



Nevada Department of Agriculture

USDA Foods Manual

Food Distribution Program

July 2026

Rev. 2

Food Distribution
Division of Food and Nutrition

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USDA Foods

The U.S. Department of Agriculture (USDA) Foods program is a federal program available to eligible sponsors that participate in the Child Nutrition Programs (CNP) including the National School Lunch Program (NSLP), School Breakfast Program (SBP), Summer Food Service Program (SFSP) and the Child and Adult Care Food Program (CACFP). USDA Foods are available to sponsors that have been on one of these programs for at least one year.

The USDA Foods Program mission is to strengthen the Nation's nutrition safety net by providing food and nutrition assistance to school children and families; and support American agriculture by distributing high quality 100% American-grown USDA Foods. USDA purchases foods through direct appropriations from Congress, under the surplus removal program and price support activities.

USDA donates over \$1 billion worth of food each year to people in the United States. The federally funded program helps to improve the diets of the many people who benefit from the program, while also helping American farmers maintain and strengthen the agricultural market.

The Nevada Department of Agriculture (NDA) supports CNP's by providing USDA Foods to eligible sponsors. The USDA foods are distributed throughout the State of Nevada to help improve the nutritional status of children and adults.

The USDA Foods Program supplies approximately \$11 million in food assistance to Nevada schools each year.

USDA Foods in Nevada

In Nevada, the USDA Foods Program is administered by the NDA, Division of Food and Nutrition Division (DFN). DFN provides administrative support, storage, and transportation for the distribution of USDA Foods to help meet the needs of program sponsors. DFN operates two state-owned warehouses located in Las Vegas and Reno, which provide food delivery services to all 16 counties in Nevada. DFN administers the food assistance programs according to federal and state regulations.

Child Nutrition USDA Foods Support

The program provides basic and processed USDA Foods for the following CNPs:

- National School Lunch Program (NSLP)
- School Breakfast Program (SBP)
- Summer Food Service Program (SFSP)
- Child and Adult Care Food Program (CACFP)

State Processing Program (SPP)

The State Processing Program has the authority to convert raw bulk USDA foods into more convenient processed end products, such as chicken nuggets, by entering into agreements with commercial food processors. Contracts are typically in place for two years or more. These products go to sponsors participating in the NSLP and CACFP. Through the SPP, sponsors can provide varied and higher quality meals at a reduced cost.

To find a listing of approved processors, please view the link below on FND's resource page at: https://agri.nv.gov/Resources/Resources_USDA_Foods/

Each contracted processor is required to provide nutritional information for their products. Nutritional sheets can also be found on DFN's [Resource Page](#).

Entitlement

Each year the USDA purchases millions of dollars of surplus food from American farmers. According to Federal law the amount of USDA Foods allocated to each state depends on the actual number of reimbursable meals served the previous year. The USDA collects this data state by state and then assigns each state their fair share allocation or "entitlement". Entitlement is defined as the dollar value of the USDA Foods that the state receives each year to meet its planned assistance levels to its sponsors.

Federal Law

These programs operate under the federal regulations set forth in Title 7 CFR 250. The federal regulations dictate the means for calculating the amount of entitlement each state receives along with other program requirements.

- [Richard B. Russell National School Lunch Act](#)
- [Title 7, Subchapter B, Part 250](#).

USDA Entitlement Calculation for the State

Below is the standard calculation USDA uses to establish the total amount of entitlement provided to the state.

- Prior Year Lunches: This represents sponsor meals (lunch only for NSLP and SFSP and lunches plus suppers for CACFP) reported to the NDA.
- The July Rate: Each year USDA publishes the annual meal rate notice, titled "Food Distribution Program: Value of Donated Foods".
- 12% Funding: By law, the overall USDA Foods entitlement amount each school receives must not be less than 12% of the total value of expenditures supporting the NSLP. The donated foods entitlement amount is monitored throughout the school year and adjusted, if necessary, to meet the 12% requirement.
- Prior Year Balance: The balance, whether there was a remaining or negative balance at the state level from the previous year, gets added to the calculation.

$$PRIOR\ YEAR\ LUNCHES \times JULY\ RATE + 12\% \text{ FUNDING } +/- PRIOR\ YEAR\ BALANCE = \\ \textbf{\textit{TOTAL ENTITLEMENT \$}}$$

Annual Reconciliation

At the beginning of each school year, USDA enters a preliminary entitlement for each state. This initial entitlement is based on the current meal rate, previous years' meal counts, and projected entitlement carryover. In December, DFN receives notification from USDA that federal entitlement has been reconciled for the current program year. Two main factors are calculated when the reconciliation is finalized: 1) prior year's *final* meal counts reported and 2) *final* state entitlement carryover from the prior year. DFN completes a pre-formulated spreadsheet and updates each sponsor's meal counts and their fair share percentage of additional

entitlement. Sponsors are given a copy of DFN's reconciliation spreadsheet annually, typically in the spring. Additional entitlement dollars will be allotted towards the next school year's entitlement. DFN will apply additional entitlement amounts in FDP.

