



ACDA ANC May 2015 Mega Discussions
USDA Foods Process Improvement
Group Session Responses

Group Session Number: 1

USDA Foods

Processes not Working/Providing Value

- USDA food purchases, inconsistency and unreliable purchases
- Predictability, industry not being able to see when yearly calendar/catalog open dates
- I hate that I can't see when USDA is scheduled to purchase foods
- Cancellations, frequency of cancellations, late notice of cancellations, funds remain in purchase status, USDA Foods changes delivery dates without notification to state DA on orders already entered into USDA Foods for deliveries, little info to lack of communication
- 6 month inventory rule, unrealistic from a business stand point, questions about calculating 6 months
- When does calculation actually start, benchmark start date
- Calculations vs actual usage/need
- Distributor uploads in a timely manner drastically impacts those calculations
- Additionally, new truckloads are also in this calculation
- Freezer space limits the amount of changes states can accommodate when USDA changes delivery periods
- USDA asks SDA to file a complaint, no response after filing complaint
- Commercial distributor in receipt of USDA Foods, ship end products to ineligible recipient agency or fail to provide uploads in a timely manner, strongly affects excess inventory levels, they may or may not actually be there
- USDA should streamline processing to develop consistency for program integrity for all 50 states
- Long term contracting
- Less than full truckloads – Mixed loads, fruit peach cups, mixed fruit cups, etc
- Distribution to state levels, fare share, what do you want and where do you want it delivered, states order exact amounts they need, not rounding up to make truckloads, states could order number of cases
- USDA could mirror commercial distribution practices
- Professional standards and RA training in procurement
- DOD prime vendor contracts, state agency doesn't have a voice, no USDA oversight

Suggestions/Feedback for Improving Processes

- Reduce number of USDA Foods that they say they will buy.....should only be the top 40-50 items that benefit the school lunch program USDA will actually purchase.....we don't need over 200 USDA Foods, some never being purchased, funds remain in purchased status
- Many issues with processing arise because of unreliability of USDA Foods being purchased or cancelled
- USDA should only open catalog for certain delivery periods, they shouldn't open every delivery period, especially when we already know there is a supply chain issue with beef and now poultry
- Some online forum, HUB or place to report issues for open comments/discussions (Not referring to USDA bulletin board) moderator may be required
- No defined structure with USDA on resolving questions or issues

Prioritize Processes not Working for Process Improvement

1. Communication on all levels, needs to be open and available for discussion
2. Reliability – reduced USDA SKU's, high volume purchases from USDA for schools
3. Eliminate truckload requirement for each state
4. USDA mixed loads or regional warehouse

National Processing Program

Processes not Working/Providing Value

- SPA could be eliminated, NPA or standardized agreements in state processors should go through USDA, to provide consistency

Group Session Number: 2

USDA Foods

Processes not Working/Providing Value

- Process doesn't fit into bid schedule for schools, advance ordering is too far out.
- USDA calendar makes it hard for RAs/FSMCs to price menus, planning 2 years in advance is difficult
- Pasta Truck sizes too large for small/medium states. RAs want the product, but states can't get to minimum truck sizes or find splits.
- Forecasting is difficult because schools don't know what their true entitlement is, or what pounds they will actually get.
- eAuthentication login process is cumbersome, turns RAs off to the USDA Foods program. Initial account setup is difficult, password expiration and lockout after three incorrect passwords all are hard for RAs with limited computer skills. State Agencies can't help with these issues.
- WBSCM login process is difficult for industry trying to enter bids into system.
- Schools don't understand processing process
- Brown-box deliveries are frequently postponed until too late in the school year, state agencies aren't always notified.

- When items are continually postponed, and then cancelled late in the year, it's too late for schools or states to use the entitlement.
- Disconnect between USDA FD and FNS on how products fit into meals. USDA FD is telling RAs not to put USDA Foods items on menus until they arrive at the warehouse, but FNS is telling schools to do cycle menus and good forecasting. RAs can't do both.
- USDA wants long term relationship with manufacturers, but that's not happening because USDA can't tell manufacturers how much they plan to buy ahead of time. USDA purchasing seems to be based on opportunity buys.
- TEFAP deliveries – pallets are dirty, violate foodbank standards – but don't know who to complain to.
- Bidding processing with processing is very confusing – if divert pounds to processor and have done procurement for one item, can't move it to another item from same processor if haven't bid that item. So now schools are conducting "blank" bids for many many items that they don't intend to buy – just in case.
- Changing menu cycles to meet delivery time line (spring/fall menu, then new spring/fall menu)
- Need transparency so that all stakeholders have a better understanding of the process/timeline
- Need more flexibility to allow changes to deal with current market situations (example – Avian Flu).
- Small states need split trucks (especially for pasta, but for other items too)
- Want way for business to register with USDA as domestic producer, small, women-owned, minority, etc., so that they don't have to keep filling out forms for each bid (RA level & federally required).
- Need to standardize bid process from RAs to simplify paperwork for vendors.
- Need consistency across states.

