



Food Distribution National Policy Memorandum

United States
Department of
Agriculture

DATE: March 24, 2003

Food and
Nutrition
Service

POLICY NO. FD-008: State Processing

3101 Park
Center Drive

SUBJECT: Establishing Processor Inventory Weight for Random Weight
Commodities

Alexandria, VA
22302-1500

Issue: USDA purchases a number of commodities such as cheddar cheese, mozzarella cheese, and turkeys in random weight units. These items can be identified in the Food Distribution Commodity file by the absence of numbers under the heading "average gross pack weight." or with a "1.00" under the heading "net pack weight." Because the container weights for these commodities vary, truckload weights will also vary correspondingly based on the number and weight of the containers. Therefore, it is important that processors credit each recipient agency for the actual weight of commodity received rather than an estimated truckload or container weight. For direct shipments from the USDA vendor, we have some concern that processors may be determining each recipient agency's inventory based on the Notice of Delivery. The Notice of Delivery and Forwarding Notice only give an estimated weight per truckload. Frequently, there are considerable differences between this weight and the actual weight for the truckload as shown on the Notice of Shipment or the bill of lading.

Another problem arises when these commodities are released for processing in small quantities from State agency storage facilities and the quantities released cannot be tied to specific shipments. In many cases, processors have used the USDA purchasing notice "target" carton weight of the commodities rather than the actual weight of commodity received.

Background: This matter was recently brought to our attention via a State's observation that the processor's monthly performance reports for cheese always reflected multiples of target carton weights. This weight differed from the actual net as it appeared on the Notice of Shipment. In this particular instance, the cases received averaged 1-2 pounds heavier than the average weight being recorded by the processor.

While we have no specific knowledge that this is occurring with other random weight commodities, we believe that a uniform policy should be developed to ensure that recipient agencies receive full credit for commodities provided to the processor.

Policy: Direct Deliveries - When commodity deliveries are made directly from the USDA vendor to the processor, the Notice of Shipment or the bill of lading will be used to determine the amount of donated food received, except for bulk-shipped, commodity "B" poultry. In the latter case, the net weight must be that specified on the official destination weight certificate. In no case will the weight of a commodity be determined from the Notice of Delivery or Forwarding Notice. When the direct deliveries are on behalf of several recipient agencies, the processor will prorate the amount received into each recipient agency's inventory account based on the recipient agency's percentage of the order.

Backhauled Commodities - State distributing agencies should be discouraged from permitting commodities to be backhauled. However, if there are no alternatives, the State shall direct that when commodities are picked up for processing from State agency storage facilities that the personnel in charge of the commodities will be responsible for recording (1) the total number of cartons to be released to the processor, (2) the net case weight of each individual carton and (3) the aggregate weight of all the cartons. The firm doing the backhauling should sign for picking up this amount of donated food. This amount will be used for determining each contracting agency's inventory as shown on the monthly performance report for the processor. A copy of the document used to record this information must be provided to the processor and the State distributing agency to ensure adequate accountability.


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