

Commodities 101

Learn how to use your
Commodity Dollars WISELY

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Commodities 101

Commodity Entitlement

- A participating school district is assigned its entitlement annually, based on the total number of lunches served the previous year
- This amount is given a dollar value and districts can draw these dollars from their account to use to purchase commodities or further processed items
- This entitlement helps many schools lower their food costs for their program
- Commodities managed effectively are the key to a strong bottom line

Commodities 101

- USDA entitlement dollars represent real dollars
- Need to use them or lose them!
- Supposed to use in school year it is allocated
 - Have the first 6 months of next school year to use
 - The state has the right to redistribute your entitlement
- Can be used in other meals/programs:
Breakfast, After School Snack, Dinner
- Order with a plan to use them

Commodities 101

Although the word “**donated**” is used regarding commodities, you should never look at your commodity dollars as “**free**” money or your commodity foods as “**free**” food

True Value of a Commodity

Must look at price including the donated food cost, plus processing fees, delivery fees, etc.

Selecting Commodities

How to choose products for your district:

- Attend Commodity Product Exhibit
 - Sample items and collect manufacturer information
- Request Samples
 - Cook samples in your facility using your equipment & cooking methods
- Taste Tests with Staff or Other Districts
 - Sample products with your managers or staff
 - Get together with other directors to sample products
- Conduct taste tests with students
 - Use surveys with students and have them vote on items they prefer

Selecting Commodities

Cycle Menus

- Customer acceptance drives the menu
- The menu is the first step to start the commodity ordering process
- The menu should drive the commodities requested or processed

Selecting Commodities

Two ways to use your commodity dollars

Divert to Processors

- Fee for Service
- Rebate
- Value Pass Through Or Net Off Invoice

Remaining dollars should be allocated to USDA Commodities (Brown Box)

- Ready to Use Foods
- Raw, Whole Products
- Group A
- Group B

Selecting Commodities

Benefits of Processing

- Reduction in food production costs
- Reduction in equipment spending and repair
- Provides a more usable form of products
- More consistency in end product
- Provides ability to select from a variety of products
- Reduced storage costs
- Companies are required to follow strict HACCP standards for all products

Selecting Commodities

Print State Approved Processed End Products sheets from Illinois Commodity System (ICS) for all products you are interested in processing

These will provide the information you need to calculate and forecast your commodities

It's helpful to have manufacturer's paperwork to assure you are ordering the correct products.

Selecting Commodities

TYSON FOODS, INC.

PATTY KRISP & KRUNCHY CN FC (3857-328)

Case Weight: 30.60
 Servings/Case: 144
 Pieces/Serving: 1
 Serving Size (oz): 3.4
 Fat/Serving (grams): 10.00
 Processing Fee: 0

Donated Food	PAL/Bonus	USDA Cost/lblbs/Case	DF/Case	DF/Serving
CHICKEN, LG BIRD	PAL	\$0.7183	19.73\$14.1721	\$0.0984

Offered As: Net off invoice

CN Contribution Quantity

Bread / Bread Alternate (servings): 1.00
 Meat / Meat Alternate (oz): 2.00

TYSON FOODS, INC.

FINGER KRISP & KRUNCHY FC CN BRD (3858-328)

Case Weight: 30.60
 Servings/Case: 144
 Pieces/Serving: 5
 Serving Size (oz): 3.4
 Fat/Serving (grams): 12.00
 Processing Fee: 0

Donated Food	PAL/Bonus	USDA Cost/lblbs/Case	DF/Case	DF/Serving
CHICKEN, LG BIRD	PAL	\$0.7183	19.73\$14.1721	\$0.0984

Offered As: Net off invoice

CN Contribution Quantity

Bread / Bread Alternate (servings): 1.00
 Meat / Meat Alternate (oz): 2.00

TYSON FOODS, INC.

TENDER, KRISP & KRUNCHY FC CN BRD (3859-328)

Case Weight: 30.51
 Servings/Case: 144
 Pieces/Serving: 3
 Serving Size (oz): 3.39
 Fat/Serving (grams): 10.00
 Processing Fee: 0

Donated Food	PAL/Bonus	USDA Cost/lblbs/Case	DF/Case	DF/Serving
CHICKEN, LG BIRD	PAL	\$0.7183	19.72\$14.1649	\$0.0984

Offered As: Net off invoice

CN Contribution Quantity

Bread / Bread Alternate (servings): 1.00
 Meat / Meat Alternate (oz): 2.00

Selecting Commodities

- Before you begin forecasting, it's a good idea to compare commodity products you are interested in purchasing to their commercial product equivalents
- Center of the plate items (Protein Items) usually have a higher cost savings than other items such as potatoes, flour products, or tomatoes
- If your commodity entitlement is limited, it might be more advantageous to use the commercial product for some items and save your commodity dollars for another product that is more cost saving