Suggestions/Feedback for Improving Processes

- If USDA reopens catalog to states, states should be mandated to reopen catalog to RAs.
- Simplified ordering system where USDA bases ordering on historic ordering, with adjustments for market changes.
- Change the way that USDA issues entitlements so that states/schools get entitlement earlier.
- Standardize entitlement issuance across states.
- Use ACDA timeline to create flow that makes more sense & standardize calendar/chain of events.
- Annual training for SDAs to help with uniformity of information across states.
- Training of SDAs – but not national training, because rules are different across states.
- More standardization of processes and regulations across states – instead of being based on state agency "personalities"
- Make all commodities substitutable.
- Let RA buy the hamburger or other product that they want and then USDA will pay for raw material (like Unprocessed F&V pilot right now). Backload, not front load, almost like a modified NOI through USDA instead of discounted by distributor.
- Standardize processing diversion process across all states.
- Let states mix trucks with no rules
- Let states order partial truckloads and vendors could combine delivery with commercial shipments.

- Standardization of bid documents-these documents would be on file w/USDA for all nationally approved processors.
- Get rid of WBSCM E-Auth, or let state DA's have access to fix RA errors kind of like DoD regional reps have.
- WBSCM for vendors-automate bid process to allow import/export of excel files instead of manually entering bids into WBSCM.
- USDA trains states, states train RA's. Make consistent and possibly mandatory. If mandatory there will need to be funding. FDD could use electronic training videos similar to what NFSMI is doing, not just voiced PowerPoints.
- FDD should create website with state best practices similar to what USDA does with healthier schools meals website.
- Conclusion, program needs to be simplified and streamlined. Red-tape needs to be removed.

Prioritize Processes not Working for Process Improvement

1. Did not get to this.

Group Session Number: #3

USDA Foods

Processes not Working/Providing Value

- Delivery- untimely/late, causes extra expense from storage and delivery
- Yogurt- shelf life. Pilot items, advance trial ahead of time (Oct-Jan)
- Cancellations with no time to order, replace or store (costing \$)
- More lead time needed
- Specs don't represent product bought on open market

Suggestions/Feedback for Improving Processes

- "Let's buy what the rest of the world is eating."
- One contact person (vs. layers/regional offices)
- Blowing up distributor model – Going commercial
- TRIAL of LTL quantity purchases: Yogurt LTL (Sliced apples and carrots)

Prioritize Processes not Working for Process Improvement (**How Would you want it to work?**)

1. Move AMS procurement to FNS - Cut out the middle-men: currently order process is RA->State->FNS->AMS->FNS->State->RA; Move procurement from AMS to FNS
2. Aligning specs with commercial product specs
3. A good job with more red/orange and dark green vegetables options
4. 15-20 new items this year, eliminate items not working. What's the right number of items to offer? States limit list more. More streamlined offering with more flexibility.
5. Explore food banks as distribution options for other programs (TX, CO?). Look at other options for storage: vacant space due to changes in food industry, food deserts, military bases, grocery store closures.

USDA Foods – Extra Comments

- Vendor very time consuming and cumbersome to enter bids (WBSCM)

- Clarifying process for making samples available to end-users. (per Multi-agency T.F. objectives)
- No samples available to test before ordering
- Small state- problem with full trucks minimums. Recommend mixed loads, ¼ truck minimums (ME, WY). Increased cost may balance out the storage and delivery costs currently happening. Consider AMS Purchases for consolidated first contract supplier that can offer multiple items
- MORE Real-time data needed (going by quarters now and very late)
- More agility- lead time too long, some are two years
- Allow Destination Change (with delayed orders) and extra storage costs
- Alaska- decreased processed foods orders due to moving to more scratch cooking
- Wyoming- decreased processed foods and deliveries (April is too late), scratch cooking
- Flexibility in all areas of ordering and delivery needed.
- Order in LTL quantities
- USDA roll-up state orders into 1 truckload
- Contract extensions with no notification to the end recipient

National Processing Program

Processes not Working/Providing Value

- Distributors have no accountability in VPT and need to have some. They are a KEY stake holder. They block the process. Substitute with non-processed items. Items not in stock. "Lost" product and entitlement
- Distributors have to carry more slots with special spec'd items
 - Take it or leave it responses from bid requests that are more strict on compliance
 - Non-compliance? = No products available?
- Shortages with key items/manufacturers- smaller universe of items/supplier
- Distr.afraid to purchase items w/ changes & obsolete inventory after constant regulation changes.

Suggestions/Feedback for Improving Processes

- State or federal review of distributors. Usda to get involved
- Education for distributor in VPT program. Usda to provide ??
- FFS/NOI more reliable than brown box so processing a more popular option
- Distributor post a bond like manufacturers to insure delivery to eligible RA's.
- Meet "Buy American" requirements (not really enforced) – educate all stake holders
- California model of distributor agreements with state – just started this year – consider expanding
- FORECASTING! Communication with all stake holders
- RA to establish policies around substitutions in bids and rfps. With awarded distributors

Suggestions/Feedback for Improving Processes

- Using all available options (DoD model; facilities)
- FDPIR – 2 warehouses, FNS does all ordering. Food packaged, auto order; recipient chooses different items; maybe something to think about for NSLP

