

NATIONAL PROCESSING AGREEMENT (NPA)
STATE PARTICIPATION AGREEMENT (SPA)

This Agreement is subject to the terms and conditions set forth in the National Processing Agreement made by and between the U.S. Department of Agriculture, Food and Nutrition Service and _____ (Processor). _____ (Processor) duly attests that no alterations have been made to the ACDA Core State Participation Agreement (SPA).

State Distributing Agency: Virginia Department	Processor
of Agriculture and Consumer Services	Federal EIN:
Name Tami Radcliff	Name
Title Processing Specialist	Title
Address PO Box 1163	Address
City, State, Zip Richmond, VA 23218	City, State, Zip
Contact Tami Radcliff	Contact
Phone 804.786.0665	Phone
Fax 804.371.7788	Fax
E-mail Tami.Radcliff@vdacs.virginia.gov	E-mail
Web Address www.vdacs.virginia.gov	Web Address
Signature _____	Signature _____
Date _____	Date _____

Period of Agreement: This Agreement shall become effective on July 1, 2011 and will terminate on or before June 30, 2012 pursuant to USDA Policy Memorandum FD-048 (Maximum of 5 years). Additionally, the SPA may be amended as necessary should any of the information change during the agreement period. This Agreement shall not be amended except by a written agreement signed by the parties hereto.

Agreement Termination: This agreement may be terminated by either party upon 30 days written notice. Disposition of the commodity inventory shall be in accordance with Article 20 of the National Processing Agreement.

Hold/Recall Contact Information: At a minimum, the State and processor must provide each other with hold and recall contact information. See item 10-18.

- 1. Value Pass Through Systems.** State Agency will indicate which value pass through systems are acceptable in their State. Processor will indicate which value pass through systems they desire to use in the State and have been approved by USDA in the NPA (National Processing Agreement).

Permitted By State	Value Pass Through System	Selected by Processor
Yes	Direct Sale	
Yes	Refund to Recipient Agency	
No	Net Price Through Distributor (NOI)*	XXXXXXX
No	Alternate Value Pass Thru System* (requires FNS approval)	XXXXXXX
Yes	Fee for Service – billed by processor	
No	Fee for Service – billed by distributor	XXXXXXX

*Sales Verification Required

If sales verification is required, check one:

- State delegates sales verification to the processor [see 7 CFR 250.19(2)(vi)(C)]

Processor should submit their Sales Verification Plan to the State Agency.

- State will conduct sales verification

- 2. Summary End Product Data Schedules (SEPDS).** Processor will submit SEPDS to State with the completed State Participation Agreement. The SEPDS contains summary information from approved EPDS and a master SEPDS approved by USDA. Processor may select specific EPDS for processing in a given state. The state also has the option to accept or reject individual products listed on the SEPDS and, in the case of multiple commodities available for processing, may accept or reject certain commodities for processing. Note: the case weight listed on the SEPDS **MUST** match the label on the finished case.

Do you use a subcontractor for the production of any items covered in this agreement?

- Yes No

If yes, please identify the subcontractor by name, address, USDA plant number, and each item produced.

Processor must provide written notification to the State Agency of any change(s) to the SEPDS including the nature of the change(s); notification may be made electronically.

- 3. CN Labeling.** Products, which contribute toward the school meal pattern requirements, may qualify for CN labeling. State should check those that apply.

CN Labeling is optional. Recipient agencies may request CN labeled products.

CN Labeling is required, if applicable, for the processed product.

Submit CN labels with SEPDS.

4. Nutritional Information. Recipient agencies need nutritional information to comply with USDA regulations. State should check those that apply:

Processor must provide nutrition information to RA upon request.

Processor's nutrition information has been submitted to USDA Database.

Processor's nutrition information is available on their web site.

_____ (Provide the web address)

Processor must submit nutrition information with the SEPDS

5. Grading. Red Meat grading will be performed under (check one)

Full Certification per AMS Instruction MGC 640 (formerly known as Option 2 grading)

PCCP per AMS Instruction MGC 638

6. By products. If by products are produced, describe method of valuation and credit.

7. List of Eligible Recipient Agencies. State will provide a list of eligible recipient agencies to the processor upon State approval of the State Participation Agreement.

8. Backhauling of Commodity. If backhauling is permitted, processor must notify the State before backhauling products. Please check those that apply.

State permits backhauling Yes No

Backhauling permitted from State Warehouse School District

State requires attached form for requesting approval to backhaul Yes No

9. Special Instructions for Delivery of End Product to Designated Delivery Locations:

1. Only deliveries of fifty (50) or more cases of the same product code, per contract distributor per delivery, will be accepted.

