

Net Off-Invoice Yields Concerns and Confusion

By Patricia Phillips, Phillips Resources

USDA sent a policy memo out in March informing states that an “Alternate Value Pass Through (VPT) System” had been approved for implementation in any state. Named “Net Off Invoice” the new option created concern, confusion and questions such as: under what circumstance can it be used and what the state responsibilities are when approving Net Off Invoice.

The Net Off Invoice system is a variation of the hybrid system¹ which allows a distributor to sell a commodity processed item at the net price and for the processor to pay the refund to the distributor after the distributor files a report –or refund application form -- showing the eligible schools to whom the product was sold at net pricing. The Net Off Invoice system was submitted to USDA for consideration as an alternate value pass through system² by the state of Pennsylvania. The Net Off Invoice system varies from the hybrid system in that the distributor gets a credit from the processor rather than a refund check.

The regulations require sales under the hybrid system and any alternate value pass through systems to be verified by the state agency, which may pass on some of the verification steps to the processor.³ When state agencies have assigned the verification process to processors, they are required to test 10% of the sales verified by the processor and report results to the Regional office, among other requirements. School districts will likely be asked to verify sales reported, and may be asked to verify the sale a second time, if they are in the state agency’s 10% sample as well.

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¹ Described in 250.30 (e)(ii)

² Requirements for alternate value pass through systems are described in 250.30(d)(1)(iii) and (e)(1)(iii)

³ 250.19(b)

President's Message

By Elaine Starr Freeman

AWESOME! That’s how I’d describe our visit to Rapid City, South Dakota, for the 28th Annual National Conference. What hospitality—and I thought you only got that in the South! Mark Mattke and the South Dakota ladies—Sandra Kangas, Cassandra Rupe, and Linda Jarvis were phenomenal with both the pre-conference arrangements and the on-site support services.

Many ACDA members were involved in planning and presenting the numerous conference sessions, and I want all of you to know how vital you are to the association and how much you are appreciated.

For our Association members who were unable to attend this year’s conference, here’s a short recap of events. We began with a “Basics of Processing” pre-conference training session that was designed to give the novice to processing all of the basic information they needed while a concurrent “Basics of TEFAP” session was educating new-

comers to TEFAP. Following a wonderful inspirational service at the beautiful Stavkirke Chapel in the Hills, a short newcomers session, and annual committee meetings, the ACDA Voices assisted President J. R. Green in calling the meeting to order. We were fortunate to have National CSFP President Leona Martens to provide remarks and also to have Senator Tim Johnson as our keynote speaker. We also had a startling welcome from Wild Bill Hickok and his gun-slinging sidekick Lame Johnny—not only did Wild Bill wow the participants, but he had your current President speechless (which many of you know is not easy to do) and also renamed your previous President “Junior.”

There were 20 special interest sessions presented and general sessions that included food safety information, annual legislative and commodity updates, tri-agency update, disaster

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President's Message

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preparedness, effecting policy change and marketing your program. A post-conference session "The Next Level" addressed more advanced issues of food processing programs while the TEFAP participants had a final session on legislative perspective and USDA Updates.

We were also treated to a performance by Lakota Indian dancers, traveled to Mount Rushmore for an evening out, and visited One-Eyed Jack's in Sturgis (famous for the annual bikers' rally) for our closing conference event where the annual plan of work was presented. There was only one major disappointment to our conference—the four presidents were shrouded in clouds when we were at Mount Rushmore and we could not actually see them carved so gracefully on the side of the mountain. But the ACDA Voices under the direction of Cynthia Morris pleased the crowd with several patriotic selections.

Mark Mattke amazed us all again this year with his presentation of the annual financial report. We never knew a dry financial report could be so much fun!

Beat that, South Carolina!

Now on to a busy year of standing "Shoulder to Shoulder . . . United in Partnership."

Contacting Your ACDA President

Please do not hesitate to contact me with ideas, issues, or suggestions this year. However, there could be one little problem when you try to contact me by e-mail, which is actually the best way to get in touch with me.

