

# Manager's Corner

## Preventing Excess Waste in Storage Areas

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Improve the operation of child nutrition programs through research, education and training, and information dissemination.

### **VISION**

Lead the nation in providing research, education, and resources to promote excellence in child nutrition programs.

### **MISSION**

Provide relevant research-based information and services that advance the continuous improvement of child nutrition programs.

This project has been funded at least in part with Federal funds from the U.S. Department of Agriculture, Food and Nutrition Service through an agreement with the Institute of Child Nutrition at the University of Mississippi. The contents of this publication do not necessarily reflect the views or policies of the U.S. Department of Agriculture, nor does mention of trade names, commercial products, or organizations imply endorsement by the U.S. government.

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Suggested Reference Citation:

Institute of Child Nutrition. (2019). *Manager's corner: Preventing excess waste in storage areas*. University, MS: Author.

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November 22, 2019

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## Professional Standards

### RECEIVING AND STORAGE – 2500

**Employee will be able to ensure proper inventory management including correct delivery and storage of inventory, and that which has been placed on hold or recalled.**

2520 – Receiving and Storage

Apply safe and effective inventory receiving and storage procedures.

## Introduction

*Manager's Corner: Preventing Excess Waste in Storage Areas* is designed to empower managers to use in training their staff. Each lesson is roughly 15 minutes. This lesson plan contains:

- Learning objective
- Statement explaining the importance of the topic
- List of materials
- Instructions on how to present the information
- Questions to ask staff
- An activity to strengthen or refresh the knowledge of the staff

## Lesson Overview

### Instructions for lesson:

- Review the lesson objective and background information.
- Review why it is important.
- Ask staff the questions.
- Facilitate the activity outlined.
- Provide time for staff to ask questions.

**Objective:** Identify inventory management techniques to help prevent having too much product on hand.

**Background information:** There are several causes of having too much food on hand. Staff should be able to recognize when this occurs and manage it appropriately to help control operating costs.

**Why it is important:** Controlling inventory ensures foods do not exceed shelf life, prevents food waste due to excess inventory, and helps control operating costs.

## Questions for Staff

- **What is inventory management?**

**Possible answers:**

- Managing and maintaining purchases and amount of stock
- Ordering, storing, and using inventory
- Monitoring and controlling stock or inventory

- **What does it mean to have too many food products on hand (also known as excess inventory)?**

**Possible answer:**

- Having more products in stock than what is projected for use in a timely manner

- **What are some causes of having too many food products on hand?**

**Possible answers:**

- Over-ordering products
- Incorrect forecasting (predicting the number of servings needed)
- Menu changes that do not take into consideration current inventory levels
- Acceptability of an item does not meet the planned projection

- **Why is it important to organize storage spaces to ensure older foods are used first?**

**Possible answers:**

- Reduces waste caused by spoilage, shrinkage, or deterioration of product quality

- **Why is it important to make sure food items are stored in a manner in which the item with the nearest expiration date is placed in front of items with a further expiration date?**

**Possible answers:**

- Staff members are more likely to pull the front item from inventory and use it first. When older items are stored in the back of the shelves, there is a higher risk of spoilage, shrinkage, or deterioration of product quality.
- Saves time, so employees do not have to search for dates

- **What are some ways to reduce excess inventory?**

**Possible answers:**

- Establish minimum amounts of food items that must always be in stock (par levels)
- Use and follow a cycle menu
- Identify excess items and incorporate them into the menu before they go bad (or spoil)
- Forecast food products accurately
- Order only the items and quantities that are needed

**Please note:** The answers provided are only examples and are not an inclusive list of possible responses.

## Activity: Preventing Excess Waste in Storage Areas

### Activity materials included in this document:

- **Steps in Inventory Management** (handout and worksheet)

### Materials provided by the school nutrition operation:

- Copies of handouts
- Writing utensils

### Activity Instructions:

- Print the handouts and worksheets.
- Individually or in teams, complete the activity worksheet.
- Use the list of actions to identify where each step belongs in the food rotation sequence.



## Steps in Inventory Management

**Inventory management is a team effort.** It is an important part of offering quality food, ensuring food safety, and supporting the fiscal health of the school lunch program. Inventory management requires more than just the monthly counting of items; it is a group effort to make sure the correct amount of food is on-hand and properly rotated to prevent waste and loss.

**It is important for kitchens to maintain par levels of food and supplies.** Par level is the minimum quantity of an inventory item needed to provide the meal service. Establishing these levels is a useful tool to help make sure food items are available when they are needed.

An issue can occur when too much food is being ordered and stored. Having too much on hand can lead to waste when the food spoils, shrinks, or breaks down — the poor quality of the food results in a financial strain on the program.

**Take a moment to think about the food items that are purchased as an investment.** The program sets aside funds to purchase food items. Once those items are prepared and served, the department is reimbursed, and the purchased food makes a profit for the program.

When food is sitting on the shelf, it is not working to make more money for the program. When too much food is sitting on the shelves, and it spoils, the program loses the money that was spent on purchasing the food. Establishing par levels helps keep a balance between having enough food to operate and having too much food that will result in waste.

**Once par levels have been set and inventory is moving** in and out of the program, it is vital to make sure the products are rotated correctly to keep food fresh. A common practice for food rotation is the First-In First-Out method, commonly known as FIFO. This method applies to all food items and is a simple way to make sure foods are properly rotated. FIFO also includes comparing expiration dates on items. This part of the process helps to make sure the products with the nearest expiration date are used first. The process for rotating foods is to:

- 1) identify which items have the earliest expiration date,
- 2) discard items that are no longer good,
- 3) stock items with closer expiration dates in front of items with later expiration dates, and
- 4) make sure to use the oldest products first.

**One way to identify excess inventory** is to mark boxes during the monthly inventory count. On a visible part of the box, draw a line from top left to bottom right, which makes the first line of an "X." The next month draw a line from top right to bottom left to complete the "X." If, on the third month, you have a food item that has an "X," you have found an item that most likely needs to be used and is possibly being ordered in excess.

## Activity: Food Rotation Sequence

**Instructions:** From the list below, choose the statement that best matches each step in the food rotation cycle.

Step One	Step Two	Step Three	Step Four	Step Five

- A. Use stock items at the front first
- B. Remove items that are past the expiration date or are no longer useable
- C. Locate products that have the soonest use-by date
- D. Stock new items behind older items, putting the latest dates at the back
- E. Place items with the soonest dates at the front

## Activity: Food Rotation Sequence Answer Key

**Instructions:** From the list below, choose the statement that best matches each step in the food rotation cycle.

Step One	Step Two	Step Three	Step Four	Step Five
C. Locate products that have the soonest use-by date	B. Remove items that are past the expiration date or are no longer useable	D. Stock new items behind older items, putting the latest dates at the back	E. Place items with the soonest dates at the front	A. Use stock items at the front first

## References

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