



USDA Foods Distribution and Fees Survey

Sponsored by the U.S. Department of Agriculture, Food and Nutrition Service

June 2020

INTRODUCTION SCREEN**USDA Foods Distribution and Fees Survey**

Thank you in advance for taking the time to complete this survey.

The United States Department of Agriculture (USDA) Food and Nutrition Service (FNS) has contracted with 2M Research (2M) to conduct a survey of State Distributing Agencies (SDAs). The study will allow FNS to better understand and compare fee structures for the distribution, warehousing, and administration of USDA Foods for school meals.

The survey should take approximately 20 minutes to complete.

This information is being collected to assist the Food and Nutrition Service in understanding fee structures for the distribution, warehousing, and administration of USDA Foods for school meals. This is a voluntary collection and FNS will use the information to better understand and compare how State Distributing Agencies manage the operations and distribution of USDA Foods to School Food Authorities (SFAs). This collection does not request any personally identifiable information under the Privacy Act of 1974. According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0584-0613. The time required to complete this information collection is estimated to average 20 Minutes (0.33 hours) per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to: U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support, 1320 Braddock Place, Floor 5, Alexandria, VA 22314 ATTN: PRA (0584-0613). Do not return the completed form to this address.

If you have any questions about this study, please contact the study team by email at USDAFoods@2mresearch.com or by phone at 1-8XX-XXX-XXXX (toll-free), Monday through Friday from 10 a.m. to 6 p.m. Eastern Time. If you call outside of these hours, please leave a message, and we will return your call the following business day.

INSTRUCTIONS

This survey has been optimized to run on a desktop computer and is best viewed in the latest versions of Chrome, Firefox, or Internet Explorer.

Move forward through the questions by clicking on the “Next” button on the bottom right.

Next

If you need to go back, click the “Back” button on the bottom left.

Back

To exit the survey and come back to it later, click the “X” on the top right. All responses will be saved. The survey can be accessed again by clicking on the survey link that was provided to you in the email notifying you about the survey.

X

When you reach the end of the survey, click “SUBMIT.”

Submit

Please provide the following information:

Which State do you represent?

Please provide your name, email address, and telephone number for any follow-up questions about the survey:

Name: _____

Email Address: _____

Telephone Number: _____

1. What type of distribution facility, facilities, or warehouse does [State] contract with? *Select all that apply.*
 - State-owned warehouse(s)
 - State-owned distributor
 - State-provided distributor
 - State-contracted commercial distributor
 - State-contracted commercial warehouse
 - State-contracted non-commercial warehouse (e.g., a food bank)
 - Other, please describe: _____
 - None. All USDA Foods are delivered directly to Recipient Agencies (RAs), to processors, and/or by USDA DoD Fresh distributors.

2. How many warehouses/distribution facilities does the SDA manage for USDA Foods in Schools? Please include all facility types.

3. Do any of the SDA facilities store and distribute for other FNS programs, such as SFSP or TEFAP, in the same facility/facilities with USDA Foods in Schools?
 - Yes
 - 3A. [if "yes"] Which program warehouses are co-located? *Select all that apply.*
 - Summer Food Service Program (SFSP)
 - Child and Adult Care Food Program (CACFP)
 - Commodity Supplemental Food Program (CSFP)
 - The Emergency Food Assistance Program (TEFAP)
 - Food Distribution Program on Indian Reservations (FDPIR)
 - No

4. Does the SDA separate the State into regions for warehousing and/or distribution?
- Yes
- 4A. [If "yes"] How many regions?
- No
5. Is transportation to Recipient Agencies (RAs) included in the contract for the state facility/facilities?
- Yes
- 5A. [If "yes"] How many times per month are items delivered?
- As needed
- Weekly
- Biweekly
- Monthly
- Bimonthly
- No
- 5B. [If "no"] How do RAs receive USDA Foods?
- RA pick up
- RA procures transportation services separately
- Both; items are delivered to RAs, and RAs arrange transportation.
- 5C. [If "both"] How many times per month are items delivered?
- As needed
- Weekly
- Biweekly
- Monthly
- Bimonthly
6. What is the minimum drop amount and/or value for delivery from your State facilities? *Select all that apply, and indicate the amount and/or value required.*
- ___ Dollar value (i.e., the invoice amount or sales minimum)
- ___ Pounds
- ___ Cases
- No minimum required
- Not applicable: State facility/facilities does not deliver food.

