



## Wisconsin USDA Foods Program

### Reference Guide for New Food Service Directors

For New School Food Authorities and/or New Foodservice Personnel participating through the National School Lunch Program

#### General Program Information

The United States Department of Agriculture (USDA) purchases foods to support the American agricultural market and to remove surplus. These food products are called USDA Foods. These USDA Foods are offered to participants of different government supported programs, such as the National School Lunch Program (NSLP) and the Summer Food Service Program (SFSP).

A wide variety of foods are available through the USDA Foods Program, including meats, cheeses, beans, oils, fruits, vegetables, peanut products, pasta products, various flours, rice, and other grain products.

As a participant in the NSLP, School Food Authorities (SFAs) receive a yearly dollar allotment (entitlement) that is to be spent towards ordering USDA Foods to be served in meal programs. This yearly entitlement is based on each SFA's prior year's total reimbursable lunches served times the annual federal assistance rate per meal. Therefore, the amount of yearly entitlement that each SFA receives varies based on the number lunches served. Nationwide, USDA Foods accounts for approximately 17-20% of the foods received for SFAs participating in the NSLP.

In addition, all USDA Foods have a yearly entitlement dollar value, which represents the actual cost of the product as purchased by USDA from the market. For every case of a particular USDA Foods that is ordered and received by an SFA, the entitlement dollar value is subtracted from the SFA's yearly entitlement dollar allotment. Therefore, SFAs do not directly pay the entitlement dollar value for USDA Foods.

In addition to entitlement USDA Foods, USDA periodically has "bonus" USDA Foods. Bonus USDA Foods are those that are declared as surplus by USDA and are offered only as they become available. Therefore, the entitlement dollar value of these products is not subtracted from SFAs' yearly entitlement dollar allocations.

However, there are handling and processing fees that SFAs will pay to order and receive USDA Foods. The entitlement value of USDA Foods covers only the food purchase by USDA and shipment to the state-designated location.

# TABLE OF CONTENTS

I.	<a href="#">Annual Order</a>	3
II.	<a href="#">Wisconsin USDA Foods Ordering System</a>	3
III.	<a href="#">Entitlement Dollar Spending Options</a>	3
IV.	<a href="#">Delivery Options</a>	5
V.	<a href="#">Costs of USDA Foods</a>	6
VI.	<a href="#">Invoicing</a>	6
VII.	<a href="#">Commodity Allocation and Receipt Summary (CARS) Report</a>	6
VIII.	<a href="#">Training Opportunities</a>	7
IX.	<a href="#">USDA Foods Hold and Recall Process</a>	7
X.	<a href="#">Wisconsin SFAs in USDA Foods Network</a>	7
XI.	<a href="#">Policy and Procedures</a>	7

## I. Annual Order

To be eligible to receive USDA Foods, SFAs must have an approved NSLP contract with the Department of Public Instruction (DPI), School Nutrition Team. Each SFA participating in the Wisconsin USDA Foods Program will submit a USDA Foods order into the *Wisconsin USDA Foods Ordering System*. The annual ordering period timeframe varies, based on USDA determined state-level ordering deadlines. However, typically, this annual ordering period occurs February and March timeframe to receive USDA Foods for the following school year. Additional guidance materials regarding the annual order process, as well as additional tools for placing the annual order, are available on DPI USDA Foods webpage: [Annual Order Survey](#).

## II. Wisconsin USDA Foods Ordering System

Submitting the USDA Foods Annual Order Survey, ordering, and DPI fees invoicing information are available by logging into the *Wisconsin USDA Foods Ordering System*. To access the *Wisconsin USDA Foods Ordering System*, each SFA has an agency user ID (agency code) and four-digit password.

Instructions for accessing the *Wisconsin USDA Foods Ordering System* are available on the DPI USDA Foods webpage: [Ordering System](#).

## III. Entitlement Dollar Spending Options

USDA offers a wide variety of USDA Foods through the NSLP including meats, cheeses, beans, oils, fruits, vegetables, peanut products, pasta products, various flours, rice, and other grain products. USDA manages the procurement and shipping of the USDA Foods to the initial location designated by states.

USDA Foods that are received in the same form in which they are ordered from USDA are often referred to as “Direct Delivery”, and still often referred to as brown box or commodities. Frozen corn, canned peaches, diced chicken, and turkey ham are all examples of “Direct Delivery” USDA Foods.

In addition to the ordering and receipt of “Direct Delivery” USDA Foods, there are other spending options available to SFAs.

### A. Further-Processed End Products

SFAs wanting to receive further-processed end products can select from one of two processing options: the State Processing Program or the Direct Diversion Processing Program. Participation in either processing program is done annually by SFAs and is indicated during the USDA Foods Annual Order Survey.

#### 1. State Processing Program

In this processing program, bulk USDA Foods are ordered by the DPI and shipped directly from a USDA vendor to a processor. The bulk USDA Foods are further processed into finished end products, which have been determined through a state-wide bid process. The finished end products are shipped from the processor to the state-contracted warehouses and are distributed to SFAs along with the “Direct Delivery” USDA Foods. Finished end products available through the State Processing Program are assigned with a four-digit product code that begins with the letter “C.”

