



**Office of  
General Services**

# Processing Overview

October 26, 2016

# What is processing/diversion?

The USDA Foods processing program allows schools to contract with commercial food Processors to convert raw bulk USDA Foods into more convenient, ready-to-use end products by sending bulk USDA Foods to Processors to be manufactured into finished products.



# What is the benefit of processing?

Several factors need to be evaluated before you proceed with processing USDA Foods.

- ❖ Does the product that contains USDA Foods have a commercial equivalent? A commercial equivalent will guarantee consistency on your menu.
- ❖ Can you afford the commercial equivalent if you run out of USDA Foods?
- ❖ What is the cost of processing the USDA Food?
- ❖ What are the state charges, if any, for USDA Foods?
- ❖ What is the handling fee you pay your Distributor?
- ❖ What are your storage fees and how many months will your product be in storage?



# Where do I begin??

**January:** Food Preference Survey released to schools (mandatory if schools plan on diverting)

This survey is the most important tool you will use in assisting us in deciding which USDA foods (Brown Box) Materials will be offered for the School Year. You will not be granted access to the Direct Diversion Request (available mid-February) if you do not complete the online survey.

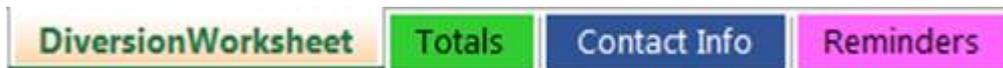
**February:** Diversion ordering begins. OGS Food Distribution will send out notification to schools to complete the Diversion Worksheet. Mid-to-late February, WBSCM catalog will be opened for schools to enter their orders to processor.

Late-February OGS Food Distribution will determine which processors have/have not made a full truckload. RA's will be notified. WBSCM will be reopened to enter additional orders, if they wish.

**REMINDER:** NYS OGS does not properly procure any further processed items. **ALL** further end products you receive, utilizing USDA foods, must go through your normal procurement process....



# Where do I begin???...Continued



**Diversion Worksheet Tab:** Lists all of the processors and their end products. Simply enter the total number of cases for each item that you need for school year YYYY. The sheet will calculate pounds and estimated entitlement value.

**Totals Tab:** This tab totals all of the pounds by material/processor so you have an easy view of what to order. Once you have completed your work, you should print and utilize this data for entering your orders into WBSCM. You will need the Business Partner ID listed in this tab when selecting your “deliver to” destination in WBSCM.

**Contact Info Tab:** Contact information along with shipping requirements are available in this tab.

**Reminders Tab:** Some important points to remember when entering your data into WBSCM.

**IMPORTANT:** The worksheet is a tool to help simplify the process. If you do not enter your orders directly into WBSCM then you will NOT receive the end product.

**Save approved processor worksheet to your computer!!**



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# Requisition Status Report:

## Reports>Requisition Status Report

USDA United States Department of Agriculture  
 Web-Based Supply Chain Management

Home
Operations
Admin
Reports
Help

Order Processing

Requisition Status Report

Detailed Navigation

- ▶  Entitlement Management
- Multi-Food Received Shipment Report
- Received Shipment Report
- **Requisition Status Report**
- Redistribution/Redonation Detail Report
- Value of Commodities Received - RA
- Value of Materials Received - Multi-Food
- Order Status Report
- NW Delivery Calendar Report
- Stocks at Subcontractor
- Value of Materials Received - Domestic
- Multi-Food Requisition Report
- Domestic Price Support Report
- Material Outlay Report
- Domestic Ship-To Contacts Report

Portal Favorites

- Order Status Report
- Redistribute Order Quantities

Reports : Input Criteria

Execute | Print PDF Output

Requisition Status Report

Reset Values

Program:	<input type="text"/>			➔
Req. Delivery Date:	<input type="text"/>	To	<input type="text"/>	➔
Material:	<input type="text"/>	To	<input type="text"/>	➔
Sold-To Party:	<input type="text"/>			➔
Ship-To Party:	<input type="text"/>			➔
Region:	<input type="text"/>	To	<input type="text"/>	➔
Req/Redist. Number:	<input type="text"/>	To	<input type="text"/>	➔
Req/Redist. Doc.Type:	<input type="text"/>			➔
Req/Redist. # Status:	<input type="text"/>			➔
Req. Entitle / Bonus:	<input type="text"/>			➔
Sales Order Number:	<input type="text"/>	To	<input type="text"/>	➔
Purchase Order:	<input type="text"/>	To	<input type="text"/>	➔
Shipment Receipt Date:	<input type="text"/>	To	<input type="text"/>	➔