7. Do the storage/delivery fees charged vary based on any of the following? *Select all that apply.*

- Region of the State
- Type of storage (i.e., freezer, cooler, or dry)
- "Dwell time" permitted to withdraw USDA Foods from the State warehouse or distributor
- Distance from facility
- Other, please specify: _____
- Fees charged do NOT vary

8. What types of warehouse/distribution does the SDA allow Recipient Agencies (RAs) to use for receiving USDA Foods? *Select all that apply.*

- RA/Co-op contracted commercial distributor
- RA/Co-op contracted commercial warehouse
- RA/Co-op contracted non-commercial warehouse (e.g., a food bank)
- Direct ship to RA-owned warehouse
- Other, please describe: _____
- None

9. Does your State have a process for reallocating USDA Foods from one RA to another for direct delivery products?

- Yes

9A. [If "yes"] How often do you reallocate direct delivery products across RAs?

- Weekly
- Bi-weekly (once every two weeks)
- Monthly
- Quarterly
- Annually
- On demand

- No

10. As the SDA, do you have a policy where you reallocate bulk pounds at processors from RAs with high inventory balances to other RAs, often known as a sweep policy?

- Yes

10A [If "yes" to Q10] How many times a year do you sweep RA pounds?

- Annually
- Twice per year

- Three times per year
- Four times per year
- More than four times per year

10B [If "yes" to Q10] What time of year do you do your sweep? *Select all that apply.*

- January
- February
- March
- April
- May
- June
- July
- August
- September
- October
- November
- December

No

11. Do RAs enter orders directly in the web-based supply chain management (WBSCM) system in your State (i.e., is WBSCM rolled down)?

- Yes, all RAs enter orders in WBSCM.
- Yes, but only some RAs enter orders in WBSCM.
- No, no RAs can access WBSCM.

State Administrative Expense (SAE) funds are allocated to each State based on a statutory formula to cover expenses for the administration of Child Nutrition Programs. However, States have some discretion in allocating SAE funds across individual program administrative costs within their State.

12. In school year (SY) 2018-2019, approximately how much SAE did the State agency allocate (not including SAE reallocation dollars) to support costs associated with the administration, storage, and distribution of USDA Foods in Schools? *Data should be for the most recent complete fiscal year (SY 2018-2019).*

PLEASE FILL IN APPROXIMATE AMOUNT \$_____

12A. As reported above, if SAE funds are used, approximately what percentage of the funds are used for the following (*Please use the last approved SAE plan to answer this question*):

Warehousing _____%

Distribution (for example, trucking) _____%

Staff Salaries _____%

Training _____ %
 Other, please specify _____ %

When SAE or other State funds are insufficient to cover the full costs of administering the Food Distribution Program (i.e., expenses for the storage, transportation, or associated administrative costs of USDA Foods in Schools), States are authorized to charge a fee to RAs participating in the program to close the funding gap. This fee is officially termed the “distribution charge,” but States often refer to it by different names (e.g., administrative fee, storage fee), and it may include fees charged directly to RAs by State-contracted warehouses. *Answer this question based on whether the distribution charge is used for any type of RA.*

13. Does your State charge such a fee to RAs?

Yes

13A [If “yes” to Q13] What is the basis for the fee? *Select all that apply.*

- Pounds of direct delivery, processed end product, and/or commercial product an RAs sends through the State warehouse
- Cases of direct delivery, processed end product, and/or commercial product an RAs sends through the State warehouse
- SFA meal counts
- Other method

13B [If “yes” to Q13] How do you collect the fees? *Select all that apply.*

- Invoices sent directly to the RAs **by the State**
- Invoices sent directly to the RAs **by the State-contracted warehouse**
- Administrative offset to NSLP meal reimbursement
- Other, please describe: _____

13C [If “yes” to Q13] In an average year, what is the approximate total amount of these fees collected by your State (and/or by the State-contracted warehouse) from all RAs for the storage and distribution of USDA Foods (not including any reimbursement due to SAE re-allocation)?

