

Agenda

- Regulatory Requirements
- Why Inventory Levels Matter
- Inventory Management Best Practices
- CSFP Inventory Calculator



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Food and Nutrition Service



Regulatory Requirements

- **Inventory Levels**
 - FNS recommends that States maintain inventories at 2 to 2.5 months by food package category
 - States cannot exceed 6 months of inventory per food package category, consistent with regulations at 7 CFR Part 250
- **Tracking inventories**
 - States are also required to accurately track inventory levels, in accordance with 7 CFR 247.28 and 247.29
 - The CSFP inventory calculator is a useful tool for inventory management
 - It's easy for States to use the inventory calculator too!



Why Inventory Levels Matter

- When State agencies over-order USDA Foods relative to their caseload, it hurts the program
- High inventories:
 - Stretch limited CSFP resources thin
 - Take product away from other State agencies and affect product availability at the end of the year
 - Increase the risk that USDA Foods will go out of condition before they can be distributed to and used by participants
- Low inventories:
 - Increase the risk that a State agency will not have enough food to meet food package requirements and provide full food packages to participants



Top 10 Inventory Management Best Practices

1. Plan Ahead – Use the Optional Inventory Calculator!
2. Enter Orders Early
3. Review Orders Often
4. Know Your Orders
5. Notice Order Status'
6. Enter Goods Receipts
7. Notify us of Late Deliveries
8. Refer to Your Tools
9. Ask Questions
10. Make Your Regional Office Staff Your Best Friends!



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The CSFP Inventory Calculator

- Microsoft Excel-based tool which combines data from the FNS-153 and Web-Based Supply Chain Management (WBSCM) Reports to show a months-on-hand inventory level for each food package category for a State agency
- Used by FNS Regional and National Office staff, but is also optionally available to State agencies
- Downloadable with instructions and a training webinar from the CSFP Homepage on the FNS website:
<http://www.fns.usda.gov/csfp/commodity-supplemental-food-program-csfp>

The CSFP Inventory Calculator

	A	B	C	D	E	F	G	H	I	K	L	N	O	R
1	CSFP INVENTORY CALCULATOR 3.1		Complete all fields in yellow.		See separate Instructions.									
2	7/19/2013													
3	PARTICIPATION													
4	I. STATE:		Total	Infants 0-3 Months	Infants 4-12 Months	Children 1-6 Years	Pregnant/ Breastfeeding Women	Non-Breastfeeding Postpartum Women	Elderly					
5	II. CASELOAD:		0	0	0	0	0	0	0					
6	Percentage of Total Participants:			--	--	--	--	--	--					
7														
8	PRODUCT INFORMATION			MONTHLY GUIDE RATES					INVENTORY & FOOD ORDERS					
9			Product Pack Size	Infants 0-3 Months	Infants 4-12 Months	Children 1-6 Years	Pregnant/ Breastfeeding Women	Non-Breastfeeding Postpartum Women	Elderly	III. Units On Hand As Of: MM/DD/YYYY	IV. Cases for Deliv. from MM/DD/YYYY to MM/DD/YYYY	V. Optional Case Adjustment for Est. Food Order Changes. Enter +/- Before Number.	Total Units	Est. Months On-Hand As Of MM/DD/YYYY
10	Food Type													
11	Vegetables		24			4	6	4	4	0	0		0	--
12	Juices		8		1	3	3	2	2	0	0		0	--
13	Fruit		24			2	4	2	2	0	0		0	--
14	Chicken, 15 oz		12			2	2	2	2	0	0		0	--
15	Beef / Stew / Chicken / Chili, 24+ oz		24			1	1	1	1	0	0		0	--
16	Tuna / Salmon / Chicken, 12, 14.75 or 16 oz		24			2	2	2	2	0	0		0	--
17	Chicken, 12.5 oz		48			2	2	2	2	0	0		0	--
18	Egg Mix		48			2	2	2	2	0	0		0	--
19	Peanut Butter / Dry Beans		12			1	1	1	1	0	0		0	--
20	Cheese, Reduced Fat		12			1	1	1	1	0	0		0	--
21	Milk, NFD Instant		12			0.5	0.5	0.5	0.5	0	0		0	--
22	Milk, UHT		12			4	8	2	2	0	0		0	--
23	Pasta 2 Lb Package (Spaghetti)		12			1	1	1	1	0	0		0	--
24	Dehydrated Potatoes		12			1	1	1	1	0	0		0	--
25	Rice - 24 Pack Size		24			1	1	1	1	0	0		0	--
26	Rice - 30 Pack Size		30			1	1	1	1	0	0		0	--
27	Pasta 1 Lb Package (Rotini)		20			2	2	2	2	0	0		0	--
28	Pasta 1 Lb Package (Macaroni)		24			2	2	2	2	0	0		0	--
29	Rolled Oats		12			1	1	1	1	0	0		0	--
30	Cereal, Farina		24			2	2	2	2	0	0		0	--
31	Cereal, Grits		8			0.5	0.5	0.5	0.5	0	0		0	--
32	Cereal - 8 Pack Size		8			2	2	2	2	0	0		0	--
33	Cereal - 10 Pack Size		10			2	2	2	2	0	0		0	--
34	Cereal - 12 Pack Size		12			2	2	2	2	0	0		0	--
35	Cereal - 14 Pack Size		14			2	2	2	2	0	0		0	--
36	Cereal - 16 Pack Size		16			2	2	2	2	0	0		0	--
37	Infant Formula, 25.7 oz*		6	5	5					0	0		0	--
38	Infant Formula, 12 oz, 12.4 oz, 12.5 oz, 12.9 oz*		6	10	10					0	0		0	--
39	Infant Rice Cereal 6/8 oz*		6		4					0	0		0	--
40	Infant Rice Cereal 8/8 oz*		8		4					0	0		0	--
41	Infant Rice Cereal 12/8 oz*		12		4					0	0		0	--

