



State of New Jersey

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Processor Inventory/Drawdown Guidelines and Procedures

The New Jersey Food Distribution Program's procedure to guarantee proper usage of State bank inventories and mandatory drawdown procedures is below. These guidelines and procedures will ensure the State meets the USDA inventory guidelines and the SFA maintains control of their Planned Assistance Level. This procedure will also allow the State to regulate the distribution of purchased inventories.

- Recipient Agencies will request additional pounds through their Brokers or Processors.
- The Broker/Processor will communicate all requests to the State for review and approval.
- Transfers and requested quantities are not guaranteed and cannot be issued prior to receiving approval from the State.
- Processors can only load banks for RAs who are listed on the Processors' Commodity Summary Report for the school year.
- State approval is required to establish a new bank with an RA who has not diverted during the selection process.
- RA banks cannot be "swept" and pounds cannot be transferred to another RA until the January 31st drawdown process.
- Carrying failed transactions into the next school year is not permitted.
- January 31st – **Drawdown is mandatory**, and banks will be brought down to 55% usage. Usage plans can be established with RAs that request to keep their bank.
- May 31st – Drawdown is recommended, but not mandatory. Banks should be brought down to 95% usage. This will assist with re-allocating to RAs that will use the product.
- June 30th - **All RA banks** are to be swept into the State Bank. **New Jersey does not allow carryover.**
- The State Bank must not show a negative balance.
- If you would like to request additional trucks, please contact Food Distribution for assistance.
- MPR's are due by the last day of the following month.