

SUBJECT: Distribution and Control of Donated Food - Electronic Commodity Ordering System

A. Purpose. This policy provides information and procedures for requesting USDA donated foods.

B. Scope. This policy applies to all Recipient Agencies (RAs) participating in the National School Lunch Program (NSLP), Summer Food Service Program for Children (SFSP) and the Nutrition Services Incentive Program (NSIP).

C. Authority.

1. 7 CFR Sec. 250.13, Distribution and Control of Donated Foods.
2. 7 CFR Sec. 250.48, School Food Authorities and Commodity Schools
3. FNS Instruction 705-1

D. Commodity Food Groups. Commodities are packaged in food service size packages and are grouped into the following categories:

1. Entitlement Commodities.
 - (a) Group A Commodities. Meat, fish, poultry, fruits and vegetables.
 - (b) Group B Commodities. Grains, oils, shortening, cheese and peanut products.
5. Bonus Commodities. This includes both Group A and Group B commodities provided by USDA for market stabilization and surplus removal of commodities.

E. Meal Rate and Quantities of Donated Foods for the NSLP.

1. Meal Rate. For each school year (SY), the national per meal rate of donated foods will be adjusted by USDA on July 1 to reflect changes in the Producer Price Index. These adjustments will be computed to the nearest ¼ cent and will be made effective at the beginning of each SY. Bonus commodities are not included in calculating the per meal rate. USDA may subsequently adjust the per meal rate, as necessary in order to meet the 12% provision. (As required by the National School Lunch Act, no less than 12% of the assistance provided to schools must be in the form of commodities.)
2. Quantities. Distribution of donated foods to the State by USDA is calculated by multiplying the number of lunches served in the preceding school year by the national

average per meal rate of donated food. The number of reimbursable lunches served will be derived from the monthly claims submitted to the Department of Education by the school food service authorities. After the end of each SY, USDA will reconcile the number of reimbursable lunches served with the number served in the preceding school year, and based on this reconciliation, will increase or decrease the subsequent State entitlement. No later than October 1 of each SY, the estimated number of lunches served in the preceding school year will be provided to the Bureau by the Department of Education.

F. Policy.

1. Entitlement. The Bureau shall offer each school food service authority no less than the national average per meal value of donated commodities established by USDA. This value is called the commodity offer value. The entitlement is calculated for each school food service authority by multiplying the commodity offer value times the number of reimbursable meals served by each school food service authority in the previous SY. A school year extends from July 1 of the present year until June 30 of the following year.
2. Kosher School Lunch Program. Some schools participate in the Kosher School Lunch Program in conjunction with the Board of Jewish Education (BJE) of Greater New York. Currently, schools participating outside the State of New York have 60% of their entitlement accorded to the BJE for the purchase of meat, poultry, cheese products, vegetable oil and peanut butter. Accordingly, the Bureau will decrease these schools' entitlements by 60% for the kosher foods.

G. Procedures.

1. On a continual basis, USDA will release into the Electronic Commodity Ordering System (ECOS), surveys of all commodities currently being offered to the State for requisition. The Bureau will then filter the commodities to the RAs along with deadlines for requisitioning. Information in ECOS provides the commodity name, number, current value, pack size, truckload quantity and delivery periods offered for items USDA anticipate purchasing for the designated school year. Using the ECOS Product Catalog, each RA designates those commodities it can use, the quantity and delivery period desired.
2. RAs must log into ECOS regularly, using a Bureau issued user-id and password, in order to monitor for new surveys as well as to requisition any commodities for delivery. RAs are encouraged to requisition as much commodities that can be used and safely stored within a given school year. Due to factors such as fluctuating prices and/or minimal requests for an item, purchases of any specific commodity are not guaranteed by USDA. The Bureau is required to place commodity orders in full truckloads. This requirement prohibits the Bureau from ordering commodities with minimal requests, as well as limits ordering commodities for specifically requested

delivery periods. To ensure full usage of the allocated entitlement, RAs are encouraged to requisition items in excess of their entitlement, as dictated by the Bureau, in the event commodities are not purchased by USDA.

3. Subsequent Offers by USDA. During the year, USDA will make offers for commodities that may require an immediate response. The Bureau will alert each RA, via email, of the commodities that have been added to the product catalog for immediate requisitioning.
4. Commodity Values. The values of the commodities offered will be as stated in ECOS.
5. Monitoring ECOS. RAs should monitor ECOS daily *or* no less than once a week to determine the status of requisitions, orders, shipments, entitlement balances, etc.