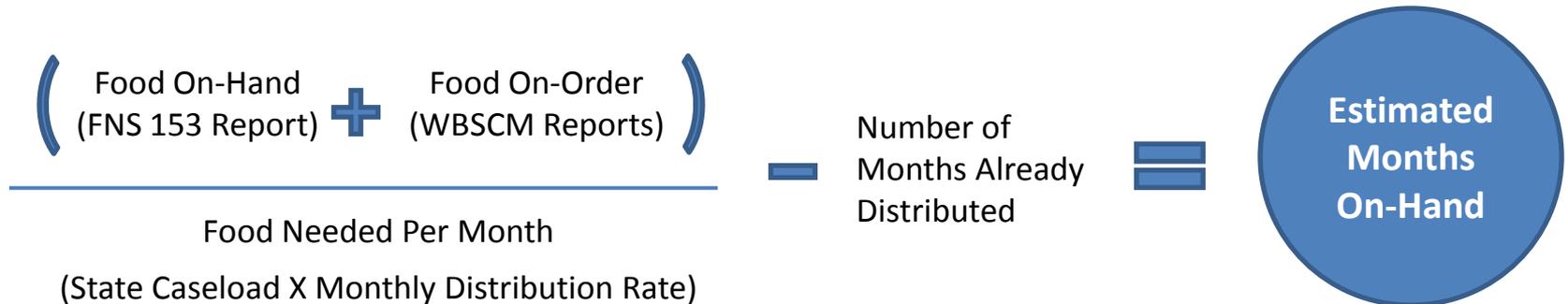
How the Calculator Works

- The CSFP Inventory Calculator is a Microsoft Excel-based tool which combines data from the FNS-153 and WBSCM Reports to show a months-on-hand inventory level for each food package category.
- It is based on the following inventory formula:

$$\frac{\left(\begin{array}{l} \text{Food On-Hand} \\ \text{(FNS 153 Report)} \end{array} + \begin{array}{l} \text{Food On-Order} \\ \text{(WBSCM Reports)} \end{array} \right)}{\begin{array}{l} \text{Food Needed Per Month} \\ \text{(State Caseload X Monthly Distribution Rate)} \end{array}} - \text{Number of Months Already Distributed} = \text{Estimated Months On-Hand}$$

How the Calculator Works

Practice Problem: Delaware has a caseload of 100, and it serves 100 seniors each month. Each senior gets 2 bottles of juice per month. As of December 31, the last available FNS-153 report month, Delaware had 400 bottles of juice in inventory. The State has ordered another 400 bottles of juice for delivery on or before February 23. How many months of Juice inventory will the State have on-hand at the end of February?



