

# The Importance of Maximizing Commodity Dollars

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# Topics

- Mission
- Eligibility
- Funding
- Allocation
- Spending Options
- Illinois Commodity System (ICS)
- Vendors and Food Service Management Companies
- Audits and Reviews
- Resources

# Mission

The mission of the Food Distribution Programs is to strengthen the Nation's nutrition safety net by providing food and nutrition assistance to **school children** and families; and support American agriculture by distributing high quality, 100% American-grown USDA Foods.



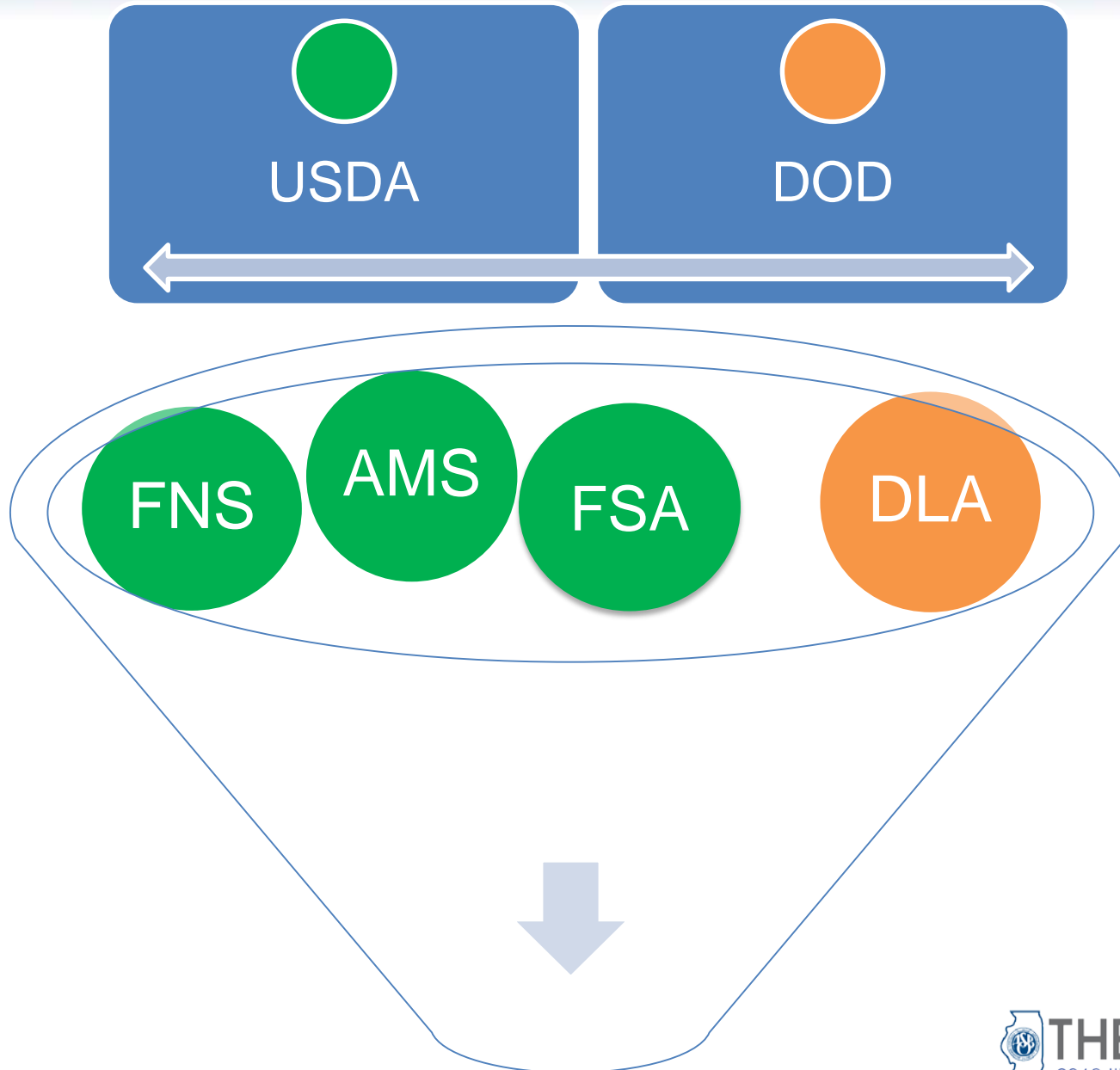
# Eligibility

## Facilities participating in the National School Lunch Program (NSLP)

- Public school districts
- Non-public schools
- Charter schools
- Special education cooperatives
- Residential Child Care Facilities (RCCIs)