Note: Meal rate and/or provision adjustments will be updated when DFN receives notification from USDA.

USDA Foods Ordering and Entitlement Reconciliation Timeline

Below is an example of the standard timeline USDA uses each year. For reference, the term "meals" below refers to free, reduced and paid lunches for the NSLP. For CACFP, "meals" include lunch and suppers.

January	USDA issues a preliminary School Year (SY) entitlement amount based on current SY actual rate, previous year actual meals reported, carryover from previous year, and 12% provision. USDA Opens the Catalogue of USDA Foods for DFN to review.
February	DFN provides a survey to sponsors to determine which USDA Foods are desired based on the items included in the USDA Foods Catalogue. This survey is for foods that will be delivered between July through June of that calendar year.
March	DFN reviews surveys provided by sponsors to determine which USDA Foods will be ordered in WBSCM. After items are determined, DFN will open the USDA Foods survey in FDP for sponsors to place their final counts for each product for the upcoming school year.
April	USDA Food orders are due for July-September delivery periods. DFN provides program sponsors with each sponsors entitlement amount for the coming School Year.
July	DFN Receives the "Published" rate in Federal Register from USDA. DFN adjusts entitlement on an as needed basis.
December	Final SY meals and reconciliation provided by USDA. DFN updates current SY entitlement with final meals from prior year by USDA. This information is used for the annual reconciliation process by DFN.

How is Entitlement Allocated to a Sponsor

Entitlement resides at the state level. In Nevada each sponsor is allocated entitlement based on the number of meals served in their district the prior school year, and current Federal meal rate. See example below.

Sponsor Name	Meal Counts	Meal Count x SY Rate (0.45) Final Entitlement Allocation for SY
Nevada School District	68,127	\$ 30,657.15

Monitoring Entitlement

DFN uses reports provided by USDA and Food Distribution Program (FDP) to track entitlement balances, orders pending & received and inventory balances at each processor. Each sponsor can track their own entitlement by accessing FDP and reviewing their entitlement used and remaining balance. Sponsors may also retrieve the Value of USDA Foods Received Report which details the federal value of USDA Foods for a specific time period. To track entitlement, go to: <https://nda.cnpus.com/prod/Splash.aspx> under the Agencies > Contract > Contract Entitlement option. For additional guidance, you may also find the FDP manual on DFN's [Resource Page](#).

How Can Districts Use Entitlement

There are three options available for how sponsors can use entitlement funds: USDA Direct Delivery, DOD Fresh, and the State Processing Program. Details for each are outlined below.

USDA Direct Delivery Foods

These products are basic fruits, vegetables, legumes, and meat/poultry products that typically are canned or frozen. Entitlement is drawn down by the federal value per case per product. DFN charges a standard shipping and handling fee of \$2.50 per case. A survey is released in FDP each year for sponsors to enter their requests. Items with enough interest will be ordered, items that do not receive enough requests will be removed from the survey.

Expected Foods Available List: Each year USDA provides a list of foods expected to be available for the upcoming school year. The NDA provides this list to all sponsors. These foods are expected to be available for NSLP schools and other CNPs during a given school or fiscal year but may change later in the year depending on market conditions and sponsor interest.

The NDA is required by USDA to order in full truck quantities. It is important that sponsors communicate with NDA about their yearly usage for USDA Foods. The annual sponsor surveys will be used by NDA to determine which USDA Foods to order from USDA and how sponsors communicate what foods and in what quantity those foods are desired for specific delivery period. There is one window of opportunity for sponsors to enter this information, typically between January – March.

The USDA Foods Available List can be found here: <https://www.fns.usda.gov/usda-fis/foods-available>

DOD Fresh

The Department of Defense (DOD) Fresh Fruit and Vegetable Program allows area eligible sponsors to use USDA Foods entitlement dollars to buy fresh produce. The DOD Fresh program includes greater buying power, consistent deliveries, an emphasis on high quality and large

variety of produce items; with an easy-to-use ordering website. DFN oversees the program, the sponsors place orders directly with DOD's contracted vendors.

Sponsors requesting to participate in DOD Fresh Produce, must:

- Have DOD Fresh available in their designated area,
- Submit a request to DFN to transfer a portion of their entitlement towards DOD Fresh.
- DFN will approve or deny the request based on available entitlement and area eligibility.