How the Calculator Works

Practice Problem: Delaware has a caseload of 100, and it serves 100 seniors each month. Each senior gets 2 bottles of juice per month. As of December 31, the last available FNS-153 report month, Delaware had 400 bottles of juice in inventory. The State has ordered another 400 bottles of juice for delivery on or before February 23. How many months of Juice inventory will the State have on-hand at the end of February?

$$\frac{(400 \text{ Bottles} + 400 \text{ Bottles})}{200 \text{ (} 100 \times 2 \text{)}} - 2 \text{ Months} = 2 \text{ Months}$$

$$= 4 \text{ Months}$$

Completing the Inventory Calculator

1. Download the State's latest available FNS-153 Report and the State's direct and multi-food order reports.
 - For Direct orders, use the WBSCM "Order Status Report"
 - For Multi-Food orders, use the WBSCM "Multi-Food Requisition Report"
2. **Copy-and-paste the reports into the matching Inventory Calculator tabs.**
3. Enter State name, caseload, and a date range into the Calculator's yellow cells.
4. Inventory levels automatically calculate.

For step-by-step instructions, download the "Inventory Calculator Instructions" from the FNS CSFP Webpage at:

<http://www.fns.usda.gov/csfp/commodity-supplemental-food-program-csfp>



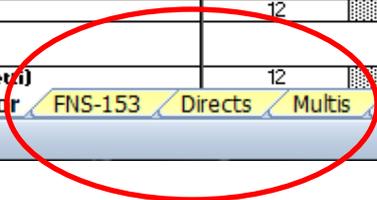
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STEP 2

B ATOR 3.1 C Complete all fields in yellow. D E F G H I K See separate Instructions.

		PARTICIPATION							
I. STATE:	Sample State	Total	Infants 0-3 Months	Infants 4-12 Months	Children 1-6 Years	Pregnant/ Breastfeeding Women	Non-Breastfeeding Postpartum Women	Elderly	
II. CASELOAD:	2,400	2,394	0	0	0	0	0	2,394	
Percentage of Total Participants:			0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	
PRODUCT INFORMATION		MONTHLY GUIDE RATES							
Food Type	Product Pack Size	Infants 0-3 Months	Infants 4-12 Months	Children 1-6 Years	Pregnant/ Breastfeeding Women	Non-Breastfeeding Postpartum Women	Elderly	III. Unit Hand A.	
Vegetables	24			4	6	4	4	12/31/2 26,79	
Juices	8		1	3	3	2	2	14,16	
Fruit	24			2	4	2	2	10,34	
Chicken, 15 oz	12			2	2	2	2	4,82	
Beef / Stew / Chicken / Chili, 24+ oz	24			1	1	1	1	4,20	
Tuna / Salmon / Chicken, 12, 14.75 or 16 oz	24			2	2	2	2	0	
Chicken, 10 oz pouch	36			2	2	2	2	0	
Chicken, 12.5 oz	48			2	2	2	2	0	
Egg Mix	48			2	2	2	2	0	
Peanut Butter / Dry Beans	12			1	1	1	1	7,00	
Cheese, Reduced Fat	12			1	1	1	1	5,17	
Milk, NFD Instant	12			0.5	0.5	0.5	0.5	3,70	
Milk, UHT	12			4	8	2	2	9,20	
Pasta 2 Lb Package (Spaghet)	12			1	1	1	1	0	