The Georgia Department of Education recently enabled a feature of its Internet service provider (ISP) that allows reverse DNS lookup on all e-mail coming in from the Internet in an effort to prevent SPAM. Currently, e-mail is blocked from being received from any mail server that does not allow a reverse DNS lookup. Reverse DNS lookup prohibits SPAM messages from unsecured servers and/or spoof sending addresses on outgoing messages by capturing the IP address of the connecting mail server, looking up the domain name for that IP address (reverse lookup), and comparing the domain of the mail server to the domain of the sending address. Anyone from a legitimate mail system that is getting

rejected e-mail from Georgia DOE should have their network administrator contact their ISP to correctly configure reverse DNS lookups for external systems.

An informative article on the more technical side of reverse DNS entries can be found at www.dnsstuff.com/info/revdns.htm

Should you send an e-mail to which I don't respond within a reasonable time period, I probably didn't get the e-mail. You may wish to fax your information to me at 404-656-5697.

I apologize for taking up so much Commodity KEY space to communicate this with you, but there appear to be many state agencies, recipient agencies, and other organizations that are taking similar actions to try to prevent the rapidly increasing volume of SPAM received each day. Don't assume your message has been delivered when you send e-mail—it could be a situation where new software features implemented by the receiving agency or company blocked your e-mail so that it wasn't received at all even though you might not receive a notice back showing that it was blocked.



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COMMODITY KEY is published at Sir Speedy Printers, Inc. 8492 Baltimore National Pike, Ellicott City MD 21043 by ACDA, phone 410-442-4612. Editor, Mike Gill, Vice President. Please send change of address to Commodity Key c/o Exec. Secy. Ken Shifflett, 11358 Barley Field Way, Marriottsville, MD 21104

Membership is comprised of states, territories, related industry, storage and distribution organizations, non-profit allied and agriculture organizations, recipient agencies and individuals

Membership in ACDA is available without regard to race, color, sex, national origin or handicap.

President Elect's Message

By Gail Sullivan Lynn

I hope you all are having a wonderful summer break. Now that the first round of food orders have been placed and some of us have had a crash course in ECOS, it is time to start preparing for the next ACDA ANC in Myrtle Beach, South Carolina.

Thanks to all of the ACDA members that returned their Conference Evaluation Forms in Sturgis at the Partnership Appreciation and Group Networking Dinner Event. There were many very innovative and thoughtful comments concerning future conferences. Your input is very important in the planning process.

The conference planning committee will work to plan a conference that will continue to inform and educate all of our members. If you have additional suggestions for the 2004 ANC please e-mail me at glynn@mde.k12.ms.us.



28th ANC, Holiday Inn
Rapid City, South Dakota

Vice President's Message

By Michael E. Gill

As I embark on this three-year life-altering journey, I cannot help but think that there is so much I have yet to learn about the Food Distribution Programs. Even after being involved in this area for more than twenty years, I have recently become aware of just how little I really know about many aspects of FDP. Most of my experience has been very narrow in focus. I'm now going to be gaining a broader knowledge base.

The ANC was a whirlwind of emotions. Meeting many long time friends and making more new contacts than I can count was an experience that left me in awe of the knowledge base and experience that resides within the membership of ACDA. I'm excited about the prospect of serving an organization that I've seen mature over the years and become a prominent influence at so many levels. I will work hard to meet the many challenges that we face today and in the future. I will do my best to represent the membership in a forthright and professional manner.



J.R. Green, President ACDA; Roz Cleveland,
FNS; Mike St. Romain, Louisiana

I was honored to accept the position of Vice President of ACDA. As a Child Nutrition Director who has served more than twenty years working with the Food Distribution Programs, I hope to bring a slightly different perspective to the office of Vice President. I also serve on the Indiana School Food Service Association Executive Board. I am very much looking forward to serving the ACDA membership and working with a great group of individuals dedicated to continually improving the Food Distribution Programs.



Markus Volimas (Wild Bill Hickok)
who named J.R., Junior.



Darlene Barnes, J.R. Green, Markus Volimas

Washington Update

By Stephen L. Lacey



This Spring and Summer have been extremely busy for commodity issues in Washington. The child nutrition reauthorization process is moving forward, and at the same time Congress is working on the USDA budget for the upcoming year.