Group Session Number: 4

USDA Foods

Processes not Working/Providing Value

- Ordering timeline and entitlement dollars need to be at same time
- Overall timeline for all partners (state, RA, manufacturers)
- Cancelled trucks, not sure why (broker)
- Lack of Communication to all partners
- Late deliveries at end of school year
- Delivery system-warehouse closing
- Need advance nutritional information
- Bid requirements not specific

Suggestions/Feedback for Improving Processes

- More flexibility on FTL
- Allowing different items on same truck

Prioritize Processes not Working for Process Improvement

1. Consistency operating USDA Foods throughout all States
2. Communication

National Processing Program

Processes not Working/Providing Value

- Industry prefer NOI
- FFS preferred by broker
- State prefer NOI because allow smaller districts to participate; however; distributor doesn't always provide NOI product
- Distributor doesn't deal with certain processors/products because don't want to bring in certain products
- Children don't like product anymore; state doesn't order;
- Inconsistency of product

Suggestions/Feedback for Improving Processes

- RA need agreements with distributor
- SDA sweep inventory; give to systems with definite plan to use
- Share best practices
- Processor to processor transfer
- Make MPRs easier

Complaint Management

Processes not Working/Providing Value

- Time consuming
- No explanation of closed complaint

Suggestions/Feedback for Improving Processes

- 30 days from time of complaint filed to be resolved

TEFAP

Processes not Working/Providing Value

- Bonus items-flexibility in receiving

Group Session Number: 5

USDA Foods

Processes not Working/Providing Value

- Lack of forwarding notice-or late
- Shortages-cancellations/delays
- Samples of USDA products
- -tighter specifications, pack size for pantries
- Sodium- challenge to reformulate
- USDA foods that don't meet regs-potatoes
- Nov 15th price vs actual price
- Frequency of ordering
- Household-feeding America vs actual for audit
- Diverted trucks not due to drop size

Suggestions/Feedback for Improving Processes

- Have USDA stick to Nov file and USDA reconciles
- Bonus items can be accepted or not
- Encourage staff to put out most appealing product
- CEP has increased participation
- Manufacturers- more products and better products- some products still issues crackers/pastry
- Relax standards
- Frequency of ordering for schools controlled by state- current situations
- Increase communication
- Sampling of USDA foods or commercial equivalent
- Tightening of product specs for USDA items
- Survey RA after samples are sent

Prioritize Processes not Working for Process Improvement

1. Sodium- challenge to reformulate
2. tighter specifications, pack size for pantries
3. Samples of USDA products
4. Nov 15th price vs actual price

Group Session Number: 6

USDA Foods

Processes not Working/Providing Value

- Production info/label sheet/allergens...WANT: immediate access database
 - FSD suppose to call vendor...
 - any slight product change causes menu changes
 - Shelf life...needs uniformity (best by, used by, production date, etc)...USDA definition is so broad
 - Delivery details...actual production label???
 - Inconsistency with brown box - schools can't use (EX: spaghetti sauce)
- What info does vendor need to respond to
- Where do complaints go to? (From RA School comment)
 - Isn't a complaint if item doesn't meet spec...only food safety or quality would count per Jonathan...but states vary in handling
- Timeline:
 - Receipt of goods
 - Prompt payment...perfect loads start the process...2 days
 - Does it save money?
 - Could there be an Incentive to complete receipts?
 - Brown box pulled from one warehouse...schools pull from two other warehouses? Visible in WEBSDM???
 - Distributor – hold on transfer to deliver to schools
- Value of commodities
 - Some like avg. prices...more realistic/
 - In past: Jonathan says he used to be 2-3% off...why use number if it's bad
 - No chicken...-prices goes up...schools says no. Possibly open surveys back up? where else can schools use money? Drives prices of those items up.
- Long term procurement:
 - Do they work?
 - Schools moving to decrease processing
- Excess balance still a problem?
 - Has improved
 - Problem is no inventory to start with in Oct.
 - Delays drawdown
 - Wants: ability to change funding
 - Request product but don't receive
 - Cuts happen at state and federal level
 - Single bank? Doesn't hit PAL until it's at back door of school
 - NOI/Fee for service doesn't matter
 - TAKE AWAY LOCAL CONTROL?!?!?
 - Impossible b/c of demographics...
 - state infrastructures not set up all the same.

National Processing Program

Processes not Working/Providing Value

- K12/processor link...Distributor: more on their end for multiple draw downs
- Avg price file: As an admin, it's a nightmare for them with Nov price file (checkboxbook in negative) = cancelled trucks. (Michigan)
- VPT Method: FFS Preferred
 - Need distributor agreements
 - Product availability
 - CO-Ops/self distribution...can this work?
 - Sodexo tried this? Didn't work
 - Challenge is \$\$\$...delivery?
 - Stuck w/ product when regs change
 - Keeps SKUs high
 - Schools in suburbia = logistic w/ delivery and amt of cases
 - Number of items...100+ pizzas, burgers, etc...
 - NEED PARTNERSHIP W/ SCHOOL, MANUFACTURER, DISTRIBUTOR
 - FFS/NOI can work! COMMUNICATION/PARTNERSHIP IS KEY!!!!
- What can we do?
 - Start at bid process?
 - Commodity program in general
 - Multi yr contract
 - Supply chain...look at long term.
 - Cash in Lieu?
 - Manufacturer may not want to make products anymore...schools are complex
 - No commercial equivalent
 - A lot easier for gov to take \$\$\$ away