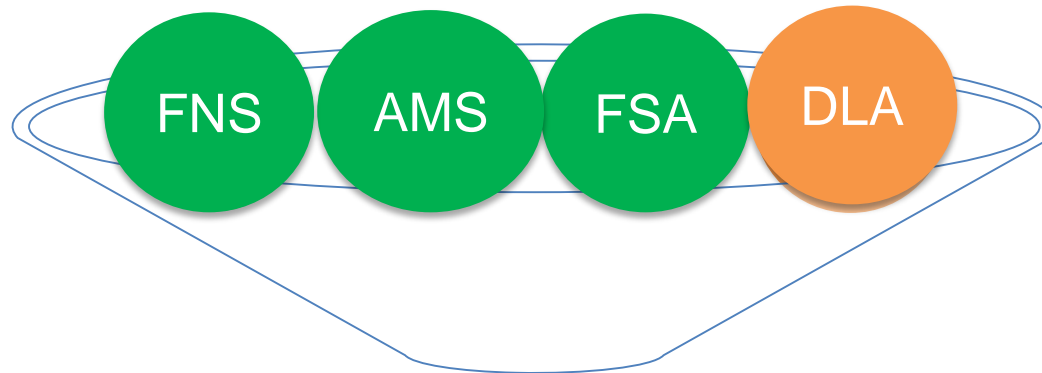
# Funding



FNS



Food  
Distribution  
Division



State Agency – Lanter Warehouse

Schools

Children

# Funding

State entitlement is based on the estimated number of lunches served between July 1 and June 30 of each year, in schools participating in NSLP, multiplied by a rate set by the federal government.





# Allocation

- Planned Assistance Level (PAL)
- Base rate set by USDA annually (\$0.35 for SY18)
- SY 2018 PAL calculation:

$\text{PAL } \$ = \$0.35 \times \text{SY2016 \# of lunches claimed in NSLP}$



# Allocation

## Example:

School District A

Sum of SY16 meal counts = 108,278

Base Rate = \$0.35

SY18 PAL calculation:  $\$0.35 \times 108,278 = \$37,897$



# Allocation

PAL	# of RAs
\$1 - \$5,000	205
\$5,001 - \$12,000	211
\$12,001 - \$25,000	231
\$25,001 - \$100,000	325
\$100,000 - \$2,000,000	108
\$15,000,000	1
<b>Total PAL: \$60,000,0000</b>	<b>TOTAL RAs: 1,081</b>



# Spending Options

Three options:

1. USDA Foods / commodities / brown box
2. DOD Fresh, fruits and vegetables
3. Diversion to processor



# Spending Options

## 1. USDA Foods / commodities / brown box

- Order once per year via ISBE's Illinois Commodity System (ICS)
- Delivered monthly, August through April
- USDA and ISBE determine which items are delivered in which months
- Schools pay the delivery cost



# Spending Options

## 2. DOD Fresh, fruits and vegetables

- Allocate a portion of PAL once per year
- Order weekly via DOD's FFAVORS system
- Delivered weekly, August through end of school year
- \$100 minimum order per delivery
- No delivery cost to the school