Child Nutrition Reauthorization

The Senate Agriculture Committee is well along in its reauthorization process. As most of you know, the Committee held two hearings earlier this year to review reauthorization issues. Additional hearings are not likely, and the next formal step will be a Committee mark up of a reauthorization bill. A number of bills have been introduced in the Senate that address reauthorization issues. These bills encompass a broad range of issues - from providing a school breakfast entitlement to encouraging healthier eating habits to imposing onerous testing and inspection requirements on food products used in schools. While it is too early to tell what will end up in the Senate bill, these are all issues that will factor into the debate.

Due to the other pressing legislative priorities, the House of Representatives has just begun its consideration of reauthorization issues. In the House, the Committee on

There was general agreement that the school meal programs were not the root cause of this problem, but, however, they have a role to play in nutrition education and encouraging healthy eating habits. Some of the other school lunch-related issues discussed include over certification and ensuring access for eligible recipients. If you are interested in reviewing witness testimony, it is posted on the Committee's website (<http://edworkforce.house.gov/>).

At least one more hearing will be held in the House, and the Education Committee is contemplating a field hearing in California. At this point, we anticipate a Committee markup in September.

Fiscal Year 2004 Appropriations

Congress is also in the middle of the annual appropriations process, and has made significant progress on the Department of Agriculture's funding bill for Fiscal Year 2004. The full House passed its version of the appropriations bill (H.R. 2673) on July 14. As this article went to press, the Senate Appropriations Committee was meeting to vote on its version of the bill.

Here is a summary of some of the major commodity related provisions in the House bill:

<u>Program</u>	<u>House Funding Level</u>
School Lunch Program	\$6.68 billion
School Breakfast Program	\$1.8 billion
Child and Adult Care Food Program	\$2 billion
TEFAP Commodity Purchases	\$140 million
TEFAP Storage and Distribution	\$50 million
Commodity Supplemental Food Program	\$94.9 million

Education and the Workforce has primary jurisdiction over school lunch issues. On July 16, that Committee's Subcommittee on Education Reform held its first reauthorization hearing. Some of the witnesses at that hearing were: Under Secretary Eric Bost, Surgeon General Richard H. Carmona, and ASFSAPresident Gaye Lynn MacDonald.

Overall, the House hearing was very positive, and there was very little substantive discussion of the commodity program. One of the primary issues discussed was the rapid increase of overweight and obese children. The Surgeon General underscored the importance of this issue by referring to it repeatedly as a growing "health crisis".

Conclusion

Activity on these two issues will continue into the Fall. The appropriations bill is expected to be completed by the end of September. While some people are predicting that reauthorization may not be finished this year, I think it is premature to make that assumption. In any event, we can expect significant activity on the reauthorization bill in September.

Net-Off Invoice Yields Concern and Confusion

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The hybrid system has had limited use for a number of reasons. Most State agencies allowing the hybrid system have required the processor have a signed agreement with the distributor. Because of the additional accounting requirements of entitlement-donated foods, the hybrid system has only been practical for processed products using bonus commodities. The hybrid system requires additional paperwork and accounting by the Distributor. Another reason distributors might dislike the hybrid system is because they must pay the gross case price to the processor, and yet only collect the net case price from the school customer.

The Net Off Invoice system is designed to address this later concern by streamlining the paperwork and cash flow by using credits rather than refund checks. Computers and real time accounting of individual school entitlement balances between the processor and the distributor create the opportunity for the system to track entitlement commodities as well. Some state agencies are allowing a limited test of the Net Off Invoice system to see how well it works before allowing it to be implemented statewide.

Because of changes in regulations about substitution and poultry processing, the Net Off Invoice system can also be used for processed poultry products. Under the old regulations, the requirement for all product produced from donated meat and poultry be returned to recipient agencies meant the yields varied on every run and it was not possible to assign a set value of donated food to a finished case of product. The standard yield option for poultry processing addresses that issue by defining a set amount of donated food per case of end product. This means processors can establish a refund value for processed poultry products.

