



Food Distribution National Policy Memorandum

United States
Department of
Agriculture

Food and
Nutrition
Service

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Alexandria, VA
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DATE: November 4, 2005
POLICY NO.: FD-048: State Processing
SUBJECT: State Participation Agreement Period of Agreement

Under the National Processing Agreement (NPA) demonstration program, State agencies are customizing the American Commodity Distribution Association (ACDA) prototype State Participation Agreement (SPA) to convey State specific processing requirements to processors. The ACDA prototype SPA period of agreement allows the State agency to specify the effective date and recommends a termination date of June 30 the next year, which is in compliance with current program regulations.

The NPA is a “permanent” agreement between USDA and the processor. To provide flexibility for State and recipient agencies and reduce paperwork, USDA will utilize waiver authority at 7 CFR 250.30(t) to waive the following program regulation for only those States that are participating in the NPA:

250.30(c)(1): only the portion which states “... Processing contracts shall terminate on June 30 of each year. However, processing contracts may give contracting agencies the option of extending contracts for two 1-year periods...”

State agencies may select a period of agreement that best fits the way they conduct business in their particular State. However, the **SPA period of agreement shall not exceed five (5) years.** For example, a SPA effective date may be July 1, 2006 through June 30, 2011. We expect States and processors to keep this document current and accurate by amending the SPA as necessary should any of the information change during the agreement period.

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