

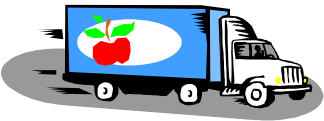








CHARACTERISTIC	STATE DISTRIBUTION CENTER AGENCIES	STATE COOPERATIVE MEMBERS	PRIVATE COOPERATIVE (DIRECT SHIP) MEMBERS	CORRECTIONS
<p>Organization</p> 	<p>Agencies receiving commodities through a State Distribution Center (SDC) are part of the Offering and Advance Order System. Agencies control expenditure of their entitlement. Agencies are responsible for management of their commodities.</p>	<p>Member agencies may operate independently or as part of a collective group. There is no Lead District. State representatives oversee the program. Members control expenditure of their entitlement and are responsible for management of their commodities. There is no minimum average daily participation (ADP) required.</p>	<p>One member agency assumes the responsibility as the Lead District. Co-op members assign their commodity entitlement and responsibility for related management activities to the Lead District. The combined Co-op member's ADP must be a minimum of 50,000 to qualify as a Direct Shipment agency.</p>	<p>Private co-ops also allow members to control expenditure of their entitlement. Just as is highlighted in the State section. Each SUPER Co-Op member acts independently in selecting and ordering food that is appropriate for their children.</p>
<p>Ordering</p> 	<p>Agencies receive periodic Offerings from which they order non-processed commodities based on the quantity available at the SDC. Annually, before each new school year, agencies have the opportunity to order commodities for processing through the Advance Order. Agency Advance Orders to processors are combined with State and Private Co-op orders in order to make up full truckloads.</p>	<p>Member agencies submit a completed Order Form (pre-planner) prior to the beginning of the school year. Commodities for direct shipment to a processor are designated when commodities are ordered. Commodity allocations are based on the agency's "fair share" of the State total.</p>	<p>The Lead District is responsible for ordering and allocating entitlement to member districts. Orders for USDA Foods are submitted as surveys are released from USDA. Commodities for direct shipment to a processor are designated when commodities are ordered. Commodity allocations are based on the Co-op's "fair share" of the State total.</p>	<p>SUPER Co-Op members receive their "fair share" of the state's entitlement, which is based on the District's ADP. That fixed entitlement is given to Co-Op members by CDE. It is a math calculation based on fixed numbers and not subject to a lead agency's discretion. The Lead Agency does <u>not</u> allocate this number to members.</p>
<p>Receiving, Storage, and Distribution</p> 	<p>Shipments of commodities are designated for delivery to the SDC or processor. Delivery dates for warehoused commodities are indicated on the Offering. All commodity inventory is maintained in the agency's name. Extended storage is available at the SDC.</p>	<p>Shipments of commodities are designated for delivery to the SDC or processor. Deliveries are scheduled by the SDC with the individual member agency. Co-op member orders to processors are combined with the Advance Order and Private Co-op orders. Extended storage and frequent deliveries are available. All inventory and entitlement is maintained in the member agency's name.</p>	<p>Shipments of commodities are delivered to a designated warehouse, distributor, or processor. Orders have a quarter load minimum and must be combined with other orders to equal a full truckload. Delivery to individual member agencies and extended storage is arranged with the distributor. All commodity inventory and entitlement is maintained in the Lead Agency's name until allocated to the member agency.</p>	<p>The state system requires a second truck to come on the school campus. The SUPER Co-Op has commodities delivered on the same truck as the schools regular orders. The private co-ops offer individual school deliveries of up to 3 times per week. The state does not.</p>

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<p>Charges</p> 	<p>Agencies requesting shipment of raw commodity for direct shipment to a processor are charged \$1.00 per case equivalent. Service, shipping and handling charges are \$3.25 per case for commodity and for finished product from a processor delivered through the SDC. A discount is offered for agencies picking up their commodities from the SDC. Extended storage fees at the SDC vary, depending on the type of storage required.</p>	<p>Agency service, shipping and handling charges vary for non-processed and processed commodities, depending on the path the commodity takes, e.g., direct to a processor, direct to the SDC, from the processor to the SDC to the agency. A discount is offered for agencies picking up their commodities from the SDC. Extended storage fees at the SDC vary, depending on the type of storage required.</p>	<p>Charges for direct shipment of commodity to a commercial distributor and/or processor are \$1.00 per case. Commodities shipped through a SDC are assessed a \$3.25 per case fee. Distributors may charge additional fees for services, shipping and handling, and storage of commodities.</p>	<p>The statement "Charges for direct shipment of commodity to a commercial distributor and/or processor are \$1.00 per case" is also true of the state system and should be included. The statement "Commodities shipped through a SDC are assessed a \$3.25 per case fee for services" is also true of the state co-op and should be included.</p>
<p>Department of Defense Fresh Fruit & Vegetable Program (DOD)</p> 	<p>Agencies use a portion of their Group A entitlement to order selected seasonal DOD produce through the offering process. Agencies receive a separate DOD offering with their regular offering. Agencies are charged \$3.25 for each case of produce delivered through the SDC.</p>	<p>South State Co-op members use a portion of their Group A entitlement to order selected seasonal DOD produce from an order form four to five times a year and are charged \$3.25 for each case of produce delivered through the SDC. North State Co-op members use a portion of their Group A entitlement to order and receive domestically grown produce directly from the DOD as needed and a \$0.15 administrative fee is assessed by the State for each case of produce delivered.</p>	<p>Private Co-ops and direct ship agencies use a portion of their Group A entitlement to order domestically grown fresh fruits and vegetables directly from the DOD as needed. A private distributor delivers DOD produce to each agency. A \$0.15 administrative fee is assessed by the State for each case of produce delivered.</p>	<p>No change</p>
<p>Commodity Losses and Transfers</p>	<p>Agencies are responsible for management of their commodities. Commodity losses at a processor must be reported to the State and may require USDA approval. Commodity transfers between</p>	<p>Individual members are responsible for management of their commodities. Commodity losses at a processor must be reported to the State and may require USDA approval. Commodity transfers</p>	<p>Individual members are responsible for management of their commodities. Commodity losses at a processor must be reported to the State and may require USDA approval.</p>	<p>No change</p>

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	<p>recipient agencies are allowed without prior State approval; however, transfers involving a processor require State agency approval.</p>	<p>between recipient agencies are allowed without prior State approval; however, transfers involving a processor require State agency approval.</p>	<p>Commodity transfers between recipient agencies are allowed without prior State approval; however, transfers involving a processor require State agency approval.</p>	
<p>VOLUME DISCOUNTS</p> 	<p>NONE</p>	<p>NONE</p>	<p>NONE</p>	<p>The SUPER Co-Op returned over \$730,000 in volume rebates to members last year. A majority of the districts in the SUPER Co-Op receive more money back in Volume Rebates than they pay in administration fees.</p>
<p>PROCESSED COMMODITY PRICING</p> 	<p>NONE</p>	<p>NONE</p>	<p>NONE</p>	<p>The SUPER Co-Op secures pricing for its' members on every item approved for processing in California. Every processor has agreed in writing to provide SUPER Co-Op members with a "lowest price guarantee", therefore assuring the lowest price of any school related entity in the state.</p>

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ADMINISTRATIVE ADVANTAGES 	NONE	NONE		The SUPER Co-Op allows member districts to trade commodities within the co-op both at processors and at the distributor. The individual member balances at each processor are available by link on the DJ Co-Op's web site 24/7. During normal business hours the DJ Co-Ops phones are always answered by a real person ... never an answering machine.