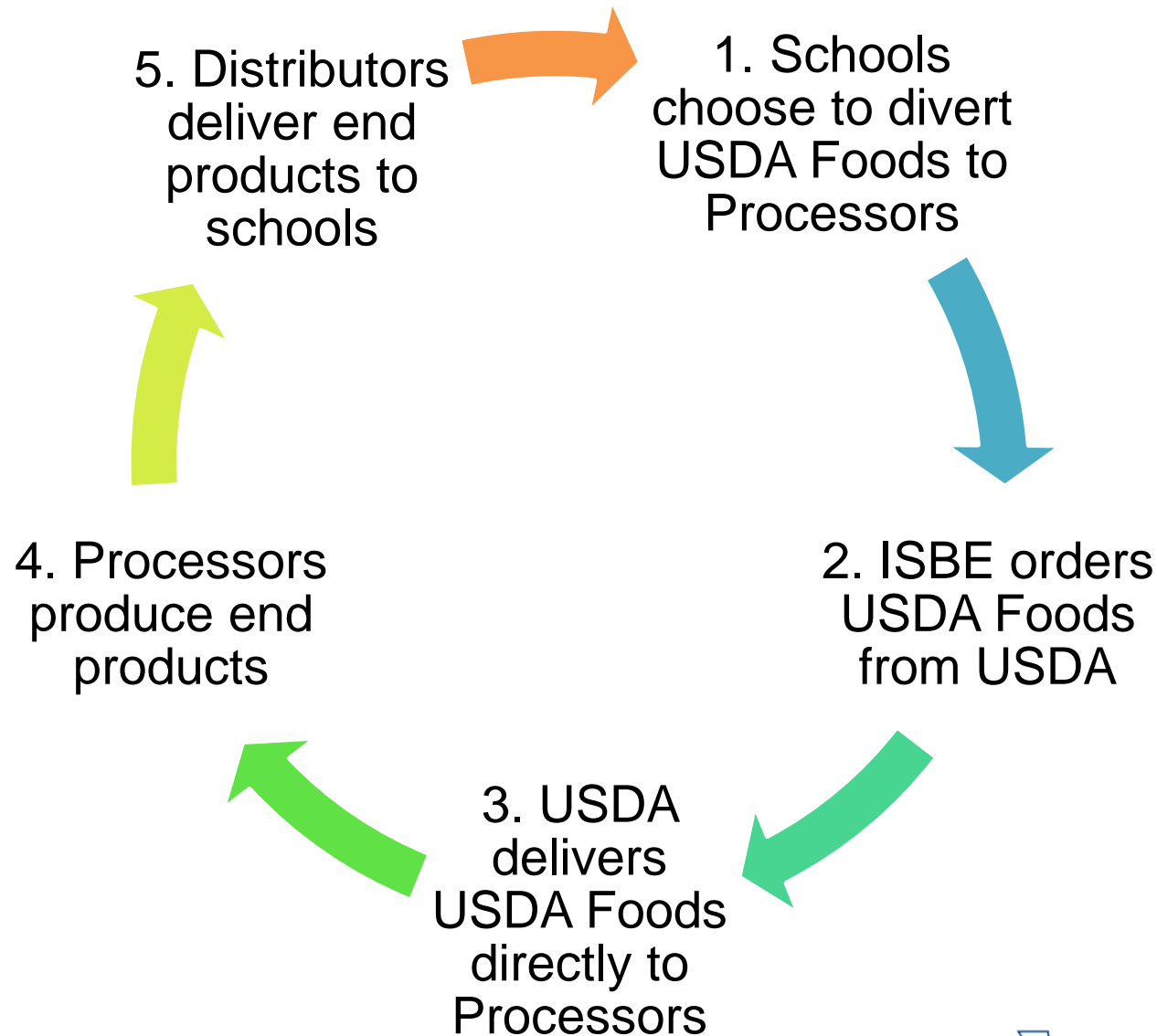
# Spending Options

## 3. Diversion to Processor

- Allocate a portion of PAL once per year
- Order from your contracted distributor
- Delivered based on distributor contract terms
- Delivery cost based on distributor contract terms
- Receive value of USDA Foods



# Spending Options – Diversion to Processor





# Spending Options

## Diversion to Processor

- Calculate pounds needed – **Processing Basics** guide on ISBE website

[https://www.isbe.net/Documents/ics\\_basics.pdf](https://www.isbe.net/Documents/ics_basics.pdf)



# Spending Options

## Diversion to Processor

Methods of receiving the value of USDA Foods:

- Net off invoice
- Refund / rebate
- Fee for service



# Illinois Commodity System (ICS)

- All Illinois USDA Foods orders are first placed via the Illinois Commodity System, which is an ISBE web-based data system.
- Orders are placed once a year in ICS, generally in January.
- ICS orders are based on the school year, July 1 to June 30.



# Illinois Commodity System (ICS)

- Each school district must have one authorized user in order to place orders.
- A back-up user is recommended.
- School districts may allow user access for Food Service Management Companies and vended meal companies.



# Vendors and FSMCs

- Companies providing vended meals and Food Service Management Companies must use at least 85% of the school district's annual USDA Foods allocation, per contract requirements.



# Audits / Reviews

- Independent Annual Audit
- ISBE Nutrition Programs Administrative Review / Procurement Review



# Illinois Commodity System (ICS)

## PAL Usage

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Beginning PAL Balance:	\$622,089.3050
PAL Processing Deduction:	\$313,227.4075
DoD Fresh Fruits & Vegetables Deduction:	\$95,000.0000
Available for PAL USDA Foods Requests:	\$213,861.8975
Value of PAL USDA Foods Requested:	\$287,575.4060

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# Illinois Commodity System (ICS)