Sponsors using a Vended Meal Company (VMC) for DOD Fresh must:

- Use only their own entitlement funds to order DOD Fresh products. VMCs may not pool entitlement funds or foods from multiple schools for distribution.
- Provide detailed reports to NDA showing how entitlement funds are spent for each sponsor at the end of the SY.
- Understand that the VMC may order food from DOD Fresh on behalf of the school, however it is the responsibility of the school to work with the VMC to determine ordering needs.
- Follow all contract terms related to the crediting of cases. This includes ensuring that credited cases are accurately documented, correctly applied to the appropriate sponsor, and managed in accordance with the procedures outlined in the school-VMC agreement.
- Failure to follow the above guidelines will result in the VCMs ordering access to be removed.

USDA allows DFN four opportunities each year to transfer entitlement funds to DoD Fresh. These transfer windows occur in March, April, October, and December. DFN will notify sponsors when requests are due.

Sponsors are responsible for submitting their transfer requests by the stated deadlines. Requests submitted after the deadline are not guaranteed to be processed, and available funds may not appear in FFAVORS.

All produce received must be American grown. If any product displays a label indicating it was grown outside the United States, it must be rejected, noted on the BOL, and reported to DFN. All receipts must be receipted within 2 business days of delivery. Schools who do not receipt within the timeframe are ineligible to place additional DOD Fresh orders.

The school is responsible for requesting user access to the ordering system, FFAVORS, and must email the Food Distribution Specialist with the user's full name, email address, and phone number.

State Processing Program

Processing of USDA foods allows the state to contract with commercial food processors to convert raw bulk USDA foods into more convenient, ready-to-use end products. The federal value per case is what is drawn down from districts entitlement. DFN charges a standard shipping and handling fee per case, \$2.50, along with the processing fee agreed upon as outlined in the contract between DFN and the processor. These amounts are updated yearly in FDP.

Invoicing

Below is a sample of an invoice that sponsors will receive for each delivery. This shows how fees are applied for USDA Foods or Processed Foods depending on what was ordered.

Item Number	Commodity	Cases	Total Weight	Federal Value	Case Processing Fee	Case S & H Fees	Total Fees
Order # 9628 Received Date 08/10/2015							
2099	TURKEY BREAST SLICED 12/1#	20	280	\$250.80	\$21.0000	\$2.0000	\$460.00
2154	W. Grain Brd Chicken Pattie Fritter	20	656	\$277.20	\$38.8100	\$2.5000	\$826.20
2565	TURKEY HAM SLICED 12/1#	5	70	\$77.65	\$21.3600	\$2.0000	\$116.80
3760	BEEF PATTY FLAME BROILED	25	553	\$1,872.00	\$9.0400	\$2.5000	\$288.50
6409	TURKEY HAM DICED COOKED	6	72	\$77.64	\$17.8000	\$2.0000	\$118.80
6423	TURKEY BREAST OVEN ROASTED DICED	11	132	\$107.03	\$17.5000	\$2.0000	\$214.50
100307	BEANS, GREEN R/S CANNED 6/10	56	2,576	\$851.20	\$0.0000	\$2.5000	\$140.00
100336	SPAGHETTI SAUCE, MEATLESS, CANNED	56	2,576	\$757.12	\$0.0000	\$2.5000	\$140.00
100212	MIXED FRUIT, EX LT CAN 6/10	50	2,300	\$1,687.00	\$0.0000	\$2.5000	\$125.00
100158	BEEF, FINE GRD RAW FRZ 4/10#	10	430	\$1,220.00	\$0.0000	\$2.5000	\$25.00

Definitions of Invoice Terms

- Federal Value: This represents the USDA food value, which also represents the entitlement value per case.
- Case Processing Fee: Each processed food item has a processing fee that the processor and DFN have agreed upon.
- Case S&H Fees: DFN charges a shipping and handling fee per case. This cost ranges from \$1.50 - \$2.50 based on direct or warehouse deliveries.

Request to Surrender/Increase Entitlement

Sponsors may request additional entitlement during the current school year if they have used their beginning balance of entitlement and would like to obtain more products available in surplus or order additional foods. If sponsors are unable to use their entitlement, they may opt to surrender any remaining entitlement they do not plan to use. Surrendering entitlement can assist other districts who need additional USDA Foods. The form can be found on DFN's [Resource Page](#).

Additionally, DFN can sweep sponsor entitlement from their account, with or without notice, if funds are not being used.

USDA Foods in Schools Product Information Sheets

USDA provides Product Information Sheets for all USDA Foods. These information Sheets can be found here: <https://www.fns.usda.gov/usda-fis/product-information-sheets>

Please note that all the newly updated fact sheets will now include the 6-digit USDA Foods Material Code. In addition, USDA added food safety guidance and expanded the nutrient data that are key to planning healthy school meals that support the Dietary Guidelines. Allergen information is added when available.