Forecasting Commodities

Once you decide which commodity products you would like to use, you can begin forecasting the amount of end product you need to fit menus for the next school year

To calculate usage:

How many times you will serve product for the school year
 \times
the number of servings for one menu turn
 $=$
the total number of servings needed for the entire school year

Forecasting Commodities

Total number of servings for school year

÷

Servings per case

=

Total number of cases needed for school year

Total number of cases needed for school year

X

Pounds of donated food per case

=

Total number of pounds need

Forecasting Commodities

Example – Tyson Chicken

Elem Krispy Chicken Patty Item 3857

$15 \times 4576 = 68,640$ servings

$68,640 / 144 \text{ spc} = 477$ cases

$477 \times 19.73 \text{ df/case} = 9411^\#$

JH Krispy Chicken Patty Item 3857

$15 \times 773 = 11,595$ servings

$11,595 / 144 \text{ spc} = 81$ cases

$81 \times 19.73 \text{ df/case} = 1599^\#$

JH Hot & Spicy Chicken Patty Item 5567

$5 \times 538 = 2,690$ servings

$2,690 / 150 \text{ spc} = 18$ cases

$18 \times 26.83 \text{ df/case} = 483^\#$

Total lbs needed – $9411^\# + 1599^\# + 483^\# = 11,493^\#$

Forecasting Commodities

After forecasting:

1. Enter total pounds in ICS for each donated food type and be sure you have entered under each vendor for the products you want to use.
2. Once the state reviews all allocations, totals may be increased or decreased to allow for full truckloads. State will notify you once changes have been made.
3. Some processors may no longer be available to processing if there was not enough allocation to that manufacturer.
4. You will have a small time frame to reallocate your dollars to those processors who are approved for diverting.

Forecasting Commodities

Survey Form



SHIPMENT SCHEDULE SURVEY FORM 2011 - 2012

Please return completed form by **APRIL 8, 2011** to Deb Robertson at KeyImpact Sales

e-Mail: drobertson@kisaes.com Fax: 847-690-9312 Telephone: 847-709-8869

ILLINOIS

SCHOOL NAME: PALATINE C C SCHOOL DIST 15

AGREEMENT #: 05016015004A1

Diverted Pounds: **957.00**

Lbs diverted: 957

Allocated Pounds: **941.12**

CONTACT NAME: **Bobbie Desprat**

BALANCE **15.88**

E-MAIL ADDRESS: desprat@ccsd15.net

PHONE: 847-963-3929 FAX: 847-963-3925

SIGNATURE: _____

DISTRIBUTOR: **Fox River Foods**

SWEET POTATOES

Orders should be placed with your distributor

PRODUCT CODE	Potato Processing for B303 DESCRIPTION	PRODUCT	PACK & SIZE	LBS OF DONATED FOOD PER CASE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL	TOTAL CASES	POUNDS NEEDED FOR FINISHED CASES
MCF04712	Harvest Splendor Ridge Cut Wedges		6/2.5	29.41												
MCF04716	Harvest Splendor Maxi Cit Fries		6/2.5	29.41												
MCF04566	Harvest Splendor Deep Groove Crinkles		6/2.5	29.41			6		6		5	5	5	5	32	941.12
MCF04712	Harvest Splendor Sweet Potato Wedges		6/2.5	29.41												
MCF03731	Harvest Splendor Thin Sticks		6/2.5	29.41												
MCF03725	Harvest Splendor Regular Sticks		6/2.5	29.41												
40010256	Moores Sun Stixs		6/2.5	26.02												
40010257	Moores Sun Spots		6/2.5	23.91												
TOTAL															941.12	

Bidding Commodities

Bid Proposal

- Processing should be bid to determine distributor (Follow federal, state and local guidelines)
- Include product specifications and descriptions
- Unit bid price should include fixed price and pass through value
- If you run out of donated food for a product, you should be paying the fixed price amount for the commercial equivalent

Bidding Commodities

Manufacturer	Item Number	Item	Qty	Fixed Firm Pricing	Pass Through Value
Advance-Pierre	1-10712-1	Mini Steak Burger with Buns		_____	_____
	1-10712-0	Mini Twin Honey BBQ Beef Rib		_____	_____
	80124ADFL	Flame Broiled Beef Patty		_____	_____
	3771	Beef and Onion Patty		_____	_____
	3717	Honey BBQ Pork Rib		_____	_____
	3755	Sausage Links		_____	_____
Barrel O Fun	40475	Yellow Round Tortilla Chips Bag		_____	_____
	40404	Yellow Round Tortilla Chips Bulk		_____	_____
Bosco	3114	W.G.High Fiber Red. Fat 4" Sticks		_____	_____
	2110	Whole Grain Cheese Filled Breadsticks		_____	_____
	3172	W.G. Mexican Bosco Breadsticks		_____	_____
ConAgra (Gilardi)	77387-12685	Whole Grain Max Stix		_____	_____
	77387-12655	Max 4"x6" Cheese FFK Pizza		_____	_____
	77387-12714	Whole GrainMax Snax Totally Taco		_____	_____
	77387-12700	Wh. Grain Pizza Quesadilla Chicken		_____	_____
	77387-12699	Wh. Grain Pizza Quesadilla		_____	_____
	77387-12622	Twisted Edge Cheese Pizza		_____	_____

Tracking Commodities

Always track your commodities on a monthly or quarterly basis to see where you are at.

