

ALASKA



FOOD COALITION

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FIFO: First In First Out

“First In, First Out is a system of monitoring food. It also serves as your inventory control, expedites ordering procedures and provides an efficient and effective order and tracking system”.

Food Bank of New York City

Most of us in the anti-hunger network think of FIFO – First In, First Out – as a best practice for managing the quality and safety of food. It is the way we manage our inventory to distribute the oldest food first and minimize the waste of having to destroy food that has been on our shelves for years. In food procurement classes, FIFO is taught as a way to control inventory and quality. FIFO is also a system that can be used to track and manage the cost and financial value of your inventory. FIFO is one of the most reliable accounting methods a food bank or pantry can utilize. It assures efficient inventory rotation management.

As a food handler, you are part of the food service industry and the care you provide protects the consumers you serve. FIFO reflects the physical movement of the food you distribute. The food service industry uses the oldest food first so they keep food moving and eliminate having to destroy expired, non-useable food. FIFO assumes your food is moved from the oldest food on hand and the cost of the food is the same when it is placed on the shelf and when it is removed from the shelf. If you are a member of Feeding America, you must follow the FIFO method.

ADVANTAGES OF FIFO

1. Food moved is allocated from your records in a logical and systematic manner.
2. Movement of food is continuous, orderly and efficient.
3. Food easily identified as belonging to a particular lot.
4. It is a great tool for food safety.

INVENTORY MANAGEMENT

There is a formula that all businesses use to calculate their inventory:

(Inventory at the start of the year) + (Food in) – (Food distributed) = (Inventory at the end of the year)

In simple words, what this means is that you calculate what your organization has at the beginning of the year, add whatever you have received during the year, subtract whatever you have distributed during the year, and the remaining figure is the inventory left at the end of the year.

BEST PRACTICES

- ✓ On food that has coded dating (no clear expiration date) make sure you mark the date received.
- ✓ Make sure your staff and volunteers understand how your FIFO system works. If there are dates on the packaging, distribute the oldest first.
- ✓ Food should be stored so that the cases with the oldest pack dates are in front and used first. Most USDA commodities have the pack dates on the case.

VALUING INVENTORY

In the anti-hunger world, valuing the inventory of donated food is tricky, because we don't intend to sell it. Feeding America, the national network of food banks, conducts an annual assessment of food donated through the food banking network – and develops a value per pound of food. For the year ending June 30, 2010, this value is \$1.58. Food Bank of Alaska uses this number to determine the value of the food they collect, store and distribute. Food Bank of Alaska has indicated that they are happy to share this valuation with any anti-hunger agency in Alaska at any time; simply contact Food Bank of Alaska.

ADDITIONAL RESOURCES

<http://www.Hungernet/operations/foodsafety>

http://www.accountingformanagment.com/fifo_method_of_materials_costing.htm

The Alaska Food Coalition is here to help. Copies of Alaska Food Coalition White Papers are available online: <http://www.alaskafood.org/whitepapers.shtml> For additional information, contact Vanessa Salinas, Alaska Food Coalition Manager: afc@foodbankofalaska.org