Recall Management

Processes not Working/Providing Value

- Acceptability issue
 - Include part of a complaint...maybe a feedback form?
 - One state think it's a complaint...others think not.
 - Depends on severity? Depends on number of occurrence?
 - Roll out complaints to RA's?
 - Someone said it might blow up.
 - Other say yes.
 - Make process easier...
- DOESN'T WORK IN GENERAL AS CURRENT SYSTEM

Group Session Number: 7

USDA Foods

Processes not Working/Providing Value

1. Timing of Entitlement/rate of assistance posting –

- published too late
- 2. November 15th calculation not working
- 3. Allocation values – too many variables among what states can do (allowed by federal regulations); everyone doesn't understand the process
- 4. Product continuity/consistencies – i.e., beef crumbles – some are better than others
- 5. DoD Fresh – poor communication – don't notify states before new solicitations.
- 6. States limiting the re-opening of survey offerings to match up USDA openings
- 7. TEFAP - best if used by dates on individual product but not on packaging

Suggestions/Feedback for Improving Processes

1. Timing of Entitlement - Post an actual fixed rate of assistance in January prior to schools requesting food for the new school year
 - Look at alternate formula
 - Processing values (Nov 15 vs actual return)
 - Build in 12% provision (proposed legislation)
 -
2. Determine new November 15th calculation – for the next school year, build in inflation rates 15% using historical data
3. Allocation Values – better understanding / improved education of process at all levels
4. Product continuity – tighten the specifications
5. Recommend USDA require DoD to notify states prior to new vendor solicitations
 - Allow for state and RA input in the evaluation process
6. Recommend USDA require states to reopen – if you have entitlement – at least two weeks in advance of USDA closing date.
7. Require specifications to require Best if used by dates to be part of the packaging if the date is on the packaging.

Prioritize Processes not Working for Process Improvement

1. In the same order as above

National Processing Program

Processes not Working/Providing Value

1. Transfer management – some processors transfer pounds on paper but don't follow up with payment
2. Timing of Transfer – some processors takes too long – once transfer is approved

Suggestions/Feedback for Improving Processes

1. Update Transfer guidance – don't allow for transfer before check is received by the receiving processor
2. Update Transfer guidance - require processor to "transfer" pounds by a certain date to receiving processor

Prioritize Processes not Working for Process Improvement

1. Same as above

Recall Management

Processes not Working/Providing Value

1. Communication to brokers – doesn't always happen
With brown box, need improved communication to the RA/State regarding holds and recalls
2. HACCP tool kit is outdated
 - o The FDA has updated the food code twice in the last 10 years –
 - o Joint collaboration is not present to ensure the RA has the latest information

Suggestions/Feedback for Improving Processes

1. Recommend brokers submit contact information via SENS
2. Ensure Hold and Recall HB includes communication timeframe
 - a. Update Policy and Procedures
3. Remind states to educate schools on hold and recall process
4. Recommend USDA have a policy in place to ensure states/RAs have the information they need to ensure they have the latest HACCP information

Prioritize Processes not Working for Process Improvement

1. Same as above

Complaint Management

Processes not Working/Providing Value

1. No estimated time frame for receiving a response back from USDA

Suggestions/Feedback for Improving Processes

1. Update complaint management
 - a. Recommend WBSCM enhancement to allow USDA to document status of complaint.
 - b. Require receipt notification of complaint to the state.
 - c. Develop response timeframe by category/type of complaint
 - i. Dented cans not as important as food safety issue

Group Session Number: 8

USDA Foods

Processes not Working/Providing Value

- Brown box – issue for small schools – for States to get distribution contracts
- Spending entitlement from March to June (orders cancelled, PAL\$ on table but nothing to buy)

- Look at USDA purchasing process/procurement cycle – what is USDA good at buying and use that for items they aren't good at buying
- Average price v. actual USDA purchase price
- Data analysis – what is cancelled each year (historical data)

Suggestions/Feedback for Improving Processes

- Allow a certain % of entitlement spent before USDA makes states cancel orders
 - Trucks get cancelled/buy doesn't happen/no one bid – then PAL\$ given back to schools
- Nov. 15th price closer to start of SY
- States allow more schools access to WBSCM
- Need inventory management in WBSCM
- Allow greater mix in truckloads (different types of pasta; different types of canned fruits) and less than truckloads

National Processing Program

Processes not Working/Providing Value

- Too many offerings – limit SKU's
 - More single serve pack sizes vs. 30/40# containers
 - i.e. why put in 10# can or 40# container, then send to a processor to open and further process
- States need to educate RA's
- USDA spec sheets needed sooner for new items, samples of items
 - Link to Sales Order
- RA's required to have CN label and/or PFS from manufacturer but not USDA
- Change USDA purchase process
- Poultry – white/dark (Barry's idea)
- Why does each State need to approve and sign SEPDS once USDA approves
 - Why need a SPA if a NPA
- Drawdown – how it is tracked, who is responsible and timeline
- Processor Bonds – reimbursement for companies gone out of business

Suggestions/Feedback for Improving Processes

- Spread out orders throughout the year
- Spend entitlement in year you use the product