DFN screens all processed food products listed on the surveys to ensure that all products have a CN label or a product specification sheet that meets federal guidelines. Specification sheets for contracted items can be found in FDP or on FND's Resource Page.

FDP

This web portal is used to submit and track your orders for USDA Foods. FDP is also used to submit survey requests for processed end products and Direct Delivery foods, provide information on entitlement, view invoices, and review the value of USDA Foods Received Report. A Step-by-Step manual is available on the FND's [Resource Page](#).

All Sponsors **must** have a login in order to:

- Complete Surveys
- Create Orders for Deliveries
- Review & Manage Entitlement
- Value of Commodities Received Reporting
- Training for FDP

All sponsors are required to keep their program, billing, and ordering contact information in FDP up to date, updating as needed or at least once per year. To update contact information, log in to FDP and navigate to: Agencies > Contract > Contract Packet > Modify (on the left side). The Food Distribution Specialist will communicate directly with the listed contacts regarding program updates, invoicing, and ordering, so it is extremely important that these contacts are up to date.

Technical Assistance is available via phone, email, or scheduled Teams Meeting with the Food Distribution Specialist. The Food Distribution Specialist can assist sponsors needing further guidance using FDP.

Delivery Schedule

Each sponsor will have an assigned monthly delivery date. Sponsors may review the schedule provided in the link below and plan accordingly around the designated delivery date. Orders are due in FDP no later than 7 days prior to scheduled delivery date. For questions or concerns about delivery dates please contact DFN, at (775) 353-3758, or email fnd@agri.nv.gov.

You can access the delivery schedule online at DFN's [Resource Page](#).

Food Surveys in FDP

DFN utilizes two types of surveys to collect information from sponsors on desired products and quantity of desired products.

Each year, DFN provides sponsors with surveys of processed end products. These processing companies and products offered have been approved by DFN. Completed surveys determine how much USDA food (raw product) needs to be diverted to each processor to complete the orders requests. Nutritional information for each processed end product is available on DFN's [Resource Page](#).

It is important that sponsors plan their usage of USDA foods in advance. DFN reviews sponsors requests and orders truck load quantities from USDA. If there are not enough requests for a product, that product will be removed from the survey and will not be ordered.

DFN will provide surveys for the USDA foods that ship to the state warehouse, aka Direct Delivery. These surveys will include items such as fruit, vegetables, meat, poultry and grains. Sponsors will be notified when surveys are opened, closed and when a USDA food survey is posted in FDP. The process of obtaining USDA Foods can take six months or more, advanced planning is essential.

Both Processor and USDA Foods surveys are a critical planning tool and serve as the foundation for ordering inventory, ensuring that product availability aligns with both program requirements and sponsor preferences. Processor surveys may be updated monthly, any changes to a survey are due 55 days prior to the beginning of each survey month; typically falling on or around the 7th of every month. (*For example: October 1 survey is due August 7*), with the exception of the USDA Foods (Direct Delivery) survey. The USDA Foods survey is considered a firm request and cannot be updated throughout the year.

It is essential that sponsors regularly review and update their surveys to reflect their current needs. Sponsors should frequently take inventory at their sites and adjust their surveys as needed. Once the survey closes, all items remaining on the survey are considered firm requests. DFN orders cases strictly based on survey submissions, so keeping surveys accurate and up to date is critical. Sponsors are expected to accept delivery of the requested items. By submitting a survey, sponsors are committing to accepting requested USDA Foods items within 35 days of allocation.

Once items are procured and allocated by DFN to the sponsor's order form, sponsors are required to order, receive and take delivery of those products.

Sponsors are financially liable for all products requested and allocated through the survey process. It is essential that sponsors review and update their surveys monthly to avoid ordering items they do not need, want, or have space for.

For additional information regarding survey and ordering compliance, please see the *USDA Foods in Schools Sponsor Survey and Ordering Compliance Memo*.

Filing a Complaint

USDA Foods and processed end products complaints must be reported on the DFN Complaint Form. To assist in processing your complaint quickly, please complete the form as thoroughly as possible.

When submitting a complaint, make sure to include:

- Clear photos of the affected case(s), including the case lot number, any visible contaminant (if applicable), and any other relevant images.
- A detailed description of the issue, providing as much information as possible.
- The affected case(s) must remain on-site until DFN provides instructions. Do not dispose of any product until you receive explicit guidance on how to proceed.

To file a complaint for damaged or poor-quality produce delivered through DoD Fresh, the case(s) should be rejected on-site. Note the returns on the BOL, record the discrepancies in FFAVORS, and notify DFN within 24 hours of delivery.

DFN will also file a complaint in USDA's on-line system, the Web-Based Supply Chain Management (WBSCM) System, if applicable. Vendors are required to address each complaint, and resolutions will be shared with the sponsor. The complaint form can be found on DFN's [Resource Page](#).