An historical perspective of discount sales through distributors may be helpful for state agencies considering the Net Off Invoice system. Before the major overhaul of the commodity processing regulations in 1986, net sales through distributors were routine. An extensive audit revealed that a significant portion of sales reported by distributors had either not occurred or were made by customers not eligible for commodity discounts. These issues concerned primarily pizza processing when cheese was an unlimited bonus commodity. The relevant question for the new net off invoice system is whether distributors will be able to track entitlements for individual school districts and accurately report the sales to processors. Processors will need to verify a sample of sales with school customers to assure they receive the product at the net case price. If processors find some of the distributor reported sales invalid, will they be able to collect the difference from the distributor?

Another historical concern of discount sales is that distributors invoice schools for less than the commercial price, but may not pass on the total value of the donated food. To address this concern, distributors could show the value of donated food per case as the discount or credit as a separate line item on the invoice. However, distributors have been hesitant to modify their billing system to accommodate this solution.

The Fee for Service and the Net Off Invoice both provide the school district with net pricing. Fee for Service does not have the verification requirements for either the processor or the state agency, which the school district has to validate.

A broader legal concern for distributors is that they not restrain trade by approving only one product segment supplier to the Net Off Invoice system, if others can meet technical requirements for data transfer.

The March 18 memo referred to the following sections of the Commodity Processing regulations:

7 CFR Part 250.19 (b) Responsibilities of distributing agencies:

(2) *Each distributing agency shall design and implement a system to verify sales of end products to all recipient agencies under that distributing agency's authority in instances when a processor transfers end products to a distributor and the distributor sells the end product to the recipient agencies at a discount and the distributor receives a refund from the processor. At a minimum, such as system must:*

(i) *At a minimum, provide for a semi-annual review of a statistically valid sample of sales for the previous six-month period for all processors which contract with the distributing agency or contracting agencies under the authority of the distributing agency including multi-State processor. The sample size must ensure a 96 percent confidence level:*

(ii) *Support the projection of a claim against the processor when, in the review of the sample, it is determined that the value of donated foods have not been passed on to recipient agencies or when end products have been improperly distributed; and*

(iii) *Provide for the assessment of claims against the processor in accordance with FNS Instruction 410-1, Non-Audi Claims, Food Distribution Program in instances when deficiencies have been identified.*

(iv) *Provide for the adjustment of performance reports and processing inventory reports to reflect any invalid sales:*

(v) *Provide for the development and submission by processors to the distributing agency of a corrective action plan designed to correct problems identified during the sales verification; and*

(vi) *In instances in which the distributing agency has delegated the responsibility of sales verification to processors, the distributing agency must:*

a. *Establish guidelines which ensure that the criteria contained in paragraphs (b)(2)(i)-(v) are met;*

b. Ensure that processor report their findings to the distributing agency on a semi-annual basis in accordance with 250.30 (m);

c. Review the processor's findings and select a random sub-sample of at least 10 percent of all sales verified by the processor and reverify the sale by contacting the recipient agency by telephone or through written correspondence; and

d. Submit a copy of the processor's review report and findings and the results of the reverification efforts to the appropriated FNSRO. In instances of poor processor performance, the distributing agency shall require the processor to discontinue the abused value pass through system, initiates an audit or review to determine the extent to which sales are to be disallowed, establish as claim and/or terminate the contract

7 CFR Part 250.30 (d) End products sold by processors:

(1) When recipient agencies pay the processor for end products, such sales shall be under:

(i) A refund system as defined in Sec. 250.3 and in accordance with paragraph (k) of this section; or

(ii) A discount system which provides the price of each unit of end product purchased by eligible recipient agencies to be discounted by the stated contract value of the donated foods contained therein; or

(iii) An alternative value pass-through system under which the value of the donated food contained in each unit of end product shall be passed to the recipient agency and which has been approved by FNS at the request of the distributing agency. Any alternative value pass-through system approved under this paragraph must comply with the sales verification requirements specified in Sec. 250.19(b) of this part, or an alternative verification system approved by FNS. The Department retains the authority to inspect and review all pertinent records including records pertaining to the verification of a statistically valid sample of sales. FNS may consider the paperwork and resource burden associated with alternative value pass-through systems when considering approval and reserves the right to deny the approval of systems which are labor-intensive and provide no greater accountability than those systems permitted under paragraphs (d) and (e) of this section