## USDA Foods Order Form

2019 - SCHOOL (A) ▾

Dairy, Grains, Nuts, Oils ▾

Go

Code	USDA Foods Name	PAL/ Bonus	Accepted	Requested	Balance	Case Value	Requested Value	Pack Size	Storage Type
100037	CHEESE, BLND, AM/SKIM WHITE SLC	PAL	<input type="checkbox"/>	0	0	\$50.7870	\$0.0000	6/5# LOAVES	Cooler
100036	CHEESE, BLND, AM/SKIM YELLOW SLC	PAL	<input checked="" type="checkbox"/>	350	350	\$50.7870	\$17,775.4500	6/5# LOAVES	Cooler
100012	CHEESE, CHEDDAR R/F SHRED YELLOW	PAL	<input checked="" type="checkbox"/>	300	300	\$49.6530	\$14,895.9000	6/5# BAGS	Cooler
100034	CHEESE, MOZZ LT SHRED FRZ	PAL	<input checked="" type="checkbox"/>	300	300	\$48.8730	\$14,661.9000	30# BOX	Freezer
110396	CHEESE, MOZZ, STRING, 1 OZ STICKS	PAL	<input checked="" type="checkbox"/>	50	50	\$54.0383	\$2,701.9150	360/1 oz sticks	Cooler
110501	MACARONI, WHOLE GRAIN-RICH BLEND	PAL	<input checked="" type="checkbox"/>	75	75	\$8.1540	\$611.5500	20# Carton	Dry
100439	OIL, VEGETABLE	PAL	<input type="checkbox"/>	0	0	\$25.2206	\$0.0000	6/1 GAL BTL	Dry
110393	PANCAKES, WHOLE GRAIN FRZ	PAL	<input type="checkbox"/>	0	0	\$10.1628	\$0.0000	12# CARTON	Freezer
100396	PEANUT BUTTER, SMOOTH	PAL	<input checked="" type="checkbox"/>	75	75	\$32.0790	\$2,405.9250	6/5# CANS	Dry
110520	PENNE, WHOLE GRAIN-RICH BLEND	PAL	<input checked="" type="checkbox"/>	75	75	\$8.4220	\$631.6500	20# Carton	Dry
100500	RICE, BROWN, LONG GR, PARBOILED	PAL	<input checked="" type="checkbox"/>	15	15	\$30.6144	\$459.2160	24/2# BAGS	Dry
110504	ROTINI, WHOLE GRAIN-RICH BLEND	PAL	<input checked="" type="checkbox"/>	75	75	\$8.9380	\$670.3500	20# Carton	Dry
110506	SPAGHETTI, WHOLE GRAIN-RICH BLEND	PAL	<input checked="" type="checkbox"/>	150	150	\$7.8540	\$1,178.1000	20# Carton	Dry
100935	SUNFLOWER SEED BUTTER	PAL	<input checked="" type="checkbox"/>	20	20	\$52.7550	\$1,055.1000	6/5# CANS	Dry
110394	TORTILLA, WHOLE GRAIN FRZ	PAL	<input type="checkbox"/>	0	0	\$19.1025	\$0.0000	288 1.5 oz TORTILLAS	Freezer



- Newly Offered USDA Foods



- Inactive



- View USDA Foods Details



# Illinois Commodity System (ICS)

**DOD  
selection  
screen**

## DOD Fresh Fruits & Vegetables Information

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**THIS FORM MUST BE FIL**

**\*\*Participation in this program is optional! If you allo  
do not designate money for this program if you**

The DoD Fresh Fruits and Vegetables Program is now av  
Beginning PAL (Entitlement) Balance you would like to de  
rest of the annual order.

You can designate up to 100% of your Beginning PAL Bal  
your Beginning PAL (Entitlement) Balance. There is a \$10  
Processors or USDA Foods orders.

If you choose to participate in this program, you can place  
Order Receipt System (FFAVORS) at <http://www.fns.usda.gov>  
215-737-5373 or e-mail [evan.newpher-lockard@dla.mil](mailto:evan.newpher-lockard@dla.mil) if  
available, the back-up contact is Deborah Peden at 215-7

\*Participate:  Yes  No

Total PAL \$'s to spend on DoD:

# Illinois Commodity System (ICS)

Select Program Year:

2019 ▼

USDA Foods Diverted for Processing:

Processor	USDA Foods	PAL/Bonus	Cost/lb	Pounds	Total PAL
ADVANCE / PIERRE FOODS	BEEF FRESH COMBO [100155]	PAL	2.1665	8,059	17,459.8235
ADVANCE / PIERRE FOODS	PORK, BONELESS PICNIC [100193]	PAL	1.1119	2,881	3,203.3839
Cargill SUNNY FRESH FOODS	EGGS [100047]	PAL	0.4055	8,879	3,600.4345
Del Monte	PEACHES, CND [100220]	PAL	0.6741	13,444	9,062.6004
Del Monte	PEARS [100225]	PAL	0.6715	7,490	5,029.5350

**Diversion  
to  
Processor**

# Resources

- ISBE Food Distribution Program website  
<https://www.isbe.net/Pages/School-Nutrition-Programs-Food-Distribution.aspx>
- Food Distribution Program Handbook  
[https://www.isbe.net/documents/commodity\\_handbook.pdf](https://www.isbe.net/documents/commodity_handbook.pdf)



# Resources

- ICS Manual <https://www.isbe.net/Documents/ics-instruction-manual.pdf>
- Processing Basics [https://www.isbe.net/Documents/ics\\_basics.pdf](https://www.isbe.net/Documents/ics_basics.pdf)



# *Questions and Answers*

*We thank you for your time!*

# Presenter:

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## **MODERATOR INFO:**

Name, Job Title; School District, Business  
(123) 456-7890; email