Recall Management

Processes not Working/Providing Value

- Reconciliation and payment process – takes too long
 - RA – destruction reimbursement takes too long

Complaint Management

Processes not Working/Providing Value

- No response or replies after putting in a complaint with WBSCM
- Mixed messages
- Cumbersome
 - Should be able to enter complaints by Sales Order # by the Order Entry Date

National Warehouse Distribution

Processes not Working/Providing Value

- TEFAP working well in FL, better than schools, better distribution price, able to get mixed products
 - Why can't we incorporate how that is working for schools

Group Session Number: 9

USDA Foods

Processes not Working/Providing Value

- Extra cost for zero pathogen beef to processors (being fixed?)
- No quality issue recourse for processors rec'ving USDA commodities
- Issue with rounding / marrying trucks
- Need to look at drawdown for whole commodity code vs. by mfg for each RA
- Each state having different processes creates bureaucracy for mfgs and for consistency at state agency level
- Brown box delivery problems and communication
- Multiple SEPDS and having states have to sign off on every sepds creates confusion
- SEPDS can take a long time to get approved
- Blackout periods for SEPDS approval creates problems (for FNS approved SEPDS's)
- Antiquated SAE funding formulas. 7 states have problems retrieving \$\$'s. Particularly for states where they are split between agencies. Particularly bad now that there are more programs that are splitting pie.
- Would like to be able to utilize USDA monies for "Farm to School" or "local" or maybe just educate around the issue of local
- Commercial specs are not same as USDA. Creates supply chain issues. Probs for supplies (ie, supply of WGR biscuits, tortillas), probs for distributors (extra slots), drives up costs

Suggestions/Feedback for Improving Processes

- Cash option for schools to give processors
- Need Quality Issue recourse
- Automatic system for marrying trucks at USDA level
- Long term/forward contracting would help w Brown box deliveries
- Should be standardized processing process across state
- Online SEPDS system might streamline (like a USDA SEPDS website)
- Correlate SAE funding for distribution to the dollar amount of entitlement
- Try to create specs that would work for more than just schools, such as preK, Health Care, etc

National Processing Program

Processes not Working/Providing Value

- Bids are not standardized and many requirements are ridiculous. Some bids are requiring Bid Bonds.
- Paper bids killed too many trees. "Typing" on bids antiquated
- Terminology w/different bids confusing (direct vs. distributor, def of "commercial" or "commodity" bids)
- Inaccurate quantities on bids / not communicating awards w/case quantities.

Suggestions/Feedback for Improving Processes

- Bid template for SFA's to use. Might need a different template for state bids.
- Electronic bid / signatures / notary etc would save tons of trees and time.
- Model Chains for better standardization.

Group Session Number: 10

USDA Foods

Processes not Working/Providing Value

- Cost of using donated foods
- Method of building trucks/independent by state
- Forecasting need/surveys are not timely or quantified (Industry)
- Calendar of cycles
- Balancing government/industry/RA timeframes
- Procurement process follows USDA Foods ordering (18 mo lead time)
- Communication – USDA, Manufactures, States

Suggestions/Feedback for Improving Processes

- USDA training to public/community as to the quality of USDA Foods. Perhaps thru electronic means.
- National monthly report shared with states and RA's
- Timing of Surveys/more just in time or even NOI for typical Brown Box
- More long term contracting by USDA – some already in place for fruits and vegetables, cheese has been better scenario. Minimum quantities based on long term history, USDA may have to call states to take more product.
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Prioritize Processes not Working for Process Improvement

1. Look for best practices from private industry for guidance of product acquisition
2. Review process of opening and closing surveys for placing USDA Foods orders
3. Timely and transparent communication with all involved parties
4. More long term contracting by USDA

Group Session Number: 11

USDA Foods

Processes not Working/Providing Value

- Procurement cycle. Flawed process.
- Identify weakness in the procurement cycle.
- Leaves entitlement on the table.
- State agencies must commit too early.
- Too much happens between diversion and receipt.
- Need stop gaps
- Splitting loads. (Processing and brown box)
- Small states are unable to get what they want if another state does not want that product.
- USDA only allows them to split with specific states. 200 – 260 radius.
- Processing order in February. Don't know until May when the load is coming.
- Many different rules in each state.
- Need product to flow. Loads of fruit cancelled - required to serve ½ cup.
- Could contract with commercial district and have product all year.
- IDIQ (Indefinite Deliver indefinite Quality). Sent what the distributor wanted them to have not what district actually wanted and then shorted order.
- Flow has to coincide with districts menus/timeline.
- USDA commodities becoming less of a value.
- Knowledge gap currently among RAs.
- Little to know technical assistance.
- Meal pattern regulations.
- Cash in lieu is better than the unknown.

Suggestions/Feedback for Improving Processes

- Unique specs add cost and reduce a company's willingness to bid.
- Flat FOB price by region. Will still need ½ truck or more. Cost will be higher.
- RA to utilize the national will for CACFP.
- Timeline affects all in the supply chain. We are in May. We start shipping in July. Bids aren't awarded. It's a problem as well.
- Need more qualified vendors
- Ability to take and receive less than a whole truck load.
- Ability to mix loads, ½ truck peaches, ½ truck cheese. (Adds to freight cost).
- Should the government be involved in the purchasing of commodities?