PLEASE FILL IN APPROXIMATE AMOUNT \$ _____

13D [If “yes” to Q13] As reported above, if a “distribution charge” is used, as defined above, approximately what percentage of the funds is used for the following:

Warehousing _____ %
 Distribution (e.g., trucking, etc.) _____ %
 Staff salaries _____ %
 Training _____ %
 Other, please describe _____ %

13E [If “yes” to Q13] Since SY15–16, how many times were State distribution fees changed in consultation with the FNS Regional Office?

No [If “No,” go to Question 15]

14. Consider the fees or “distribution charges” that you just described in the previous questions. Are storage and/or transportation services included in the fees charged directly from State-contracted facilities?

Yes, for all facilities:

14A. [If “yes for all facilities”] For what are the RAs invoiced?

- Storage and transportation
- Storage only
- Transportation only

Yes, but not for all facilities:

14B [If “yes, but not for all facilities”] For what are the RAs invoiced? *Select all that apply.*

- RAs are invoiced for storage only.
- RAs are invoiced for transportation only.
- RAs are invoiced for storage and transportation.
- The SDA pays the facility directly and later bills the RA.
- The facility is State-owned/-leased.

No

14C [If “no”] How does the RA receive the USDA Foods?

- The SDA pays the facility directly and later bills the RA.
- The facility is State-owned/-leased.

Other, please describe: _____

15. Does the “distribution charge,” as defined in Question 13, change based on storage time, sometimes known as dwell time?

Yes

15A [If “yes”] When do fees begin accruing?

- Immediately
- 1–10 days
- 11–30 days
- 31–60 days
- More than 60 days

No

16. Does your State, or do RAs in your State, send USDA Foods to processors for further processing?

Yes

No [If "no," go to end of survey]

17. For the management of processing of USDA Foods at the State level: Which value pass-through methods does your State allow? *Select all that apply.*

Indirect discount (i.e., Net off invoice)

Direct discount

Rebate

Fee-for-service (including modified fee-for-service)

18. Does the State agency procure processing services?

Yes

18A [If "yes"] Do RAs also procure processing services from additional processors?

Yes

No

No

18B [If "no"] Do RAs procure processing services?

Yes

No

You have just completed the USDA Foods Distribution and Fees Survey. Are you ready to submit your responses?

If you are ready, select "Yes" and press the "Submit" button below, and your survey will be submitted. If you need to double check an answer, press the "Back" button below.

Yes

Back

Submit

Thank you very much for your time.

Definitions For Hover Overs in Q17.

b) *Refund or rebate.* The processor sells end products to the distributing or recipient agency, as appropriate, at the commercial, or gross, price and must provide a refund or rebate for the value of the donated food contained in the end products.

(c) *Direct discount.* The processor must sell end products to the distributing or recipient agency, as appropriate, at a net price that incorporates a discount from the commercial case price for the value of donated food contained in the end products.

(d) *Indirect discount.* Also known as net off invoice, the processor delivers end products to a commercial distributor, which must sell the end products to an eligible distributing or recipient agency, as appropriate, at a net price that incorporates a discount from the commercial case price for the value of donated food contained in the end products.

(e) *Fee-for-service.* The processor must sell end products to the distributing or recipient agency, as appropriate, at a fee-for-service, which includes all costs to produce the end products not including the value of the donated food used in production. Three basic types of fee-for-service are used:

(i) Direct shipment and invoicing from the processor to the recipient agency;

(ii) Fee-for-service through a distributor, where the processor ships multiple pallets of product to a distributor with a breakout of who owns what products; and

(iii) What is commonly known as Modified Fee-for-service, when the recipient agency has an authorized agent bill them for the total case price.