For the State Processing Program, the DPI manages the procurement, the negotiation of the delivery schedule with the processors, and the delivery of the finished end products into the state-contracted warehouses.

Additional nutrition fact sheet information on the State Processing Program finished end products is available on the *Specification and Nutrition Information* section of the DPI USDA Foods webpage: [State Processing Program](#).

2. Direct Diversion Processing Program

In this processing program, bulk USDA Foods are ordered by the DPI, on behalf of participating SFAs, to be shipped directly from a USDA vendor to a processor. These bulk USDA Foods are further processed into end products according to each participating SFA's request. The participating SFAs are responsible for the procurement of these finished end products, negotiation of the delivery schedule with the processor(s), and delivery of the finished end products through the distributor(s) determined by the SFAs.

Finished end products received through the Direct Diversion Processing Program are delivered through each participating SFA's-contracted distributor and cannot be delivered through the state-contracted warehouses.

Additional information is available on the DPI USDA Foods webpage: [Direct Diversion Program](#).

**B. Cheese Rebate Program**

SFAs participating in the State Processing Program also have the option of participating in the Cheese Rebate Program. In this program, participating SFAs use a competitive procurement process to determine the processor(s) from whom they will order finished end products, as well as commit pounds of bulk mozzarella cheese to this chosen processor(s). On the annual USDA Foods Order, participating SFAs indicate these selections and enter their bulk pound commitment(s) to the processor(s).

During the school year, participating SFAs order the finished end products through the distributor(s) procured by the SFAs. These products are then eligible for a rebate for the value of the USDA bulk mozzarella cheese contained in each case of product.

Additional information on the Cheese Rebate Program is available on DPI USDA Foods webpage: [Cheese Rebate Program](#).

**C. Department of Defense (DoD) Fresh Produce Program**

USDA and the Defense Supply Center Philadelphia's Subsistence Produce Business Office of DoD have partnered to increase the availability of a wide variety of fresh fruits and vegetables delivered directly to participating SFAs. Participation in the DoD Fresh Produce Program is an annual commitment and is done during the placement of the USDA Foods Annual Order Survey.

During the school year, participating SFAs place orders for the fresh produce directly through the DoD ordering webpage, FFAVORS. The delivery of fresh produce is separate from the delivery of other USDA Foods.

Additional information on the DoD Fresh Produce Program is available on the DPI USDA Foods webpage: [DoD Fresh Produce Program](#).

**D. Fair-Share Allocation Order Opportunities**

In addition to USDA Foods received through placement of the USDA Foods Annual Order Survey, from time to time, USDA may offer additional USDA Foods, through agricultural surplus and/or availability of new USDA Foods. As available, these additional USDA Foods are offered to SFAs through a fair-share process in the *Wisconsin USDA Foods Ordering System*. The amount of products offered is based on each SFA's entitlement percentage of the state's total entitlement.

When these order opportunities occur, DPI emails instructions to SFAs since these opportunities do not come up very often.

**E. Surplus Screen Ordering Opportunities**

In addition to USDA Foods received through placement of the USDA Foods Annual Order Survey, surplus USDA Foods are available from time to time, because of SFA closures and/or SFAs dropping out of the NSLP. These additional USDA Foods become available on a first-come, first-requested basis through the "Surplus Screen" of the *Wisconsin USDA Foods Ordering System*.

When these order opportunities occur, DPI emails instructions to SFAs since these opportunities do not come up very often.

**IV. Delivery Options**

For the "Direct Delivery" USDA Foods and the finished end products received through the State Processing Program, USDA and/or the processor(s) manage the initial delivery of the USDA Foods into the state of Wisconsin. However, once these USDA Foods arrive in Wisconsin, SFAs have two delivery options for obtaining these USDA Foods: State-Contracted Delivery or School-Contracted Delivery (Commercial Distribution). SFAs select the desired delivery option on an annual basis.

**A. State-Contracted Delivery**

With this delivery option, SFAs receive a once per month tailgate delivery to one drop-off point per SFA. When this delivery option is chosen, it is the SFA's responsibility to have personnel available monthly to off-load orders from the truck. The DPI manages the procurement and resulting contracting requirements for SFAs that select this delivery option.

**B. School-Contracted Delivery (Commercial Distribution)**

With this delivery option, SFAs are responsible for the procurement and contracting with a commercial distributor for delivery of USDA Foods. SFAs participating in this delivery option are responsible for negotiating the delivery schedule with the school-contracted commercial distributor.

Additional information regarding the Delivery and Storage of USDA Foods is available on the DPI USDA Foods webpage: [Delivery and Storage](#).

## V. **Costs of USDA Foods**

USDA pays for the initial packaging of USDA Foods (both Direct Delivery and bulk) and for transporting it to the state-designated locations. Once the USDA Foods have been delivered to the state-designated location, there are additional costs that occur. Each SFA is responsible for covering the additional fees associated with the ordering and receipt of USDA Foods. Depending on which processing option and which delivery method has been selected, SFAs may be invoiced for the following handling charge fees: the administrative fee, the storage fee, the delivery fee, and the further processing fee. See below for a description of each fee.