Prioritize Processes not Working for Process Improvement

1. Meal pattern regulations
2. Procurement cycle

National Processing Program

Processes not Working/Providing Value

- Districts are short labor. Having the USDA processed item is cost effective.

- Appreciate the relationship we have with manufacturer. The take the hit when market fluctuates.
- Outstanding job developing products that meet the new regulations.
- Pizza needs help with regards to new regulations. (sales/consumption have dropped. Not meant to heat and hold.
- States are sending mixed messages. T.A. in AR was district should not process with manufacturer.
- Overstepping boundaries.
- Stating personal opinions not facts.
- Guidance from the state to RAs and industry on sweeping policies. Higher communications.
- Process works with flexibility.
- Concern that school products could ruin the reputation of the commercial products.
- Can the regulation be modified to an age progression

Suggestions/Feedback for Improving Processes

- Ensure CNC's are not overstepping boundaries
- Ensure CNC's are not stating personal opinions instead of facts with regards to regulations.

Prioritize Processes not Working for Process Improvement

1. States are sending mixed messages.
2. Sweeping policies

Recall Management

Processes not Working/Providing Value

- Industry has taken recall management seriously.
- Process not working/providing value.
- More concerned about USDA's process/communication.

Complaint Management

Processes not Working/Providing Value

- 4-6 weeks response time. If they respond. WBSCM sends acknowledgement of receipt.
- Been told "If the problem is not a pervasive enough, don't expect an answer".
- No company or business can handle complaint in this manner. (above)

National Warehouse Distribution

Processes not Working/Providing Value

- USDA has to take the responsibility of temps/shelf life/ inventory management.

Prioritize Processes not Working for Process Improvement

1. Improvement in communication in all things (all categories).

Group Session Number: 12

USDA Foods

Processes not Working/Providing Value

- Inconsistencies in timing for each stakeholder on deadlines/planning
- USDA needs to find ways to be a more relevant customer to Industry (not just old model of purchasing excess)
- Logistical flow of USDA foods from end to end too complex; i.e. full trucks for small markets and ordering cycle
- Tracking and management of inventory
- Each state administers the program differently
- Timeliness of getting new products approved for processing
- Process flow: does policy hinder progress? (does each step add value?)
- Are the products and processing methods still relevant to the end user? i.e. dark meat chicken unpopular in schools.
- Commercial distribution does not understand the program

Suggestions/Feedback for Improving Processes

- Regional warehouse for split/LTL trucks or multi-food shipments (like FDPIR model)
- Option to pay extra for expedited new product approvals
- Build flexibility into the program to meet changing/evolving needs (at all levels).
- Specification review – relevancy to customer and processor
- Simplify grading cert/payment process – stop sending paper certificates for payment – cert should be entered electronically from issuing entity, verified by receiver
- Streamline tech process for fluidity – all ordering and tracking systems in concert or one system period
- Educational tools at State level for RA's on utilizing entitlement; educational tools/manual for States

Prioritize Processes not Working for Process Improvement

1. Inconsistencies in timing for each stakeholder on deadlines/planning
2. USDA needs to find ways to be a more relevant customer to Industry (not just old model of purchasing excess)
3. Tracking and management of inventory
4. Each state administers the program differently
5. Logistical flow of USDA foods from end to end too complex; i.e. full trucks for small markets and ordering cycle

National Processing Program

Processes not Working/Providing Value

- CRE Audits: auditor not always educated on program and providing inaccurate guidance
- Communication of Federal policy updates and changes are inconsistent in notification and not always clearly identified as to importance. A major policy change can be hidden inside a revision. They are also difficult to trace on USDA website.

- Offsite pre-plater/caterer set up for commodity foods program (need NPA and SPA) – must be a plant or district, no in-between

Suggestions/Feedback for Improving Processes

- Stop/pause nutritional changes until all stakeholders have evaluated how changes have affected the program
- No sweeping policy changes with a hard effective date unless tested
- Yield reviews/studies for CN equivalencies – data too old
- Have a completely separate website for the program with all training, policy, etc in one place
-

Prioritize Processes not Working for Process Improvement

1. Did not set priorities

Recall Management

Processes not Working/Providing Value

- All positive feedback

Complaint Management

Processes not Working/Providing Value

- Too cumbersome, RA's and DA's not filing complaints due to amount of information needed to process complaint

Suggestions/Feedback for Improving Processes

- N/A

Group Session Number: 13

USDA Foods

Processes not Working/Providing Value

- Rules for meal pattern keep changing (regulations), requirements of program
- Commodities no longer a program that works as a stabilization of the agriculture market. Cash in lieu makes more sense now. School food service market has matured, commodity market has not
- Less flexibility with menu planning
- Cancelled loads; last minute cancellations then not enough time to spend entitlement
- Lack of coordination with opening of offerings; ordering. One item will open and state will send out for orders then a short time later more similar items will open
- Long lead time for RA placing orders for processing
- Lack of training/clarification from USDA on procurement regulations in particular Piggybacking and Market basket

- Receipting on WBSCM not accurate. Will show received in system before received by TEFAP. Also egg tanker receiving full load when not full
- TEFAP admin funds not carrying over. Entitlement does but admin does not

