

ACDA ANNUAL CONFERENCE

Coming Together to Nourish the Nation



April 21 - 24, 2024
Marriott St. Louis Grand
St. Louis, Missouri

How Can We Be Better Business Partners With Each Other?



Today's Speakers



Shannon Solomon, MS, SNS
Aurora Public Schools
-Disclosure: Solomon
Wisdom



Stephanie Ewing, RD, SNS
Gold Star Foods
-No affiliation or financial
disclosure



Laura Bruno, RD, SNS
Buena Vista Foods
-No affiliation or financial
disclosure



Today's Speakers



Jack Crawford
Gold Creek Foods
-No affiliation or
financial disclosure



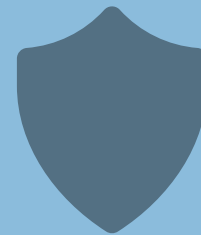
Nicki Heaton
Cargill Foodservice
-No affiliation or
financial disclosure



Alex Culin
Affinity Group
-No affiliation or financial
disclosure

The Players, Defined

- **USDA Food & Nutrition Service (FNS)**
 - Oversees the Child Nutrition Programs based on CFR
- **State Department**
 - Administers the Child Nutrition Programs at the state level
- **School Food Authority/Recipient Agency**
 - Responsible for the administration of one or more schools that has the legal authority to operate the federal school meal programs
 - Responsible for feeding students multiple meals/day
 - Must follow USDA guidelines for school meal programs, including procurement



- **Distributor**
 - Business that acts as an intermediary in the supply chain, facilitating the movement of products from manufacturers to end consumers such as school districts (SFA)
 - Procurement
 - Storage and warehousing
 - Logistics
 - Order fulfillment
 - Credit and financing
 - Marketing and sales

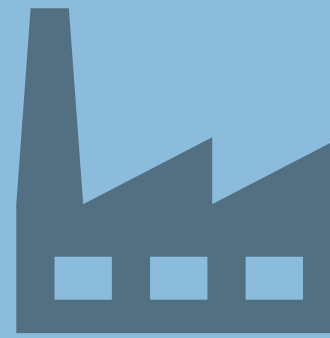


The Players, Defined cont'd

- **Manufacturer**

– Produce goods or services. Transform raw materials into finished products that are sold to distributors or consumers.

- Product development and packing design
- Sourcing raw materials and packaging
- Production and/or product assembly
- Quality control
- Supply chain management: ensuring products are transported to distribution points including inventory management
- Distribution of products
- Compliance with regulations
- Sales support and customer service



- **Broker**

– A food broker is company that acts as an intermediary between food manufacturers, SFAs and distributors, facilitating the sale and distribution of food products.

- Connect manufacturers with distributors and schools
- Product representation
- Sales and customer service
- Negotiating
- Provide product expertise
- Category management
- Marketing support
- Market expansion



- **K12 Software companies**

– Play valuable role in assisting product forecasting

- Data analysis and trends
- Inventory management



K12 Timelines Review

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
State Food Show	█					█				█		
Develop Menus	█											
Plan USDA Diversions	█											
Districts Release Bids	█											█
Response Period		█										
Awards made		█										
Manufacturer Purchases Raw Materials				█								
Board Approval				█								
Contracts Begin							█					
Manufacturer Production						█						
Distributors Receive Inventory							█					
Opening Orders Placed with Distribution						█						
School Begins								█				

APS Nutrition Services



Shannon Solomon, MS



Aurora Public Schools Nutrition Services

- **District Size:** 38,000
- **Number of Schools:** 65
- **Free and reduced Percentage:** 71%
- **Team Size:** 280 Lunch Ladies and Food Dudes
- **Meals per year:** 6.1 Million
- In 2022 Colorado Voters passed Free Healthy School Meals for All effective Fall 2023

School Food Authority Needs:

- . Training and Support regarding Inventory Management (not solely procurement)
- . Student and Customer focused partnerships, flexible for new items (impact and change management for restaurants)
- . Communication:
 - . Honest, candid, timely and frequent
- . Partnerships/Relationships not finger pointing (when there is a mistake be honest on all ends)
- . Accountability with solutions
- . Mentorship, hands on experience support without individual agendas, knowledge and experience sharing support groups (nationwide)
- . Integrated streamlined software programs across PK-12 Industry (disclosing costs, fair and competitive pricing)

What Attributes Do You Need For Best Business Relationship



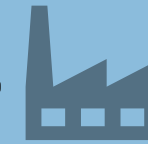
– Stephanie Ewing

Broker



- Quarterly review of each manufacturer's SKUs to identify what you are selling to each school in advance of your scheduled visits
- Ability to visit more than the top 50 customers by volume. Small and medium schools add up.
- Create common understanding of commodity calculators, what is the expectation once the calculator is complete?

