

Chapter 15: USDA Foods

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The U.S. Department of Agriculture (USDA) provides foods to eligible recipient agencies (RAs) throughout the U.S. and its territories. The distribution of these food products is called the Food Distribution Program (FDP). USDA administers the FDP through its seven regional Food and Nutrition Services (FNS) offices.

Background of the Food Distribution Program

The FDP began in 1932 during the great depression, which left millions of families without purchasing power and the nation's farmers without a market for their products. Malnutrition was widespread. A senate resolution in 1932 gave the American Red Cross 40 million bushels of wheat for distribution to needy families. This was one of the earliest Federal Assistance Programs.

The FDP has traditionally been a method of disposing of surplus and price-supported agricultural USDA Foods in order to prevent waste, while at the same time improving the diets of children, low-income persons, and others in need of food assistance.

Laws Related to the Food Distribution Program

There are three major pieces of legislation, which authorize the purchase of most donated foods by USDA agencies to assist needy families and farmers. They are:

1. Section 32 of the Agriculture Act of 1935, which removes surpluses of perishable foods and helps to stabilize prices. Section 32 foods can include meat, poultry, fish, fruits and vegetables.
2. Section 6 of the National School Lunch Act of 1946, which provides funds for the purchase of USDA Foods for schools to improve the health and well-being of the nation's youth.
3. Section 416 of the Agriculture Act of 1949 provides funds for removal of certain foods from the commercial market in order to maintain market conditions. Section 416 foods can include dairy and grain products, vegetable oil, shortening, and peanut products.

Distribution

Through these laws, FNS provides USDA Foods to the South Carolina Department of Education (SCDE) and other State Distributing Agencies, which then pass them on to RAs. Once the USDA Foods have been accepted and received into the RA's facility, the USDA Foods must be secured from theft, properly stored, carefully inventoried, and utilized for the intended program participants. Appropriate record keeping procedures must be documented and kept on file for three years plus the current operating year. This ongoing process occurs for all foods offered to RAs through the FDP. If a RA does not want a USDA Food that has been allocated to them, they must contact SCDE prior to the USDA Food being received at the commercial distributor. It is imperative that the RA reviews and reconciles the Commodity shipment report upon request.

Training and Monitoring of Recipient Agencies

SCDE staff will periodically provide training sessions for RA staff in all aspects of the FDP, including onsite technical assistance.

RAs are monitored by a representative from SCDE and/or a representative from the regional USDA office. The reviewer will monitor the storage facilities, record keeping procedures and documentation of food receipts and usage. If there are items reviewed which do not comply with the RA's signed agreement with SCDE, the reviewer will document the noncompliance, offer suggestions for correction, and follow up for compliance within a specified time period.

Care and Storage Practices

Good care and storage practices are essential for protecting food items after they have been properly received and before and during their use. Under proper conditions, food quality can be maintained. Food loss due to spoilage, waste, contamination, and theft must be kept to a minimum. Every delivery should be checked for possible shortage and/or damage before the foods are accepted and signed for by the school manager.

The space and equipment available for the number of meals primarily determines storage served daily. A small RA may have an area, home-style pantry, or kitchen cabinet set aside for dry storage as well as appropriate equipment for refrigerated and frozen storage. A large RA may have an entire room for dry storage and commercial reach-in or large walk-in refrigerated and frozen storage.

Monitoring Temperatures

All storage areas must be monitored for correct temperatures on a daily basis. The date, time, temperature and the name of the person responsible for monitoring should be noted on the temperature storage chart. Form 28-A, [Freezer/Cooler Temperature Recording Chart](#) provided in this chapter of the *Program Reference Manual* may be used to record temperatures. Refer to [Chapter 30 – Safety & Sanitation](#) for additional information on storage.

Records of the following temperatures should be maintained for three years plus the current year.

