

STATE OF NEW HAMPSHIRE

Surplus Distribution Communication

To: USDA Commodity Food Recipients

Date: April 4, 2011

From: Amy Lyndes 
Federal Surplus Manager

Office: Surplus Distribution
12 Hills Avenue
Concord NH 03301

Subject: Storage and Inventory Management Policy

Per USDA FD Memo 107 (FD-107), Surplus Distribution utilizes the First-In-First-Out (FIFO) method of inventory. The warehouse staff marks products that are received in first and ensures that these products are distributed first. As part of our monthly cycle count and month end procedures, products that are not moving quickly to recipient agencies are identified and made available to other eligible recipient agencies. During these processes decisions are made to cancel subsequent orders of these products.

Following is FD-107 memo outlining responsibilities of both the state agencies and our customers, the recipient agencies. Please review your inventory on a monthly basis to ensure that commodities are being used in a timely manner. If any questions arise do not hesitate to contact our office.



Food Distribution National Policy Memorandum

United States
Department of
Agriculture

Food and
Nutrition
Service

3101 Park
Center Drive

Alexandria, VA
22302-1500

DATE: June 9, 2010

POLICY NO.: FD-107: National School Lunch Program (NSLP), Child and Adult Care Food Program (CACFP), Summer Food Service Program (SFSP), Commodity Supplemental Food Program (CSFP), Food Distribution Program on Indian Reservations (FDPIR), the Emergency Food Assistance Program (TEFAP), and Charitable Institutions

SUBJECT: Storage and Inventory Management of USDA Donated Foods

In accordance with 7 CFR 250.14(b), State distributing agencies and recipient agencies must ensure that foods donated by the Department of Agriculture (i.e., USDA donated foods) are stored in a manner to protect them from spoilage, infestation, damage, or other condition that may jeopardize the wholesomeness or safety of the foods. USDA donated foods must be maintained in sanitary conditions, at the proper temperature and humidity, and with adequate air circulation. In addition to proper storage practices, effective inventory management is necessary to ensure that USDA donated foods are distributed in a timely manner, and in optimal condition.

As a general rule, distributing and recipient agencies should use a first-in-first-out (FIFO) system of inventory management. In order to implement FIFO, USDA donated food cases or other containers should be marked with the date of their receipt at the storage facility. However, distributing and recipient agencies should also be aware of dates placed on food products by the manufacturers that help to determine how long food products can be expected to remain in optimal condition. Such product dates must be considered, along with FIFO, in management of donated food inventories.

Because different product dates have different meanings, it is important to know which product date is used and to understand what it means. It is also important to understand that, except for expiration dates, product dates do not necessarily indicate when foods are no longer safe to consume. The following paragraphs describe the meaning of some product dates that may be found on USDA donated foods.

Expiration and Use-by Dates

Generally, "expiration" dates and "use-by" dates are the last dates that the manufacturer *recommends* a food item be consumed to ensure peak quality and nutrient retention. However, there is no regulation requiring that manufacturers mark their product with such dates.

The one exception to these general rules is infant formula. The Food and Drug

Administration (FDA) requires manufacturers mark infant formula with a "use-by" date. Additionally, the FDA prohibits the sale of infant formula after the use-by date.

In accordance with FDA rules, infant formula that is past its use-by date must not be distributed to program recipients. Similarly, per manufacturer recommendations regarding other foods, other USDA donated food that is past its expiration date or its use-by date must not be distributed to program recipients. Accordingly, distributing and recipient agencies must manage their inventories to ensure that program recipients have an opportunity to consume all USDA donated foods (i.e., infant formula and other foods) before their expiration dates or use-by dates have passed.

Best-if-used-by Dates

A "best-if-used-by" date is the last date a food item will be at its peak, in terms of flavor and quality. At some point after that date, the product will begin to undergo changes in taste, color, texture, and/or nutrient content. However, the product may be wholesome and safe to consume, and retain most of its nutrient value, long after the "best-if-used-by" date. Nevertheless, distributing and recipient agencies must consider "best-if-used-by" dates in managing their USDA donated food inventories, and distribute USDA donated foods in a manner that allows them to be consumed by such date.

Sell-by Dates and Pack Dates

A "sell-by" date is the date by which the manufacturer recommends that a store sell the food product, and is not necessarily a reliable indicator of how long it may retain its wholesomeness or nutritional value.

A "pack date" indicates when the product was packaged or processed. While it may help to determine the age of the product, it does not necessarily provide useful information on its wholesomeness or nutritional value.

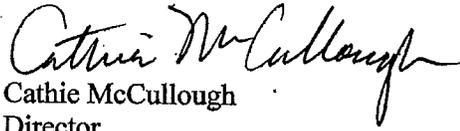
Food Safety

USDA donated foods that show signs of spoilage, infestation, or other visible defects should not be used or distributed, regardless of product dates or when the foods were received, as such food is generally considered not fit for human consumption. If there are no visible defects, but there is a question as to the wholesomeness or safety of USDA donated foods, the distributing or recipient agency must have the foods inspected by State or local health authorities as soon as possible, and must contact FNS before taking further action.

Single Inventory Management

School food authorities, other recipient agencies in child nutrition programs, and charitable institutions may use single inventory management, in which USDA donated foods are stored and inventoried together with purchased foods or other foods. In such

case, USDA donated foods are subject to the same safeguards and effective management practices as other foods, and must be treated as other foods when safety is in question. Consequently, such recipient agencies must comply with State or local laws or regulations in determining the safety of foods (including USDA donated foods).



Cathie McCullough
Director
Food Distribution Division