The screenshot displays the USDA Web-Based Supply Chain Management interface. At the top, it shows the USDA logo and the text "United States Department of Agriculture Web-Based Supply Chain Management". Below this is a navigation menu with tabs for Home, Operations, Admin, Reports, and Help. The "Reports" tab is active, and the "Requisition Status Report" is selected. A detailed navigation sidebar on the left lists various reports, with "Requisition Status Report" highlighted. The main content area is titled "Reports : Input Criteria" and contains a "Requisition Status Report" form. The form includes a "Reset Values" button and several input fields for filtering the report, such as Program, Req. Delivery Date, Material, Sold-To Party, Ship-To Party, Region, Req/Redist. Number, Req/Redist. Doc.Type, Req/Redist. # Status, Req. Entitle / Bonus, Sales Order Number, Purchase Order, and Shipment Receipt Date. Each field has a dropdown arrow and a search icon.

**Req Delivery Date:** Enter the Full School Year. For example 2016-2017 School year, enter 07/01/2016 to 06/30/2017

Click “Execute” to generate report.

Click “Export” to Microsoft Excel.

# Value Pass Through Systems

**Net off Invoice (NOI):** Processors sell finished product to Distributors at commercial price. Distributor sells end product to RA at price minus the value of the USDA Foods used (raw material pounds). Distributor submits documentation to Processor to which product was sold and receives a credit from processor. Verification of sales from RAs is required.

**Fee-For-Service (FFS):** Separates the value of donated USDA Foods from the other costs of production. The FFS price represents a Processor's costs of ingredients (other than USDA Foods), labor, packaging, overhead, and other costs incurred in the conversion of the USDA Foods into the specified end product. Fee-for-service is an alternative to using a standard value pass-through system. It has traditionally been used when processing meat and poultry products or other non-substitutable USDA Foods.

**Rebate:** The RA pays the commercial price for processed items and then submits a request for rebate for the value of donated food used. The RA purchases a Processor's end products at the commercial price and receives from the processor, by means of a refund application, a payment equivalent to the value of the USDA Foods contained in the end products.



# When should I contact my processors with orders for the following school year?

**Fee For Service (FFS)** – Mid-April RA's should contact processors to set up delivery schedule for what they diverted for the following school year.

**Net-Off Invoice (NOI)** – Food Service Director who has diverted to a processor doing NOI will need to order through their distributor that won the bid throughout the school year.



# How do I track my commodities that I diverted?

RA's should be monitoring the balances of their pounds at the processors at least once a month. There are two websites to monitor and track balances with processors. K12 and Processor link. You should be using about 10% a month.

RA's should sign up for access to both web sites:

[www.k12foodservice.com](http://www.k12foodservice.com)

(Tells what you have used)

Asian Food Solutions, Inc

Basic American Foods

Bongards

ConAgra Gilardi Foods

Cargill Kitchen Solutions

High Liner Foods

Giorgio Foods, Inc.

Jennie-O Turkey Store

Integrated Food Service

Maid-Rite Specialty Foods

Land O'Lakes

Peterson Farms

National Food Group

Tyson Foods, Inc.

Rich Products Corporation

Tasty Brands

[www.processorlink.com](http://www.processorlink.com)

(Tells you the balance remaining)

AdvancePierre Foods

Cains Foods

Brookwood Farms

ES Foods

ConAgra Foods/Lamb Weston

J and J Snack Foods

Idahoan Foods, LLC

JTM Provisions Co., Inc.

J.R. Simplot Company

Michaels Foods, Inc.

McCain Foods USA, Inc.

Red Gold, LLC

Pilgrim's Pride

Uno Foods, Inc.

Schwan's Food Service, Inc.



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# Questions?

For questions concerning Processing email:  
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