Suggestions/Feedback for Improving Processes

- Getting food that is wanted/needed
 - Anticipating demand
 - Communicate tight market information
 - Tighten up lead time
 - Better forecasting by USDA
- Offer foods that USDA is confident will be available
- Longer delivery window to assist with sites that have storage issues

Prioritize Processes not Working for Process Improvement

1. Cancelled loads; last minute cancellations then not enough time to spend entitlement
2. Long lead time for RA placing orders for processing

Group did not prioritize the rest of the list

National Processing Program

Processes not Working/Providing Value

- Verification report / inaccuracies from distributors
- Requirement for SEPDS to be approved at the state level not necessary and adds time to process
- Processors are held accountable for USDA foods at all points including at distributor
- Re-verification of sales by state is a "farce"

Suggestions/Feedback for Improving Processes

- Make access to SEPDS unrestricted
- Require weekly performance reports from distributors (daily even better)
- Make distributors responsible and accountable for their handling for USDA processed foods
- Fee for service will address Average Price File Issues

Prioritize Processes not Working for Process Improvement

1. Verification report / inaccuracies from distributors
2. Requirement for SEPDS to be approved at the state level not necessary and adds time to process
3. Processors are held accountable for USDA foods at all points including at distributor
4. Re-verification of sales by state is a "farce"

Recall Management

Processes not Working/Providing Value

- Groups stated that recall management is working well, no issues

Complaint Management

Processes not Working/Providing Value

- Turn-around time for follow-up too long
- RA complaint process is inconsistent state to state

Suggestions/Feedback for Improving Processes

- More timely follow-up
- Official grievance form to be used by all states similar to what industry uses
- Uniform complaint process for all states

Prioritize Processes not Working for Process Improvement

1. Turn-around time for follow-up too long
2. RA complaint process is inconsistent state to state

National Warehouse Distribution

Processes not Working/Providing Value

- Group stated that there are no issues in this area for them

Group Session Number: 14

USDA Foods

Processes not working/providing value

Challenges of brown box shipments –

- Dates pushed back, cancellations of orders, state restrictions permitted by USDA
- RA – menu planned –must buy food; need to get enough product to serve all students; surplus at end of school adds costs, undependable delivery periods
- State warehouse – limits in volume affect pricing, costs make it unaffordable to use direct products

Suggestions/Feedback for Improving Processes

- Better forecasting; changing mix of available products;
- Input of products from RA; state should open surveys of all available items
- Improve forecasting mechanism; districts forecast on commercial items; also need to
- Better communication of cancellations – real time
- WBSCM for all RAs
- Mixed trucks from sole source provider or multiple products
- Establish an RA advisory group to provide input on product availability upfront
- Identify items offered for the year based on forecasting
- More vendor information up front for menu planning

Prioritize Processes not Working for Process Improvement

1. Communication
2. Education and training
3. Resolve forecasting and product availability dates

National Processing Program

Processes not working/providing value

- Raw shipments not timely to processor
- Distributor draw on products (NOI)
- Substitutions by distributors prevents draw down of products
- Distributors not uploading NOI data so tracking is inaccurate
- All product not substitutable – education needed on why
- Pricing seems expensive; discounts not easily seen so value hard to identify
- November file pricing changes affects district budgets
- Poor communication from distributors; manufacturers
- Seasonality of pricing and product availability

Suggestions/Feedback for Improving Processes

- K12 and Processor Link are not accurate, distributors need to be required to upload information or receive penalties
- Clear rules with claim processes for distributors so that they have an incentive to follow rules
- Impose penalties for substitutions or have available to RAs
- Offer a distributor contractor template that identifies processes for handling and shipping USDA products, commercially and processed
- Change the method used for pricing file; is there another index, CPI, etc. that would be a better reflection of market prices that could be used?

Prioritize Processes not Working for Process Improvement

1. Distributor accountability: tracking, education, fiscal responsibility
2. Communication with manufacturers, distributors, USDA; talking to many people for issue resolution
3. Pricing stability; index and/or pricing determination?

Recall Management

Processes not Working/Providing Value

- Many in the class have not read communication and information on the website. A handful of people have been a part of an USDA Food recall.
- Make sure that manufacturers are identified and that processors should notify those that received the document and notify the end users that did not receive the product.
- Communication can never be fast enough; do people check the email timely?
- Information changes from minute to minute; stop product movement
- Better communication of the product type and markets is needed to reduce panic for school related businesses
- Who gets the communication; is the right person receiving?
- How do we get our money for product value?

Suggestions/Feedback for Improving Processes

- Use SENS (State Emergency Notification Systems)
- Use WBSCM as notification source for recalls of USDA foods affecting school programs
- Is there a way to segregate product alerts by market? How do we get the commercial market to designate affected markets?
- Education and training from USDA/NFSMI training for all industry segments

Prioritize Processes not Working for Process Improvement

1. Education on notification methods and what to do after a recall
2. Stop product movement
3. Simplify disposal and reimbursement process

Complaint Management

Processes not Working/Providing Value

1. Response time; some do not get answer for a year; response depends on the issue and segment
2. Who should they contact? People are unaware of who they should call to have issues resolved.
3. Need clear guidance when questions are asked or technical assistance is requested?
4. Neither state nor FNS makes a decision – audit issue
5. Support State authority if it is a State issue
6. Poor training and support to states; particularly for training. Don't make it an ME if States request assistance. Scheduling 7-8 months later does not help with training new staff to fill vacant position.