2. Processors must send to VDACS and appropriate contract distributors a Shipping and Receiving Report (S&R) **when the appointment is made** with the contract distributor for end product shipment. This report specifies the items, quantities, code numbers, region/s, and RAs. Shipments arriving at a distributor without a S&R will be refused.

3. Product must be palletized by single product only. Pallets of mixed product will be refused or replaced.
4. Accurate brand/manufacture name must be clearly visible on all paperwork, including Bill of Lading and S&R.
5. Frozen processed product must be maintained at zero degrees or below, from production to arrival at contract distribution warehouse or school warehouse.

10. Additional State Requirements.

1. Processor will notify State immediately of any shipments that are short, over, or damaged, complete an FNS 57, and submit to State.
2. Processor must register on the USDA's Electronic Commodity Ordering System (ECOS). Registration form can be downloaded from the USDA/FDD website at: <http://www.fns.usda.gov/fdd/ECOS/ProcessorProfileInfo.doc> and submitted to the ECOS Help Desk at ECOS-HelpDesk@fns.usda.gov Please register prior to submitting SPA.
3. Processor will complete "*Receive Shipments*," under Shipment Notification, promptly in ECOS.
4. Inventory for all donated foods provided to a processor must be tracked. Processors must report all commodity usage by RA inventory on the monthly performance report. Processors shall provide DA draw down of each DF utilized by recipient agencies in the form of monthly and yearly totals. Variations in providing this drawdown requirement will be at the discretion of the DA. VDACS will report the allocated pounds per RA to the processor. The processor will include with the MPR a listing of the donated food (bonus and/or entitlement) on hand for each RA.
5. By August of each year, processor shall submit to each RA the balance of specific commodity remaining on hand as of June 30 of that year.
6. Upon request from the DA, processor must submit maximum processing fee for each approved end product for inclusion in the Virginia processing catalogue and on DA website.
7. Processor must have metal detector devices in place, capable of detecting metals that may be present in end products prior to final packaging in succeeding containers.
8. Processor must process donated raw commodities and return end products to Virginia's contracted distributors or school warehouse by the date specified by the RAs. If end products are not returned within fifteen (15) days of the order date, processor will be assessed a 5% penalty reduction in processing fee, which will be credited to the RA's account. If end products are not returned in thirty (30) days of the order date, an additional 5% processing fee reduction will be applied, with a 5% reduction for every 30 days thereafter. Processor will confirm the application of such credit per RA in the monthly performance report.

9. DA will consult with processor before orders are submitted to USDA concerning the number of trucks, time period to be received, and location the USDA shipments are to be shipped to that processor. Waivers of liquidated damages may be granted if USDA shipments are not received as agreed with VDACS.
10. Backhauling is permitted from contract distribution warehouse or school district warehouse. Prior approval from VDACS is required.
11. This agreement must have the original signature of the owner, a partner, or a corporate officer duly authorized to sign contractual agreements. Alterations to this document will render it invalid.
12. A complete list of corporate officers and contact information must be included with this agreement. (See pg. 6)
13. Should the processor elect to utilize a commercial food in anticipation of replacement with future commodity receipts, the SDA cannot and will not guarantee such replacement and assumes no liability for such replacement. The processor enters negative inventory at his own risk.
14. End product must be received at a contract distributor or school warehouse no later than nine months following date of production.
15. Name and contact information for manufacture's Virginia broker, if applicable, must be included with this agreement. (See pg. 6)
16. Manufacturers must be in good standing, current, and approved by the USDA National Processing Program.
17. Processors must monitor individual school district commodity balances. Negative balances are not allowed without prior VDACS approval.
18. Processors must provide emergency contact information and back-up contact information for use in Hold/Recall situations. (See pg.6)
19. Virginia Hold/Recall Contact Information
 - Primary point of contact:** Beth Beville; 804.786.0532; cell 757.679.0252;
Fax 804.371.7788; beth.beville@vdacs.virginia.gov
 - Back-up contact:** Jeri Thornton; 804.786.5512; cell 804.400.3687
Fax 804.371.7788; jeri.thornton@vdacs.virginia.gov

Processor Name _____

Corporate Officers & Contact information:

Hold & Recall Emergency Contact Information:

Notify Tami Radcliff immediately if changes occur

Primary Contact

Name: _____

Office Telephone: _____

Mobile Telephone: _____

Fax Number: _____

Email Address: _____

Back-Up Contact

Name: _____

Office Telephone: _____

Mobile Telephone: _____

Fax Number: _____

Email Address: _____

Virginia Broker, if applicable:
