

# Bulk Commodity Flour Pilot for Processing

## Updated December 2008

### ***The Bulk Commodity Flour Pilot Program is being extended into School Year 2009-2010.***

This pilot program began July 1, 2008 for purchasing vendor specified bulk flour for processing diversion. Only existing approved pilot processors are currently allowed to participate in the pilot. FNS is not accepting new processors into the pilot at this time, however, initially it was open to all approved National and State Processors.

The purpose of this pilot is to remove additional costs out of the current flour processing procedures to allow the end users to fully realize the value of the actual flour used for further processed end products through the various approved value pass through systems.

Through research it was discovered that many of our processors who receive USDA procured commodity flour substitute their specific commercial flour for the USDA flour when producing finished end products. Usually the substituted flour is valued at a higher rate because manufacturers customize their flour specifications to meet their quality control standards. Generically purchased flour with an allowable range of component ratios does not meet the needs for most of our flour processors due to the wide variance in flour specifications. This issue is unique to the bakery industry in that even subtle variances in the component ratios can have a dramatic impact on end product results and consistency.

How it was set up:

- Processor participating in the Bulk Flour Pilot provided their flour specifications to FSA in Kansas City, MO in August 2008.
- Unique commodity codes were created for each vendor's specifications and temporary values established have been established for each flour and given to the respective processor.
- Once processors receive this new information, they will need to inform FNS and/or State Distributing Agencies of their participation with the pilot. The new commodity code will need to be added to SEPDS. (EPDS and SEPDS Templates can be found on the ACDA website [www.commodityfoods.org](http://www.commodityfoods.org))
- Processors will need to share this information with their State Distributing Agencies to ensure the correct commodity code will be ordered when the surveys are opened.
- For SY0809, FNS opened surveys for these new commodities in early October for deliveries starting in January, February and March 2009.
- Once orders were acquired by FNS, solicitations went out to industry for each vendor's product specifications.
- The solicitations were released in early November 2008 for deliveries starting in January, February and March 2009.
- The last SY2008-2009 pilot flour survey is currently open through January 8, 2008 for delivery in April, May, and June 2009
- SY2009-2010 Surveys for pilot flour will be open December 12, 2008.
- Commodity values will be adjusted after the first purchase is made. The value will then be updated annually with the November 15<sup>th</sup> Commodity File to synchronize the updated value with the rest of the commodities, depending on the continuation of the pilot.

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