Food Type	Examples	Recommended Temperatures
Frozen Foods	Chicken, Beef	-10 to 0°F
Refrigerated Foods	Cheese, Deli Meat	34°F to 41°F (Cold enough to keep food <41°F)
Grains	Flour, Cornmeal	≤ 50°F
Dry Storage	Canned Goods	≤ 70°F

The purpose of the temperature chart is to assist the RA in maintaining the proper conditions for its storage facilities. If there is a significant change in temperature, the RA can take appropriate steps to correct the problem and avoid deterioration and loss of stored USDA Foods.

As in dry storage, air circulation is important in maintaining optimum temperature and humidity in refrigerated storage. The following guidelines apply:

1. Do not overload shelves.
2. Do not jam or pack foods together.
3. Allow one to two inches of space between the food and the walls of the refrigerator.
4. All food must be stored at least 6 inches off the floor for cleaning purposes as well as air circulation.

Even with proper temperatures and air circulation, the length of time that food can be stored in the refrigerator varies with the type (perishable or sturdy), quality (degree of freshness), and condition (cooked or raw) of the food. Foods requiring refrigeration are perishable and must be utilized quickly.

The USDA provides Product Information Sheets for each USDA Food. The USDA Foods Product Information sheets contain nutritional information, serving size information and other product specific information. The [USDA Foods Product Information Sheets](#) are available on the USDA FDP website.

Summer Storage

Dry Foods

The dry storage area often presents a problem during summer months, particularly in hot, humid climates. The quality of flour, pasta and other dry products rapidly deteriorates and their susceptibility to insect infestation greatly increases if proper ventilation and temperature are not maintained. Canned items may swell and rust, creating questions about the integrity of the food.

If the RA determines that, the dry storage area will be too hot during summer months it should:

1. Keep dry storage inventories to a minimum level.
2. Store canned items in refrigerated storage, if space is available.
3. Freeze items such as flour and cornmeal (even though this shortens shelf life due to moisture absorption) if space is available.

Perishable Foods

Infestation, spoilage, deterioration, and contamination of foods usually occur because of malfunctioning refrigeration equipment and improper storage practices. Listed below are desirable storage practices to follow when storing perishable foods during the summer.

1. Foods should be stored only in refrigerators and freezers that are operating properly and in good repair.
2. Refrigerators and freezers should be thoroughly cleaned and dried before foods are placed in storage for the summer.

3. Where walk-in type refrigerators and freezers are used, foods should not be placed directly on the floor. Foods should be placed on dunnage racks or shelves, with a one to two-inch space left between the walls and the food containers to ensure proper air circulation.
4. Temperatures in the refrigeration equipment should be checked regularly (based on local HACCP Plan protocols) to ensure that they are operating properly. Malfunctioning equipment should be repaired immediately.

Single Inventory

Regardless of the size of the RA's storage facilities, USDA Foods may be stored with other foods. The single inventory record keeping system is recommended. Food service management companies are required to maintain a separate inventory system for USDA Foods. Proper conditions, recommended storage practices and appropriate records must be maintained by all RAs.

With single inventory recordkeeping, the value of USDA Foods is realized when title passes to each RA. This means that when the USDA Food is accepted, it becomes the property of the RA and should be treated as a nonprofit food service account asset. RAs may use the USDA Foods across programs (including a la carte sales) as long as all the income accrues to the nonprofit foodservice account in the same manner income accrues from the use of commercial products purchased with the nonprofit foodservice account. For example, an RA has a catering program that provides meals to all kinds of groups. The groups pay for the service and the money received goes into the same food service account that is used for the National School Lunch Program. In this situation, it is permissible to use USDA Foods for the catering. However, if in the same situation above, the catering proceeds went into a different fund, such as the general school account, the USDA Foods could not be used for the catering.

Commercial labels do not typically include an identified pack date. Therefore, each RA needs to maintain good inventory practices, including proper storage and handling procedures and first in-first out (FIFO) practices. Upon receiving delivery of USDA Foods and commercial food products, all products should be identified with the receipt date. This will assist in maintaining good inventory practices.