7 CFR 250.30 (e) End products sold by distributors:

(1) When a processor transfers end products to a distributor for delivery and sale to recipient agencies, such sales shall be under:

(i) A refund system as defined in Sec. 250.3 and in accordance with paragraph (k) of this section; or

(ii) A hybrid system which provides a refund for the contract value of the

donated food shall be provided to the distributor in accordance with paragraph (k) of this section and the price of each unit of end product purchased by eligible recipient agencies through a distributor shall be discounted by the contract value of the donated foods contained therein; or....

7 CFR 250.30 (k) Refund Payments:

(2) In instances when refunds are to be provided to distributors, which have sold end products to recipient agencies at a discount, distributors shall submit refund applications to processors within 30 days from the close of the month in which the sales were made of the date of sale to recipient agencies in order to receive benefits.

(3) Not later than 30 days after receipt of the application by the processor, the processor shall make a payment to the recipient agency or distributor equal to the stated contract value of the donated foods contained in the purchased end products covered by the refund application, except that processors may group together refund applications for a single recipient agency on a Federal fiscal quarterly basis if the total anticipated refund due that recipient agency during the quarter is 25 dollars or less. Copies of requests for refunds and payments to recipient agencies and/or distributors shall be forwarded to the appropriate distributing agency by the processor.



J.R. Green and Suzanne Bierman



Mark Mattke, Treasurer, ACDA
 Senator Tim Johnson
 Elaine Freeman, President-Elect



Darlene Barnes, Deputy Regional Administrator Mt. Plains Region
 Senator Tim Johnson (D) SD

Food Distribution Director's Column

By Cathie McCullough

When we last met at the annual conference in Rapid City, Howard Magwire from AMS/Poultry introduced me as a spent hen, a dicey chick, and the lone turkey at the table of USDA presenters! I actually hail from the Farm Service Agency (FSA), home of Group B purchases, not to mention the surplus of nonfat dry milk. However, given my more recent affiliation with Group A products, thanks to Howard, hopefully I can bring a blend of experience that will be beneficial to the ACDA membership.

I am very excited about the opportunities and challenges that await me in my new position as Director of the Food Distribution Division. The commodity programs have always held special meaning for me. I have worked with USDA for over 23 years in various program areas, including domestic and foreign food assistance programs. Most of that time was spent in FSA's Kansas City Commodity Office. For nearly the past 4 years, I have served as Deputy Director of FSA's Procurement and Donations Division in Washington, D.C. I know many of you from working as the FSA lead on the tri-agency streamlining projects (FNS, AMS, and FSA). I look forward to working closely with you on future commodity program improvements, and I welcome your input as we continue to strive for excellence in our food distribution programs!

Centralization of Food Ordering Update

Beginning in February 2003, our office completed its effort to move the commodity ordering function for schools and institutions to Headquarters from the remaining four Regional Offices handling this responsibility. As a result, Headquarters now takes commodity orders from all States on a nationwide basis, instead of Regions. The FOCUS (Food Ordering and Customer Service) Team was formed to work directly with

all 50 State Distributing Agencies. You can visit the FOCUS Team's website at: <http://www.fns.usda.gov/fdd/focus/Default.htm>. This website provides information for State agency staff regarding who to contact in Headquarters to place orders for commodities going to schools and institutions. The site will also contain timely bulletins and news related to ordering USDA's commodities.

Although it was an adjustment period for all, it has been a relatively smooth transition. We will soon be giving the States an opportunity to provide feedback and hope that you will let us know how we are doing.

Update on USDA and Irradiation

As you are probably aware, the 2002 Farm Bill directed USDA to not prohibit irradiation as an approved food safety technology for food purchased for the commodity programs. AMS recently issued a ground beef specification for irradiated bulk fine grind beef and ground beef patties. The irradiated products will become available for States to offer to SFAs beginning in January 2004 in addition to the non-irradiated ground beef.