Completing the Inventory Calculator

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STEP 3

I. STATE:		PARTICIPATION						INVENTORY & FOOD ORDERS					
II. CASELOAD:		Total	Infants 0-3 Months	Infants 4-12 Months	Children 1-6 Years	Pregnant/Breastfeeding Women	Non-Breastfeeding Postpartum Women	Elderly	III. Units On Hand As Of: 12/31/2014	IV. Cases for Deliv. from 1/1/2015 to 2/28/2015	V. Optional Case Adjustment for Est. Food Order Changes Enter +/- Before Number	Total Units	Est. Months On-Hand As Of 2/28/2015
Sample State		2,394	0	0	0	0	0	0	26,799	410		36,639	1.8
2,400		2,394	0	0	0	0	0	0	10,345	618		25,177	3.2
Percentage of Total Participants:			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					
Food Type	Product Pack Size	Infants 0-3 Months	Infants 4-12 Months	Children 1-6 Years	Pregnant/Breastfeeding Women	Non-Breastfeeding Postpartum Women	Elderly	III. Units On Hand As Of: 12/31/2014	IV. Cases for Deliv. from 1/1/2015 to 2/28/2015	V. Optional Case Adjustment for Est. Food Order Changes Enter +/- Before Number	Total Units	Est. Months On-Hand As Of 2/28/2015	
Vegetables	24			4	6	4	4	26,799	410		36,639	1.8	
Juices	8		1	3	3	2	2	14,167	341		16,695	1.5	
Fruit	24			2	4	2	2	10,345	618		25,177	3.2	
Chicken, 15 oz	12			2	2	2	2	4,822	0		4,822		
Beef / Stew / Chicken / Chili, 24+ oz	24			1	1	1	1	4,201	104		6,637		
Tuna / Salmon / Chicken, 12, 14.75 or 16 oz	24			2	2	2	2	0	0		0		
Chicken, 10 oz pouch	36			2	2	2	2	0	0		0		
Chicken, 12.5 oz	48			2	2	2	2	0	0		0		
Egg Mix	48			2	2	2	2	0	0		0		
Peanut Butter / Dry Beans	12			1	1	1	1	7,008	189		9,276	1.9	
Cheese, Reduced Fat	12			1	1	1	1	5,174	394		9,902	2.1	
Milk, NFD Instant	12			0.5	0.5	0.5	0.5	3,703	205		6,163	3.1	
Milk, UHT	12			4	8	2	2	9,202	890		19,882	2.1	
Pasta 2 Lb Package (Spaghetti)	12			1	1	1	1	0	0		0		

Completing the Inventory Calculator

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STEP 4

A		B		C	D	E	F	G	H	I	K	L	N	O	R	AK
CSFP INVENTORY CALCULATOR 3.1 7/18/2013		Complete all fields in yellow.			See separate instructions.											
PARTICIPATION																
I. STATE:	Sample State	Total	Infants 0-3 Months	Infants 4-12 Months	Children 1-6 Years	Pregnant/Breastfeeding Women	Non-Breastfeeding Postpartum Women	Elderly								
II. CASELOAD:	2,400	2,394	0	0	0	0	0	2,394								
Percentage of Total Participants:			0.00%	0.00%	0.00%	0.00%	0.00%	100.00%								
PRODUCT INFORMATION			MONTHLY GUIDE RATES					INVENTORY & FOOD ORDERS								
Food Type	Product Pack Size	Infants 0-3 Months	Infants 4-12 Months	Children 1-6 Years	Pregnant/Breastfeeding Women	Non-Breastfeeding Postpartum Women	Elderly	III. Units On Hand As Of: 12/31/2014	IV. Cases for Deliv. from 1/1/2015 to 2/28/2015	V. Optional Case Adjustment for Est. Food Order Changes. Enter +/- Before Number.	Total Units	Est. Months On-Hand As Of 2/28/2015				
Vegetables	24			4	6	4	4	26,799	410		56,639	1.8				
Juices	8		1	3	3	2	2	14,167	341		16,695	1.5				
Fruit	24			2	4	2	2	10,345	618		25,177	3.2				
Chicken, 15 oz	12			2	2	2	2	4,822	0		4,822					
Beef / Stew / Chicken / Chili, 24+ oz	24			1	1	1	1	4,201	104		6,637					
Tuna / Salmon / Chicken, 12, 14.75 or 16 oz	24			2	2	2	2	0	0		0					
Chicken, 10 oz pouch	36			2	2	2	2	0	0		0					
Chicken, 12.5 oz	48			2	2	2	2	0	0		0					
Egg Mix	48			2	2	2	2	0	0		0					
Peanut Butter / Dry Beans	12			1	1	1	1	7,008	189		9,276	1.9				
Cheese, Reduced Fat	12			1	1	1	1	5,174	394		9,902	2.1				
Milk, NFD Instant	12			0.5	0.5	0.5	0.5	3,703	205		6,163	3.1				
Milk, UHT	12			4	8	2	2	9,202	890		19,882	2.1				
Pasta 2 Lb Package (Spaghetti)	12			1	1	1	1	0	0		0					