Suggestions/Feedback for Improving Processes

1. Implement standard response procedures. 24 hours email, etc.
2. Provide a directory of who to contact for issues on website.
3. Provide black and white answers, not grey when asked
4. Establish a mechanism for new employees to get trained either Regionally or Nationally

Prioritize Processes not Working for Process Improvement

1. Improve response protocol; eliminate inconsistencies across agencies
2. Establish directory and update it regularly
3. Provide black and white answers to questions

Group Session Number: 15

USDA Foods

Processes not Working/Providing Value

- Brown Box- Entitlement- Review the process and timeline to submit commodities
- Unreliable Suppliers- late trucks/cancelled trucks/quality and consistency of products

- Continue to improve current specifications on commodities offered/purchased- reconsider offering specialty products that can be purchased commercially for less or more specific to the regional taste-ex salsa
- WBSCM-single sign on for all uses

Suggestions/Feedback for Improving Processes

- Changing to Federal Fiscal Year calendar for order deadlines for entitlement
- Work with Child Nutrition to have total meals consumed data available earlier to assist in planning-using advances in Technology
- Longer contracts with suppliers for consistency
- Create a performance review that is published for all suppliers- have a points system or similar for service/product quality and reliability/price-similar to Best Value Tradeoff
- Offer canned and frozen options for all fruits and vegetables

Prioritize Processes not Working for Process Improvement

See above noted in order of priority

National Processing Program

Processes not Working/Providing Value

- Inconsistent in timelines for all State Agency's and RA's for RFP's – Bid Awards do not co-inside with entitlement diversion deadlines-
- Lack of education for RA's –on processes for above deadlines and procedures which are leading to product shortages/cuts- and entitlement carryovers and losses
- No Standardized Process
- Eliminate GMR yields for poultry

Suggestions/Feedback for Improving Processes

- Timelines to co-inside- RFP's –Bid Award deadlines should be in line with diversion deadlines- to ensure manufacturers and suppliers can meet demands- for ex-State of Oregon's bid awards are finalized in Jan to meet the diversion deadline the end of Feb..
- Communication –usage listed on bid awards where available-
- ACDA Handbook- to include information for RA's to use to communicate with their Board members the process and timelines
- Guaranteed return for poultry processing
-

Prioritize Processes not Working for Process Improvement

See above noted in order of priority

DOD- Dept. of Defense- Fresh fruits and vegetables

Processes not Working/Providing Value

- Current Bid System Low Cost- Technically acceptable
- Limited supply of Bidders- distribution issues
- Pilot Program- Unprocessed Foods- limited selection-entitlement dollars tied up with local farmers till crops are in and approved – tracking method needs improvement current spread sheet does not allow for sufficient control – vulnerable to fraud.
- What is the definition of LOCAL?

Suggestions/Feedback for Improving Processes

- Best Value Trade Off Bid System re-instated for purchasing-preferred quality and service –especially in a cost + situation-
- In regards to the Pilot program- DOD has system in place that is working why change it?

Group Session Number: 16

USDA Foods

Processes not Working/Providing Value

- Product availability
 - Shortages; USDA should consider moving growing regions. What do we do if domestic product is unavailable?
 - Make K12 food manufacturing more attractive to manufacturers
 - Create a hybrid of a demand and allocation driven system
- Shorten the process timeline
- Timing of bids for products
 - Fruits
- Demand driven ordering vs. historical purchasing
- Abandoning brown box for processing
- States should explore alternative distribution methods for brown box
- Nationalize inventories
- Excess inventory at processors – more enforcement of 6 month inventory rule

Suggestions/Feedback for Improving Processes

- States more involved in the DoD vendor awards
- USDA should consider moving growing regions
- Make K12 food manufacturing more attractive to manufacturers
- Create a hybrid of a demand and allocation driven system
- Abandoning brown box for processing
- Nationalize inventories
- More enforcement of 6 month inventory rule

Prioritize Processes not working for Process Improvement

1. Product availability and reliability
2. Pricing
3. Timing

4. Increase awareness of domestic product
 - a. Made/Grown in USA flag on label
5. USDA meal regulations – allow everyone to catch up to the regulations

National Processing Program

Processes not Working/Providing Value

- Excess inventory at processors, “carry-over”
- States should do a better job of educating RAs – under utilization because of director turn overs
- Fewer VPT methods – get rid of FFS?
- Standardize set of regulations/rules for distributors; should distributors be audited?
- Processors taking liberties with sub commodities.
- Do we need a national processing program? Why does it exist?

Suggestions/Feedback for Improving Processes

- States do a better job of training RAs
- Standardize set of regulations/rules for distributors

Prioritize Processes not working for Process Improvement

1. Standardize set of regulations/rules for distributors; should distributors be audited?
2. States should do a better job of educating RAs – under utilization because of personnel turn overs. Mandatory training for anyone diverting products
3. Excess inventory at processors, “carry-over”
4. Fewer VPT methods – get rid of FFS?