The delay between when the specification was announced and when it will be offered to States is to allow for a rollout. Several things are scheduled for the rollout of the irradiated beef:

- All school district superintendents and food service directors will be receiving a letter from Under Secretary Bost explaining why irradiated ground beef will be offered to them. State DAs should have received a copy of the packet by now.

- The letter will strongly encourage school districts to conduct an irradiation educational campaign to help make the decision to choose the product or not choose the product. The letter will accompany a brochure that can be used for educational purposes. Information regarding additional sources of material, including the Minnesota Project material is in the letter.

- Educational materials that have been developed by Minnesota during

the project will be made available to FNS who will make them available to school districts.

It is important to note that no school will receive irradiated product without specifically requesting it and that States will not receive it unless schools have ordered it. It is also important to know that the only commodity ground beef that will be irradiated is product that is not diverted to further processing but sent directly to States for distribution to schools.

Update on ECOS

ECOS has been operational nationwide since February 2003. There are currently 70 active State Agencies and nearly 1,000 users on ECOS, and we believe the rollout of ECOS was a success. We will continue to make updates to the system, based on user requests, so please submit any and all comments. We are also proud that ECOS won an award for E-Government Best Practices, which was presented on June 10, 2003. The EDI-FDD system was shut down on June 30, 2003, as planned. If you still do not feel comfortable using ECOS, please let us know and we'll be glad to conduct "hands-on" training via conference call.

Bonus Update

Bonus Pudding for Child Nutrition Programs – We are offering ready-to-eat pudding in 3.5 oz cups to the Child Nutrition Programs as a bonus item. The product will be provided through School Year 2004. Programs will have a choice of vanilla or chocolate flavors, or a mixed truckload with 50% vanilla and 50% chocolate. The product is also being made available to TEFAP for delivery beginning in July.

Bonus Cheese for TEFAP - For the first time in many years, bonus cheese is being donated to TEFAP. This cheese could not have been distributed through our regular entitlement programs before going out of condition. We have decided to offer the cheese as a bonus to TEFAP, through which it can be distributed more quickly. Five-pound

loaves and sliced cheese in five-pound packages are being offered, totaling up to 166 truckloads. All loaves will be delivered before they reach their best-used-by (BIUB) dates. Some of the sliced cheese will have passed its BIUB date by almost three months when it reaches TEFAP destinations. BIUB dates are not a food safety indicator. Rather, they conservatively estimate the amount of time after packing that a product can maintain its peak quality. Many commodities, if properly stored and handled, can remain safe, wholesome, and appealing long after they have reached their BIUB dates. However, in keeping with our commitment to provide only safe and wholesome commodities, Total Quality System Auditors will inspect the cheese on a sampling basis. They will look for mold and any compromise to the packaging, and perform a cursory taste test.

Other Approved Bonus Buys - On May 16, 2003, Secretary Veneman announced that USDA plans to purchase up to 40 million pounds of raisins for donation to Child Nutrition Programs and TEFAP. Deliveries will take place from August 2003 through June 2004. Also, the Department plans to purchase salmon products to provide market support to pink salmon harvesters. The canned salmon will be offered to TEFAP and FDPIR, and the salmon in a pouch will be offered to Child Nutrition Programs for delivery August through October 2003.

For Information & Suggestions
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TEFAP/CSFP Committee Report

By Ron Hamilton

This is Ron Hamilton, your new TEFAP/CSFP Committee Chair. Committee members are Deb Meizel, Western Region; Kim Jones, Mountain Plains Region; Gwen-Dolyn Cutter, Southeast Region; Kirk Wilborne, Mid-Atlantic Region; Randy Mraz, Northeast Region; Sam Varela, Southwest Region; and Ty Morris, Midwest Region. Each State TEFAP Administrator, Agent, Assistant, Chief, Consultant, Contact, Coordinator, Director, Manager, Specialist, and Supervisor has a unique situation to deal within his or her state. I would like for the committee to find better ways to serve members who can't attend the annual conference and members who have to spend most of their time on school lunch. I'll keep you informed on whatever this great bunch comes up with. Tornadoes, floods and/or hail on May 4, May 8, May 15, June 22, June 28, and July 10, 2003 have kept us busy in Kansas, but with not near the severe damage as in other states. Please don't hesitate to call me at 785-368-8126 or email [<rjh@srskansas.org>](mailto:rjh@srskansas.org) if you have any suggestions or concerns. We're here to serve you.