Troubleshooting a Completed Inventory Calculator

- Did you enter in the correct caseload number in Field II?
- Are all multi-foods and direct orders dated AFTER the most recent FNS-153 month (“Directs” and “Multis” tabs)?
- Are all cancelled orders removed (“Directs” and “Multis” tabs)?
- Is the date entered into Field III the last day of the month for the FNS-153 you attached?
- Is the date entered into Field IV the last day of the month for which you have included orders?



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Ways to Use the CSFP Inventory Calculator

- Measuring inventory levels in real-time to determine if inventory levels are in the recommended range
- Estimating inventory levels in future months to evaluate if you are over- or under-ordering
- Determining whether any existing orders need to be cancelled or diverted OR how many cases you need to order to maintain inventories in the recommended range



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Use the Date Fields to adjust the timeframe you are evaluating.

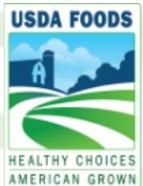
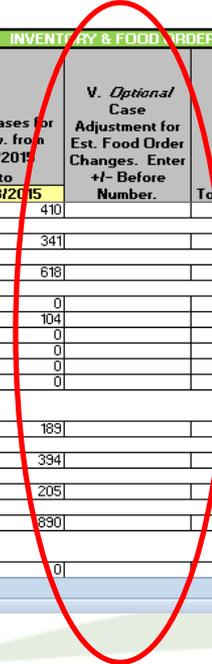
A		B		C	D	E	F	G	H	I	K	L	N	O	R	AK
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PARTICIPATION																
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PRODUCT INFORMATION			MONTHLY GUIDE RATES					INVENTORY & FOOD ORDERS								
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Chicken, 10 oz pouch	36			2	2	2	2	0	0		0					
Chicken, 12.5 oz	48			2	2	2	2	0	0		0					
Egg Mix	48			2	2	2	2	0	0		0					
Peanut Butter / Dry Beans	12			1	1	1	1	7,008	189		9,276	1.9				
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Milk, UHT	12			4	8	2	2	9,202	890		19,882	2.1				
Pasta 2 Lb Package (Spaghetti)	12			1	1	1	1	0	0		0					



Use the Optional case adjustment column to see how increasing or decreasing your orders will effect your inventory levels.

PARTICIPATION		Total	Infants 0-3 Months	Infants 4-12 Months	Children 1-6 Years	Pregnant/Breastfeeding Women	Non-Breastfeeding Postpartum Women	Elderly
I. STATE:	Sample State							
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PRODUCT INFORMATION	MONTHLY GUIDE RATES							INVENTORY & FOOD ORDERS				
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Chicken, 10 oz pouch	36			2	2	2	2	0	0		0	
Chicken, 12.5 oz	48			2	2	2	2	0	0		0	
Egg Mix	48			2	2	2	2	0	0		0	
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Milk, UHT	12			4	8	2	2	9,202	890		19,882	2.1
Pasta 2 Lb Package (Spaghetti)	12			1	1	1	1	0	0		0	



Questions?



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