

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

This Agreement is subject to the terms and conditions set forth in the National Processing (NPA) Agreement (NPA) made by and between the U.S. Department of Agriculture (USDA), Food and Nutrition Service and

_____ (Processor).

(Processor) _____ duly attests that no alterations have been made to the American Commodity Distribution Association Core State Participation Agreement (SPA).

State Distributing Agency: Maryland State Department of Education	Processor:
	Federal EIN:
Name: Michael Birkmeyer	Name:
Title: Processing Specialist	Title:
Address: 200 W. Baltimore Street	Address:
City, State, Zip: Baltimore, MD 21201	City, State, Zip:
Contact: Michael Birkmeyer	Contact:
Phone: 410-767-0206	Phone:
Fax: 410-333-2635	Fax:
E-mail: mbirkmeyer@msde.state.md.us	E-mail:
Web Address: www.eatsmartmaryland.org	Web Address:
Signature: _____	Signature: _____
Date: _____	Date: _____

Period of Agreement: This Agreement shall become effective on July 1, 2006, and will terminate on or before June 30, 2008, 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.

1. Value Pass Thru Systems

State Agency will indicate which value pass thru systems are acceptable in their State. Processor will indicate which value pass thru systems they desire to use in the State and have been approved by USDA in the National Processing Agreement (NPA).

Permitted By State	Value Pass Thru System	Selected by Processor
X	Direct Sale	
X	Refund to Recipient Agency	
X	Net Price Through Distributor (NOI)*	
	Alternate Value Pass Thru System* (requires FNS approval)	
X	Fee for Service – billed by processor	
	Fee for Service – billed by distributor	

*Sales Verification Required

If sales verification is required, check one:

State delegates sales verification to the processor. (According to 7 CFR 250.19(2)(vi)(C) states must review the processor’s findings and select a random sub-sample of at least 10% of all sales verified by the processor and reverify the sales by contacting the RA.)

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 End Product Data Schedules (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. Please 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

A written waiver must be granted by the State and supplied to grader if other certification (i.e., Traditional – Option 1+ Metal Detection Only) is to be performed.

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 DF.

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:

N/A

10. Additional State Requirements.

- A. Processor will notify State immediately of any shipments that are short, over, or damaged, and complete an FNS 57 and submit to State, if necessary.
- B. 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.
- C. Processor will complete “*Receive Shipments*,” under Shipment Notification promptly in ECOS.
- D. All processors must remain current and approved on the USDA National Processing Program.
- E. In addition to what is required in the National Processing Agreement, all Performance Reports must include a breakdown by total pounds per county for each commodity shipped and grading certificates for all meat and poultry products.
- F. Performance Reports must be RECEIVED by the State no later than the last calendar day of the month following the month being reported. For example, the January Performance Report must be received by the State on or before February 28.
- G. Performance Reports may be submitted electronically.
- H. Consistent late and/or incomplete reports will result in loss of approved status.
- I. The State must be notified of any change in the status of any broker you utilize.

Product Summary List – Upon approval of the contract, processor shall provide a product summary list to the DA. The summary must include the following information: name of product, product code number, size or weight of case or unit, DF, the discount/refund due or fee-for-service and basis of price.

Packaging – When finished products are packaged in units weighing less than twelve (12) pounds and are being shipped to a State-contracted warehouse or distributor, three or more units shall be combined and shipped as one unit, not to exceed a unit weight of 60 lbs.