Commodity Diversion Work Sheet

To determine the number of raw pounds needed to divert to a processor for desired end products and pricing of end products.

Processor: **COMPANY A** Date: **NOVEMBER 17, 2006**

Product Information

A.	Product Code	**AAA-555**
B.	Product Name/Description	**Peanut Butter & Jelly Sandwich**
C.	Number of Servings per Case	**72**
D.	DF(commodity code & short title)	**B473, PB Drum**
E.	DF Inventory Draw Down per Case	**5.24**
F.	Value per Pound of DF (Current November 15th pricing)	**$ 0.5873**

End Product Calculation

G.	Number of Servings Needed for Each Day		**250**	
H.	Number of Days Item on Menu (for entire year – use menu cycle)		**45 (annual)**	5 (month)
I.	Total Servings Needed (**G** × **H**)	=	**11,250 (annual)**	1,250 (month)
J.	Total Cases (I ÷ C)	=	**156.25 ≈ 157 (annual)**	17.36 ≈ 18 (month)
K.	Number of Raw Pounds Needed (**J** × **E**)	=	**822.66 ≈ 823**	
L.	Units to Divert (K ÷ Pack Size) Pack Size: **6/5# = 30 pounds per unit**	=	**27.43 ≈ 28 total units** **(Needed for ADE Survey)**	
M.	Total Entitlement Used for Product (**K** × **F**)	=	**$ 483.37**	

Processing Costs

N.	Case Price of End Product (school price) FFS – last column in ADE catalog NOI – call processor for price		**$ 23.04**	
O.	Total Processing Fee (**J** × **M**)	=	**$ 3,617.28 (annual)**	$414.72 (month)
P.	Delivery Fees (**J** × **Fee per case**) (differs by distributor)	=	**$ 513.39 (annual)**	$58.86 (month)
Q.	Total costs (**N** + **O**)	=	**$ 4,130.67 (annual)**	$473.58 (month)