*Administrative Fee* – This is the amount charged to cover the basic costs associated with the administration of the USDA Foods Program at the state level. This fee is assessed for all USDA Foods requiring DPI monitoring, and over-sight, including bulk pounds/cases to a processor for further processing into finished end products.

*Storage Fee* – This fee covers the initial storage costs that occur prior to release of USDA Foods from the State-Contracted warehouse(s).

*Delivery Fee* – This fee is for SFAs that select the State-Contracted Delivery method and is the amount charged to cover the costs associated with the once per month delivery of USDA Foods.

*Processing Fee* – This fee covers the processing costs for the processor to take the bulk USDA Foods and turn them into finished end products. This processing fee only applies to SFAs that are participating in the State Processing Program. The processing fee is charged on a per case basis.

The handling charge fees are established on a yearly basis. A copy of the current handling charge rates, as well as other important financial data, is available on the DPI USDA Foods webpage: [Product Values and Fees](#).

## VI. **Invoicing**

Wisconsin USDA Foods orders are processed monthly and therefore, the handling charge fees are calculated monthly. Any applicable costs, such as administrative fees, storage fees, delivery fees and processing fees are automatically off set and taken from the monthly NSLP federal reimbursement claim submitted by SFAs. As each monthly NSLP claim reimbursement is processed, the total handling charge amount of the USDA Foods recovered on each claim will be reflected. This information is also available under the “Invoicing” tab for each SFA in the *Wisconsin USDA Foods Ordering System*.

A sample of a monthly NSLP reimbursement claim, including the handling charge fees information is available on the DPI USDA Foods webpage under Resources: [Product Values and Fees](#).

## VII. **Commodity Allocation and Receipt Summary (CARS) Report**

The CARS report is a yearly report that reflects the value of the USDA Foods allocated and accepted by the SFA. The CARS report shows the total value of USDA Foods received and the percentage of entitlement received for the SFA. The CARS report is available to each SFA in the *Wisconsin USDA Foods Ordering System*. The CARS report is typically used by SFAs for year-end reporting purposes.

Instructions for accessing the CARS report in the *Wisconsin USDA Foods Ordering System* are on the DPI USDA Foods webpage, under the section Quick Instructions for the Ordering System: [Ordering System](#).

## **VIII. Training Opportunities**

Throughout the year, the Wisconsin DPI USDA Foods staff provides timely USDA Foods topic specific training sessions. Information on upcoming Wisconsin USDA Foods training sessions is available on the DPI USDA Foods webpage: [Trainings](#).

Several training resources are available on the *USDA Foods* section of the DPI School Nutrition webpage: [School Nutrition Online Learning](#).

## **IX. USDA Foods Hold and Recall Process**

Federal regulations require all USDA Foods to follow specific food safety rules and processes. When USDA finds foods to be potentially hazardous or have not been produced according to USDA's bid specifications, USDA Foods may be placed on hold or recalled by USDA. Temporary holds are imposed to allow for further testing and investigation to ensure that the USDA Food meets specifications. Recalls are the result of a USDA Food not meeting USDA's bid specifications, contamination, infestation, or other health/safety concerns. USDA initiates the holds and recall and in turn, the DPI notifies SFAs.

Additional USDA Foods Hold and Recall information is available on DPI USDA Foods webpage: [Hold, Recall & Safety](#).

## **X. Wisconsin SFAs in USDA Foods Network**

SFAs will be asked for feedback about USDA Foods product preferences before the Annual Order Survey. This feedback is to ensure that SFAs have access to affordable and nutritious foods through the USDA Foods Program.

DPI will invite SFAs to networking and training opportunities to address questions and share best practices. These are often part of DPI USDA Foods [training opportunities](#).

## **XI. Policy and Procedures**

USDA and the Wisconsin DPI USDA Foods have additional policy and procedure documents that provide additional guidance and information regarding the USDA Foods received through the NSLP. These additional policy and procedure documents are on the USDA Foods DPI webpage: [Regulations and Policy Memos](#).

## Nondiscrimination Statement for USDA Child Nutrition Programs

In accordance with federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, this institution is prohibited from discriminating on the basis of race, color, national origin, sex (including gender identity and sexual orientation), disability, age, or reprisal or retaliation for prior civil rights activity.

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotope, American Sign Language), should contact the responsible state or local agency that administers the program or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339.

To file a program discrimination complaint, a Complainant should complete a Form AD-3027, USDA Program Discrimination Complaint Form which can be obtained online at: <https://www.usda.gov/sites/default/files/documents/ad-3027.pdf>, from any USDA office, by calling (866) 632-9992, or by writing a letter addressed to USDA. The letter must contain the complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted to USDA by:

1. **mail:**  
U.S. Department of Agriculture  
Office of the Assistant Secretary for Civil Rights  
1400 Independence Avenue, SW  
Washington, D.C. 20250-9410; or
2. **fax:**  
(833) 256-1665 or (202) 690-7442; or
3. **email:**  
[program.intake@usda.gov](mailto:program.intake@usda.gov)

This institution is an equal opportunity provider.