NOTICE

Date: November 7, 2008

Reference: # FDP 2009-01

To: Food Distribution Program (FDP) Contractors

Subject: Commodity Inventory Levels at Processors

Purpose

Remind school food authorities (SFAs) of the requirement to ensure that the quantity of USDA-donated foods held at processors is at the lowest cost efficient level, but not more than a six-month inventory level. The Texas Department of Agriculture (TDA) must approve any inventory level held at a processor that is higher than six months.

A school that is not utilizing its commodity inventory or has more inventory than it can realistically use in a reasonable amount of time may be notified by their processor to increase usage or transfer inventory to another school. If a school does not increase usage or transfer inventory, TDA may transfer the commodities to another school. Schools will not receive planned assistance level (PAL) credit for the value of the commodity that TDA transfers. If TDA reduces a school’s inventory, it will notify the school by e-mail or letter.

For additional information as regards inventory levels at processors, refer to the Food Distribution Handbook, Item 8180. The handbook is available online at www.snptexas.org.

Authority

United States Department of Agriculture (USDA) Correspondence FD-064

Contact

If you have any questions please contact your Commodity Distribution Specialist.