J.R. Green, President, ACDA,
"My term is over."



J.R. Green and Senator Tim Johnson



How could we forget the beautiful music!!

Industry Article

By Larry Blundred

I want to thank each of you for your involvement in the programs at Rapid City, and particularly to Carolyn Gooch for her leadership with the pre and post conference processing sessions. Carolyn and Glenda Longo are a great team.

I appreciate many of you that shared a desire to help with next year's conference in Myrtle Beach, SC. We will need you, and you will be hearing from me prior to the September Board Meeting and Conference Planning Session.

Please pop me an email with your input and availability - larryblundred@jtmfood-group.com.

As we move to a new year of processing, I ask you to reflect upon agenda points we covered at the April 7, 2002 Industry Meeting in Oklahoma City (yes, 2002).

Regardless of what issues may divide us, there are many that continue to call us to sharpen our focus in what we do individually, and collectively:

- Will the value and role of HACCP be more heavily scrutinized or questioned with recent court decision against USDA? Will this lead to more pressure to monitor, regulate, and intensify checks that could lead to more product recalls?

- What will the impact be on processors with the move to more on-line ordering by schools and DA's?

- As more commercial warehouses consider involvement with distributing commodities and finished products, what must we anticipate or handle differently in response to this trend?

- Is the attention being paid to "obesity" just a fad? What can and should we be doing individually and collectively to reduce being lumped into the category of fat food purveyors? How can we help ACDA and USDA in this area?

- Is the competitive food issue just a challenge to companies making snacks and soft drinks, or are there things that could affect us as well? If so, what can we be doing as processors to support ACDA and/or the committee formed from the Industry Roundtable last summer?

- Regardless of the products and companies involved, do we need a better sense of where pilots are heading, and if

current participants are satisfied? Does USDA need to hear from us on this?

- With 9/11 introducing bio-security and a Food Security Action Team at USDA, how will we be affected? What can we share and help each other vis-à-vis what we are now doing at our manufacturing facilities?

- If special interest groups begin to reach beyond red meats vis-à-vis the zero tolerance specification, is there anything we can do collectively to support ACDA and USDA on a proactive basis, or should we leave this alone or stay in the background?

I encourage each of you to take an active part to expand our role as an Industry force, impacting legislation and letting your voice be heard with ACDA and USDA. My role continues to serve as a resource to you, and as a conduit to ACDA and USDA when questions and issues arise. Let me hear from you.



Mark Mattke, Treasurer
Senator Tim Johnson



Darlene Barnes, Deputy Regional Administrator
Mt. Plains Region



Senator Tim Johnson
Elaine Freeman, President-Elect ACDA

Web-Based Food Distribution Development in Indiana

By Michael E. Gill

After spending nearly two years developing Web-based software for other Child Nutrition Programs, Indiana has begun the initial phase of FDP development. We are very pleased with the other Web-based development results. Those of you who have gone through this process understand what a tedious and time-consuming process this can be given that it is in addition to your other duties and responsibilities. It does involve a number of weekends and holidays spent at the office just to maintain normal operations. Our experience has been no different. We expect the FDP development process to last approximately two years before the new

system is fully implemented. At that time we expect to have a system capable of integrating with ECOS for information relating to food orders and purchase prices. The Indiana system will have a separate recipient agency survey module that is not connected to ECOS. Currently, we have no plans to allow recipient agencies to use ECOS. I'm looking forward to having a flexible system that does not depend on just one individual to run, as our current system does. If you would like additional information regarding this project you may contact me at 800-537-1142 or <mgill@doe.state.in.us>.



Mike Gill, Vice President; Foylen B. Kraft,
Highlands County School Board



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