- K-12 website
- Processor Link
- Distributor's usage reports

Check your invoices on a monthly basis!

- Check that bid prices are correct
 - PTV was applied
- Correct \$\$ amount was given for PTV

Tracking Commodities

SIMPLLOT
Fox River Foods, Inc.

SY2011-2012 Stocked USDA Foods Listing

V#1114

ProcessorLink

COMMODITY REPROCESSED ITEMS							
Fox Item #	USDA Item #	Comdty Name	Vendor Item #	Item Description	Servings/ case	Pack Size	DFV/Case
362876	100506	Potatoes	25941	3/8" Regular Fry N/S	160	30#	\$5.30
362984	100506	Potatoes	46430	Blue Ribbon Shoe Strings	144	30#	\$4.77
362986	100506	Potatoes	47106	Ultra-Clear 3/8" Straight Cut	160	30#	\$5.30
363317	100506	Potatoes	25943	1/2" Crinkle Cut N/S	160	30#	\$5.30
364525	100506	Potatoes	28022	Tri Tater 2z	136	30#	\$5.30
365145	100506	Potatoes	37227	Classic Tater Sticks	128	24#	\$4.24
365181	100506	Potatoes	47401	Savory Thin Cut	160	30#	\$5.30
365182	100506	Potatoes	47402	Sour Cream & Chive Thin Fry	160	30#	\$5.30
365183	100506	Potatoes	23801	Ranch Wedge	160	30#	\$5.30
365184	100506	Potatoes	47801	Savory Wedges	160	30#	\$5.30
365188	100506	Potatoes	47303	Krunchie Wedge 8 Cut	160	30#	\$5.30
365189	100506	Potatoes	43001	101 Hash Brown Patties	218	30#	\$5.30
365190	100506	Potatoes	28301	Tiny Triangles 1z	160	30#	\$5.30
365191	100506	Potatoes	47014	Savory Loop Fry	128	30#	\$5.30
365197	100506	Potatoes	23117	Skincredible Lattice Fry	144	27#	\$4.77
365203	100506	Potatoes	22122	Tater Pal Oven Crinkle Cut	160	30#	\$5.30
365300	100506	Potatoes	47108	Conquest Regulars	160	30#	\$5.30
365308	100506	Potatoes	47998	Conquest Shoe Strings	144	27#	\$4.77
365309	100506	Potatoes	47999	Conquest Thin Cuts	160	30#	\$5.30
365310	100506	Potatoes	00418	Tater Gems	160	30#	\$5.30
365320	100506	Potatoes	29902	Spudster Potatoes	160	4/5#	\$3.53
365324	100506	Potatoes	47512	Natural Crisp Shoe Strings	106	27#	\$4.77
365327	100506	Potatoes	47914	Natural Crisp Lattice	144	27#	\$4.77
365439	100506	Potatoes	47412	Natural Crisp Thin Cuts	144	30#	\$5.30
365470	100506	Potatoes	47911	Ultra Clear 5/8" Crinkle Cut	160	30#	\$5.30
365472	100506	Potatoes	47003	Infinity Thin Cut	160	24#	\$4.24
365475	100506	Potatoes	00052	Infinity 3/8" Crinkle Cut	128	24#	\$4.24
365476	100506	Potatoes	47007	Infinity 1/4" Shoestrings	128	24#	\$4.24
365477	100506	Potatoes	47920	Jr. Buffalo's Potato Slice	128	24#	\$4.24
365501	100506	Potatoes	47005	Infinity 10cut Wedge	128	24#	\$4.24
374221	100506	Potatoes	00070	Infinity 3/8" Straight Fry	128	24#	\$4.24
126353	101015	Dehyd Potatoes	40152	True Recipe Potato w/out Milk	960	6/6#	\$11.55
126371	101015	Dehyd Potatoes	20435	Idahoan Instant Potatoes	499	12/26z	\$6.26
126380	101015	Dehyd Potatoes	20405	Idahoan Real Mashed Potatoes	499	6/3.24#	\$6.24

****Please note commodity food value deductions can only be guaranteed on the items listed.
Special orders will not automatically generate deductions.****

Tracking Commodities

Mistakes are made and if you
don't catch these things –
you are losing money!!

Any Questions???

Thank you!

Enjoy the Show!