Manufacturer



- Annual SKU Rationalization with assistance in transitioning customers to new SKUs.
 - Realistic review of stocked items
- Consistent methodology for minimums
 - Minimums inconsistent for direct shipment to schools vs. distributors
- Realistic review of pricing brackets
 - Pricing brackets inconsistent for direct shipment to schools vs. distributors
 - Incorrect assumption that freight rate cost is the same between FTL and LTL

What Attributes Do You Need For Best Business Relationship



• State Agency/USDA

- Annual TLS updates to coincide with annual surveys
- Mandate that criteria-based RFPs are required for food purchases
 - Eliminate low-cost line-item bids
- Communicate truck cancellations to the school district/Co-Op prior to the cancellation when national inventory balances exceed 6 months of inventory
 - Confirm current utilization and frontloaded quantities
 - Identify if transfers are needed to prevent commercial purchases

School District



- Conduct procurement with the vendor that will purchase and deliver the food
 - Distribution RFPs with Distributors
 - Manufacturer RFPs when the school can accept direct delivery
- Eliminate forecasting and communicate guaranteed quantities
 - Review available foods and services when guarantees are not available
- Understand the differences between VPTs and what VPT is used to compare pricing

Manufacturer Needs:



**Laura Bruno,
RD, SNS**



**USDA and
State
Department:**

– Implementation examples for regulations changes (e.g., Added Sugars proposed rule *product vs. weekly menu average*)



SFA:

Bid award details to be sent to all partners: distributor + manufacturer + broker
Add commodity product monthly menu planned usage to Processor Link forecast tool

- WHY?** we use this planning data for production, purchasing of raw materials, packaging
- Sales compares planned monthly usage to actual orders for menu follow up

Monthly forecast in units (servings) showing purchase timing

WHY? *We use this product forecast to inform our buying decisions and production scheduling. We piggyback our purchasing with other segments (e.g., Military, Starbucks) to obtain lower pricing if we have this detail. If not, we may be paying more as we will not take a risk on high volume buying without committed volume assurances. Purchasing savings are passed through to the SFAs and buying groups.*

Manufacturer Needs

Distributor:

- Bid award notification-timely
- Forecast/committed volume details
- Opening order/back to school demand planning
- End of school year ramp down demand planning
- Buyer communication-share purchasing trends, PAR/stock levels required, TL volume buying plans, customer feedback
- Monthly usage reports by customer and sku
 - Sales team follow up assistance

Software Companies:

- Understanding of how system could integrate forecast/demand planning tools

Manufacturer Needs



School District

- Accurate Enrollment and Participation Data
 - Breakfast, Lunch, Snack, Supper Programs
 - Elementary, Middles and High School
- Communicate Frequency of Product Usage Monthly, Quarterly, Menu Cycle
- Communication to All about Increased or Decreased Usage on Specific Products
- If Direct Delivery to Warehouse
 - Understand Mfg Delivery Guidelines – Lead times
 - Provide Clear Instructions for Delivery – address, contact, hours
- Handling Complaints Efficiently– Provide Picture with Label and Production Date
- NOI
 - Verify Data in Processor Link or K12 – Correct Distributor, Accurate Contact Information
 - Monitor Balances
- If Processing, Resist Temptation to Accept similar Brown Box Items
- Willingness to Trade or Donate Commodities to other Districts in Need.



State Agency

- Prompt Response to Transfer Requests (3-5 Days)
- Timely Breakdown of Pounds Allocated -each School Year by May 31st
- Clear Communication about Sweep Policy and Events During the Year
- Provide Up-To-Date Directors List with New Directors Highlighted
- Provide Yearly Update Reports
 - Enrollment, ADP Breakfast and Lunch, Free & Reduced, CEP Sites
- Enforcement of Pound Usage by District to Support the Processor.



