



MANAGING PROCESSING INVENTORY

SCHOOL NUTRITION ASSOCIATION

July 22, 2008



SELF MANAGED INVENTORY

- Eliminate Excess Inventory
- Avoid Product Changes
- Advanced Knowledge of Commodity Shortages At Processors



THREE EASY STEPS

- Forecasting
- Ordering
- Monitoring

SUCCESSFUL
COMMODITY
PROCESSING

PROCESSORS

STATE

SCHOOLS



NUMBER 1 MYTH ABOUT ORDERING COMMODITIES





COMMODITY BREAKDOWN

- How Much Of Each Commodity Type Do I Need For One Menu Day ?
- Consider All Schools
- Convert Into Pounds

METHODS TO DETERMINE QUANTITY

- Guess.....Estimate
- Hysterical
- Historical

UTOPIA SCHOOL DISTRICT

- 6,000 x 2 oz Portions = 12,000 oz
- 12,000 x 3 oz Portions = 36,000 oz
- 48,000 oz OR 3000 Pounds Of Finished Product





CONVERSION METHODS

- Discuss With Broker/Salesperson
- Research Processor Website
- Summary End Product Data Schedules

SEPDS A

SUMMARY END PRODUCT DATA SCHEDULE

- National Summary**
(EPDS approved by USDA)
- State Summary**
(EPDS approved by state agency)

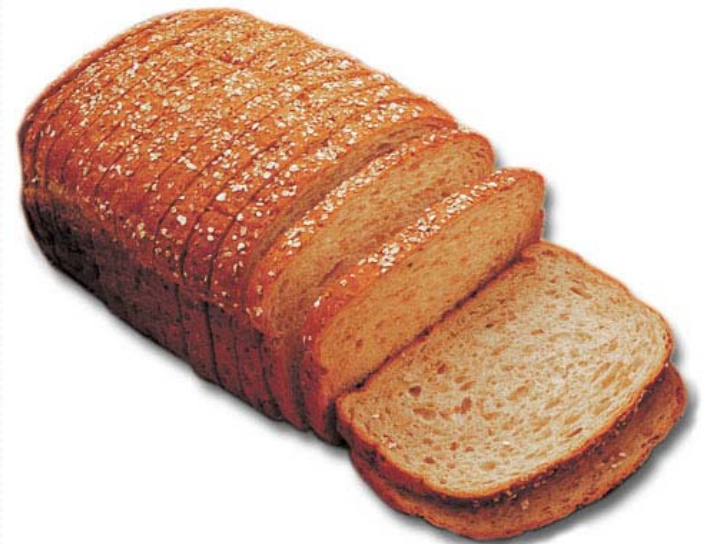
THIS IS AN ORIGINAL SUMMARY SCHEDULE UNLESS CHECKED BELOW:

- Reflects Change in Formulation (*Italic*)
- Additional Products Listed

VALUE PASS THROUGH SYSTEMS APPROVED:

- Direct Sale
- Refund to Recipient Agency
- Net Price Through Distributor
- Fee for Service (billed by Processor)
- Fee for Service (billed by Distributor)

