAN-24/24 OZ (24 Pack / 24 oz / Can)	3,579	\$40.71	576	\$0.07		
<b>Sweet potatoes</b>						
<b>Sweet potatoes</b>						
RVP Bruce - U7 BRUCE'S CUT YAM (24 Pack / 15.5 oz / Can)	1,669	\$6.24	372	\$0.02	\$0.03	\$11.82
NWM SWEET POTATOES W/ SYRUP CAN-24/300	459	\$18.06	372	\$0.05		
<b>Tomato</b>						
<b>Tomato</b>						

Row Labels	Cases	Weighted Average Cost per Case (Nominal)	Average of Ounces (or Ounces Equivalent) per Packet	Cost per Ounce or Ounce Equivalent	Difference in Cost per Ounce (i.e., NWM cost - RVP cost)	Difference in Cost per Case (i.e., NWM cost - RVP cost)
<b>RVP</b>						
Furmano - U7 FURMANO DICED TOMATO LOW SO (24 Pack / 15.5 oz / Can)	3,837	\$11.66	372	\$0.03	\$0.00	\$0.07
<b>NWM</b>						
Red Gold - TOMATO DICED CAN-24/300 (24 Pack / 300 / Can)	1,897	\$10.28	372	\$0.03		
Red Gold - TOMATO DICED LOW SOD CAN-24/300 (24 Pack / 300 / Can)	242	\$11.73	372	\$0.03		
<b>Turkey</b>						
<b>Breast</b>						
<b>NWM</b>						
House of Raeford Farms - TURKEY BREAST COOKED CTN-12/3.25 LB (12 Pack / 3.25 lb / Carton)	1,148	\$107.36	624	\$0.17	\$0.02	\$9.53
<b>Turkey</b>						
<b>RVP</b>						
- U4 OVEN ROASTED TURKEY (12 Pack / 3.25 lb / Package)	924	\$116.88	624	\$0.19		
<b>Grand Total</b>	<b>426,685</b>					

# Appendix H: Pictures of the Four ITO FDPIR Warehouses/Centers

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**Exhibit H-1: ITO FDPIR Warehouse Exterior**



**Exhibit H-2: ITO FDPIR Warehouse Entrance**



**Exhibit H-3: ITO Warehouse Loading Dock**



**Exhibit H-4: ITO FDPIR Warehouse Dry Storage Room**



**Exhibit H-5: ITO FDPIR Warehouse Dry Storage Room**



**Exhibit H-6: ITO FDPIR Warehouse Dry Storage Room**



### **Exhibit H-7: ITO FDPIR Warehouse Cold Storage Room**



### **Exhibit H-8: ITO FDPIR Food Distribution Room**



*Note: Posters on the wall provide information on the benefits of eating healthy foods and staying active. The counter on the right is where FDPIR participants are served. Items that need refrigeration are stored in the fridges behind the service counter.*

### **Exhibit H-9: ITO FDPIR Food Distribution Room Checkout Stands**



*Note: In some ITOs, FDPIR participants select eligible items and quantities from store-like aisles and use checkout stands similar to grocery stores. In other ITOs, FDPIR participants fill out a food package order on a paper form and hand the form to a distribution center staff member to prepare their the food package.*

**Exhibit H-10: ITO FDPIR Food Distribution Room Checkout Stands**



**Exhibit H-11: ITO Food Preparation Demonstration Room in FDPIR Center**



**Exhibit H-12: ITO Food Preparation Demonstration Room in FDPIR Center**



**Exhibit H-13: ITO FDPIR Food Distribution Store Aisle**



**Exhibit H-14: ITO FDPIR Food Distribution Store Aisles**



**Exhibit H-15: ITO FDPIR Food Distribution Store Aisle**



**Exhibit H-16: ITO FDPIR Food Distribution Store Aisle and Refrigerated Foods Section**



**Exhibit H-17: ITO FDPIR Food Distribution Store Refrigerated Foods Section**



**Exhibit H-18: ITO FDPIR Food Distribution Center Sign with “Native American Food Pyramid”**



**Exhibit H-19: ITO FDPIR Food Distribution Center Sign about Possible “Can Defects”**



**Exhibit H-20: Free Recipe Cards in FDPIR Store**



**Exhibit H-21: Libby's Whole Kernel Sweet Corn on Shelf in FDPIR Store**



*Note: Product best if used by date is provided on base of can*

**Exhibit H-22: Low Sodium White Hominy**



*Note: Product best if used by date is provided on base of can*

**Exhibit H-23: Shawnee Best Yellow Corn Meal**



*Note: Product names are provided in English and an American Indian language*

**Exhibit H-24: Peak Pinto Beans**



**Exhibit H-25: Our Family Sliced Peaches**



**Exhibit H-26: Lakeside Foods Beef with Juices**



*Note: This food item had the least attractive packaging the MSG Team noted during the site visits.*

**Exhibit H-27: Lakeside Foods Beef with Juices**



*Note: Product best if used by date was not provided on base of can*

**Exhibit H-28: FDPIR Food Package Prepared for Program Participant**



*Note: FDPIR food package prepared for a program participant at an ITO food distribution center*

**Exhibit H-29: Damaged Goods at ITO Warehouse**



*Note: FDPIR food items damaged prior to and/or after delivery to ITO.*

**Exhibit H-30: Damaged Goods at ITO Warehouse**



*Note: FDPIR food items damaged prior to and/or after delivery to ITO.*

## Appendix I: Pictures of the MDV Warehouse

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The MDV Warehouse used in the RVP is located in Oklahoma City, Oklahoma. The Oklahoma warehouse is one of MDV's eight warehouses across the U.S.

**Exhibit I-1: MDV Warehouse Loading Area**



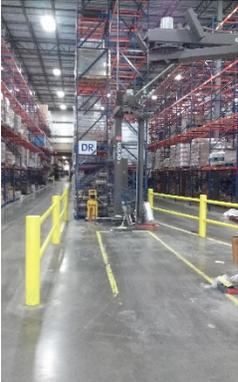
**Exhibit I-2: MDV Warehouse Loading Docks**



**Exhibit I-3: MDV Warehouse Storage Shelves**



**Exhibit I-4: MDV Warehouse Storage Shelves**



**Exhibit I-5: MDV Warehouse Storage Shelves**



**Exhibit I-6: MDV Warehouse Storage Shelves**



**Exhibit I-7: MDV Warehouse Cases Stacked on Pallets**



**Exhibit I-8: Cases of Egg Mix**



**Exhibit I-9: Cases of Canned Beef with Juices**



**Exhibit I-10: Cases of Tio Franco Black Beans**



**Exhibit I-11: Cases of Tendersweet Sliced Carrots**



**Exhibit I-12: Cases of Old Orchard Grape Juice**



## Appendix J: Pictures of the Paris Brothers Warehouse

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Paris Brothers warehouse is located in the SubTropolis subterranean industrial park in Kansas City, Missouri. The SubTropolis underground park has a constant low natural temperature, which reduces air-conditioning and refrigeration needs for tenants.

**Exhibit J-1: Paris Brothers Warehouse**



**Exhibit J-2: Paris Brothers Warehouse**



**Exhibit J-3: Paris Brothers Warehouse**



**Exhibit J-4: The Stafford County Flour Mills Co. All Purpose Flour at Paris Brothers Warehouse**



**Exhibit J-5: Del Monte Whole Kernel Corn at Paris Brothers Warehouse**



**Exhibit J-6: Mother's Maid Low Sodium Kidney Beans**

