

# **NATIONAL MASTER PROCESSING AGREEMENT**

## **Participant Roles & Responsibilities**

(Revised 10/26/2004)

### **Food Distribution Division (FDD), USDA Food and Nutrition Service**

1. Establishes National Master Processing Agreement (NMPA) with multi-State processors and approves formulation and yield of end product data schedules (EPDS) and approves summary end product data schedules (SEPDS) without pricing.
2. Signs NMPA, EPDS, and SEPDS submitted by processors and returns signed copies to processors.
3. If applicable, approves processor's sales verification program and alternate value-pass-through system.
4. Posts a list of processors with approved NMPA on the FDD website.
5. Provides State access to master SEPDS through the Electronic Commodity Ordering System (ECOS).
6. Establishes processors required bond level, holds surety instrument, and monitors bond level for adequacy.
7. Receives National Monthly Performance Reports (State summary) and adjusts State entitlement when commodities are transferred from one State to another.

### **Processor**

1. Notifies States of intent to participate in NMPA prior to the State initiation of State processing contracts.
2. Requests State Participation Agreement from State and submits to State a customized SEPDS.
3. Provides a list of participating States and each State's actual or anticipated inventory levels to FDD for purpose of establishing bond level.
4. Requests States to order commodity for direct shipment, assists States in coordination of split shipments, and facilitates transfer of inventory among States.
5. Forwards monthly performance reports to States and national monthly performance report (State summary) to FDD.
6. Conducts sales verification if required for indirect sales, hybrid, or alternate value-pass-through system and submits results to States.

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### State Distributing Agency

1. Downloads State Participation Agreement from the American Commodity Distribution Association's website and customizes with State specific preferences. Provides the completed State Participation Agreement to processors participating with NMPA.
2. Notifies school districts of National Processors approved and includes processor in surveys when appropriate. (This is consistent with the requirement for States to notify school districts of State processors approved. When informing school districts of approved processors, it is not necessary to distinguish which processors have national or State processing agreements.)
3. Notifies processor of commodities ordered.
4. Provides allocation of entitlement commodities per Recipient Agency to processor.
5. If applicable, solicits competitive pricing for processed commodities or processor services to convert the donated food into desired finished end products.
6. Monitors monthly performance reports for receipt of donated food, sales to eligible agencies, tracks entitlement value if appropriate and monitors /or conducts sales verification if necessary. Sales verification may be delegated to the processor through the State Participation Agreement.

### Recipient Agency

1. If applicable, solicits competitive pricing for processed end products in compliance with federal, State, or local procurement regulations.
2. Submits commodity orders for processing diversions to State agency conforming to the State established system.
3. Tracks purchases to assure proper value pass through occurs.