| Information Center | | Minimum Approved EPDS (requires signature) | | | | | Minimum Approved EPDS | | | Certified by State Agency | |
|--------------------------------|--|--|-----------------------------|---|---------------|--------------------------------|-----------------------|-----------------------|------------------------------|---------------------------|----------------------------------|
| End Product Code & Description | | Net Weight Per Case (lbs) | Net Weight per Serving (oz) | Donated Food (Use code and short title) | | DF Inventory Drawdown per case | Products Produced* | Value per pound of DF | Value of DF per case (F x H) | Effective Date | State Agency Acceptance/Approval |
| A | | B | D | E | | F | G | H | I | J | K |
| 230 | FC Diced Chicken | | 2.05 | A522 | CHIX CHIL | | No | \$0.4856 | \$17.48 | | |
| 325 | CN Chicken Fajita Strips | | 2.05 | A522 | CHIX CHIL | | No | \$0.4856 | \$17.48 | | |
| 6010 | CN Hot & Spicy Chicken Strips | | 3.84 | A522 | CHIX CHIL | | No | \$0.4856 | \$9.71 | | |
| 6040 | CN Breaded Chicken Nuggets | | 3.65 | A522 | CHIX CHIL | | No | \$0.4856 | \$9.71 | | |
| 6143 | CN Homestyle Breaded Nugget | | 3.04 | A522 | CHIX CHILL LG | 20.00 | No | \$0.4856 | \$9.71 | | |
| 6243 | CN Homestyle Breaded Strips | | 3.84 | A522 | CHIX CHILL LG | 20.00 | No | \$0.4856 | \$9.71 | | |
| 6276 | CN Unbreaded Honey BBQ Chicken Nuggets | 30.00 | 155 | 3.10 | A522 | CHIX CHILL LG | 25.00 | No | \$0.4856 | \$12.14 | |
| 6296 | CN Unbreaded Teriyaki Chicken Nuggets | 30.00 | 155 | 3.10 | A522 | CHIX CHILL LG | 25.00 | No | \$0.4856 | \$12.14 | |
| 6343 | CN Homestyle Breaded Breakfast Patties | 30.00 | 291 | 1.65 | A522 | CHIX CHILL LG | 20.00 | No | \$0.4856 | \$9.71 | |
| 6624 | CN Unbreaded Chicken Patties | 30.00 | 192 | 2.50 | A522 | CHIX CHILL LG | 36.00 | No | \$0.4856 | \$17.48 | |
| 6643 | CN Homestyle Breaded Patty | 30.00 | 157 | 3.05 | A522 | CHIX CHILL LG | 20.00 | No | \$0.4856 | \$9.71 | |
| 6915 | CN Breaded Popcorn Chicken w/Individual Multi Colored cups | 20.00 | 103 | 3.08 | A522 | CHIX CHILL LG | 12.00 | No | \$0.4856 | \$5.83 | <input type="checkbox"/> |
| 61110 | CN Breaded Chicken Nuggets | 30.00 | 141 | 3.40 | A522 | CHIX CHILL LG | 20.00 | No | \$0.4856 | \$9.71 | |
| 61130 | CN Breaded Chicken Nuggets | 30.00 | 141 | 3.40 | A522 | CHIX CHILL LG | 30.00 | No | \$0.4856 | \$14.57 | |
| 61140 | CN Breaded Chicken Nuggets | 30.00 | 141 | 3.40 | A522 | CHIX CHILL LG | 25.00 | No | \$0.4856 | \$12.14 | |
| 61210 | CN Whole Grain Breaded Nuggets | 30.00 | 158 | 3.04 | A522 | CHIX CHILL LG | 20.00 | No | \$0.4856 | \$9.71 | |
| 62110 | CN Breaded Chicken Strips | 30.00 | 141 | 3.40 | A522 | CHIX CHILL LG | 20.00 | No | \$0.4856 | \$9.71 | |
| 62130 | CN Breaded Chicken Strips | 30.00 | 141 | 3.40 | A522 | CHIX CHILL LG | 30.00 | No | \$0.4856 | \$14.57 | |
| 62145 | CN Breaded Chicken Strips | 30.00 | 141 | 3.40 | A522 | CHIX CHILL LG | 25.00 | No | \$0.4856 | \$12.14 | |
| 62210 | CN Whole Grain Breaded Strips | 30.00 | 125 | 3.84 | A522 | CHIX CHILL LG | 20.00 | No | \$0.4856 | \$9.71 | |



MAKE GOOD BUSINESS DECISIONS

- 3,600 Pounds of Chicken Per Menu Day
- 4,300 Pounds of Beef Per Menu Day
- 3,715 Pounds of Cheese Per Menu Day





July

- Year End Activities
- Year Start Activities
- Year Long Activities



YEAR END ACTIVITIES

- Reconcile All Invoices
- Verify Inventory Balance
- Consider Any Processor Transfers



YEAR START ACTIVITIES

- Verify Carryover Inventory And New Year Allocation
- Determine Ordering Methods
- Develop And Implement Tracking Systems



YEAR LONG ACTIVITIES

- Monitor Inventory Balances
- Verify Proper Receipt of Commodity Values
- Plan Future Commodity Ordering



SUCCESSFUL INVENTORY MANAGEMENT

- Forecasting
- Ordering
- Monitoring