Damaged or Out-of-Condition Foods

With single inventory recordkeeping, SCDE is not required to perform inventory reconciliation of USDA Foods during RA audits or review RA annual ending USDA Foods inventory. In addition, since the USDA Foods are considered an RA asset as soon as the RA has received the product, RAs that have incurred a product loss are not required to report this loss to SCDE. USDA Foods losses are treated the same as when the RA has a loss of commercially purchased food. Therefore, if an RA has a USDA Food loss, it should be handled at the individual RA level, according to the RA's local reporting and auditing requirements.

Use of Foods

USDA Foods must be used, as much as is practical in the lunches served to school children each school year. USDA Foods may be used for training in nutrition, health, food service, or general home economics. This includes use in workshops or for demonstrations or tests relating to the utilization of USDA Foods. However, revenues received from any such activities must accrue to the nonprofit school food service account. In addition, if a RA wishes to use USDA Foods itself to perform on-site workshops, demonstrations or tests, it is suggested that records be maintained as to: recipes tested, how the items were tested and the results of the tests.

Your Role in a Disaster

Hurricanes, tornadoes, floods, chemicals spills, and other disasters may generate a need for congregate (mass) feeding. Irrespective of the type of disaster, the response from USDA, SCDE and RAs will remain the same.

Each RA should have a written agreement in place with its respective County Emergency Management Agency. This agreement, at a minimum, should include the terms and conditions for the use of facilities, personnel and supplies during an emergency, both declared Presidential Disasters and undeclared local events. Consult with your local County Emergency Manager for additional details.

RAs can use USDA Foods in disaster feeding. Recognizing the emergency and the need to feed people, RAs and other outlets having USDA Foods must cooperate fully and make those foods available to groups involved in disaster activities. The American Red Cross is the primary disaster organization, but USDA directly and through RAs, will provide foods to any recognized agency equipped to serve disaster victims. The Salvation Army and many religious denominations, civic organizations, unions and others are able to provide food preparation for congregate service.

USDA has no foods specifically designated for disaster feeding and must depend on foods in commercial distributor warehouses, other state agency's inventory and at the RA. USDA Foods are not always available in quantity to fill all needs, but they do provide a good supplement to those provided by the disaster agency. A specific school may be designated as a shelter. There are many considerations that enter into this selection including size, available facilities, safety factors, protection from storm surge and others. Generally, an all-electric kitchen is not as desirable because of the likelihood of power outages.

Procedures

Lines of Communication

RA officials, RA supervisors or designated representatives can place orders with or make requests from commercial distributors. Individual schools should communicate with system supervisors only. When practical, all communications between RAs, RAs and commercial distributors shall be in writing. RA supervisors shall discuss all matters of policy and complaints with state authorities.

Food Distribution Program Module

In order to access the Food Distribution Module, users must first have access to the South Carolina Automated Payment System (SCAPS). Some users may already have access to the School Nutrition Programs module in SCAPS. This does not mean you have access to the FDP module. In order to gain access to the FDP module you will need to contact the Office of Health and Nutrition.

Notice of Delivery Schedule

RAs will use the FDP module in SCAPS to view their USDA Foods orders as well as schedule their deliveries from the state contracted warehouse.

Notice of Order Placed – Contracted Warehouse Summary

When the state receives an allocation of donated foods from the USDA, the Food Distribution Section prepares a Contracted Warehouse Summary, “Notice of Order Placed,” and makes it available online to the commercial distributor. This form will indicate the time of origin of the shipment and the quantities allocated to various RAs within a distribution region.

Complaint Form Information

When a customer has a USDA Foods complaint and wants to report this information to the food distribution administrator, Form 28-B, [USDA Foods Complaint Form](#) provided in this chapter of the *Program Reference Manual*, should be completely filled out and forwarded to SCDE.

Adjustment Report

During the course of the school year, adjustments to the allocated quantities are made based on information reported by the USDA Commodity Food distributor on the USDA Adjustment Report. This form is the official form depicting changes to quantities on the Commodity shipment report. The adjustments are a result of damage, loss, spoilage or other circumstances to USDA Foods and will be reflected on the Commodity shipment report by the state agency.