**Jack
Crawford**

Manufacturer Needs

Broker

- Knowledge of the State Rules & Regulations
- Intimate Knowledge of Directors, Districts and their Programs
- Know Distributor Contacts, Products Stocked and their Programs
- Working Knowledge of Manufacturer's Products and their Programs
- Realistic Expectations of Regional Manager's Ability to Attend Your Market
- Provide Truthful, Helpful, Constructive Criticism to the Manufacturer
- Know the "Movers & Shakers" in your Market

Distributor

- Understand and Follow Manufacturer's Lead Times, Pallet Quantities, Minimums
- Please Indicate if Order is Delivered or being Picked Up
- Willingness to Accept Forecasts from Manufacturers as Truthful
- Order Early for School Start-up!
- Use Different Phrase to Indicate a Product is No Longer Stocked.
- Keeps substitutes within same processor's product portfolio
- Provide Forecasted Usage to Broker for Sharing with Manufacturer

Manufacturer Needs

Communication to Manufacturer from Direct School Districts:



- Estimated monthly/annual volumes by product
- If first time customer or first time purchasing a specific product, timelines for purchasing and menu frequency

Communication to Manufacturer from Distributor Partners:

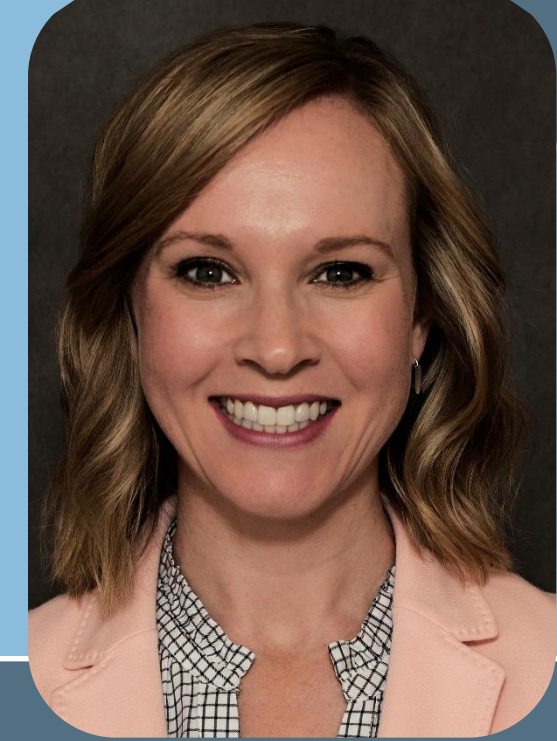


- Estimated monthly/annual volumes and product mix

Communication Shared Between All Parties, Including Co-ops and Management Companies:



- Bid awards and timelines for purchasing



Nicki Heaton

Broker Timeline





Alex Culin

Broker Needs:

Trust with Information

- Directors should establish certain level of trust with brokers, manufacturers, and distribution
- Brokers and manufacturers should also abide by boundaries of inquiring about information around directors' limitations of sharing sensitive information

Broker/Distributor relationship

Brokers should set up quarterly meeting with distribution to review all focus items from all key clients.
Establish rules of operation between both parties for market focus against these items, understanding the broker is tasked with extensive growth against them

What Attributes Do You Need For Best Business Relationship:

Alex Culin, Affinity Group

Communication



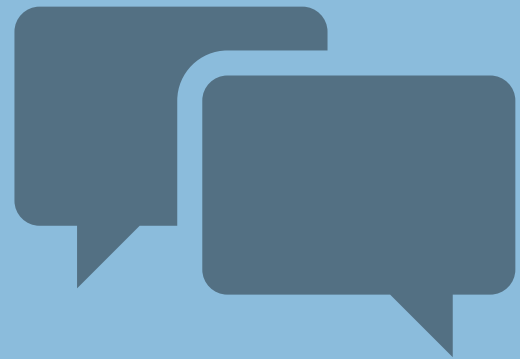
- Frequency agreement between both parties
- Preferred method of communication (e.g. email, text, phone call, in-person)
- Timing for communication
 - Best time and times to *avoid*
- Automated communication through marketing campaigns
- Is the customer accepting of these?
 - Would distribution like to be included in these?



Honest feedback on products

No sugar coating, be honest with feedback

Call(s) to Action



- **Communication between SFA, Distributor, Manufacturer**

- Share Lead Times between SFA/CO-OP/Distributor/Manufacturer:
 - Manufacturer and distributor lead times will be different
- Menu Cycle Changes during the SY
 - Communicate with both manufacturer and distributor those volume changes



- **Procurement Documents:**

- Ensure estimated monthly and annual volume accuracy is communicated
- Ensure Bid AWARDS and any pertinent menu considerations are communicated to both Manufacturer/Broker and Distributor