

Hello Partner Agencies,

We know that many of you are currently budget planning for 2023. **Please continue to read below for important updates that may affect this.**

As we announced on July 11, the Foodbank will return to charging for purchased AE3 product as well as institute restocking, delivery, and application fees beginning January 1, 2023. The reason being is that last fiscal year, we budgeted more than \$5 million for purchased food. Pre-pandemic, our budget was less than \$1 million. For the past 2 years, all Foodbank purchased food has been given to partner agencies at no cost in deep appreciation and recognition for all you have done during the pandemic. Over the course of these past two years, the additional \$8 million spent on food has primarily benefited the partner agencies. This \$4 million annual increase is not sustainable in the long-term and therefore we are implementing the following adjustments:

Beginning January 1, 2023, partner agencies will be responsible for the following:

- **Restocking fee of \$25** – Per the Partner Agency Manual 6.6, if an order is not picked up at the scheduled time, we will hold the order for 48 hours before it is restocked. After this time, the restocking fee will be charged to the agency's account. This applies to all agencies, including USDA agencies.
- **Delivery fee of \$25** – Partner agency deliveries require a 500lb minimum. Delivery fees are currently in effect and will continue into 2023. There will be no delivery fees on USDA/CSFP product.
- **Foodbank cost for AE3 purchased product will be charged to agency partners (except those with funding from their locality)** – We will not include freight or shipping costs which have more than doubled in the last year; only the literal cost of the product will be passed on to the agency. It is important to note that due to inflation, please expect a minimum price increase of approximately 69% on most purchased AE3 product compared to the last time agency partners were charged for purchased food (fall/winter 2019). Purchased AE3 product refers to product that is bought by the Foodbank, not donated to us. All donated product will remain free to our agency partners. Agencies with localities that have granted the Foodbank funding to help with these food costs will not be charged if funding remains available.
- **Partner agency application fee of \$25** – This will only affect those applying to become a new partner agency.

Please note:

- **The last day to place an order in AE3 without being charged for purchased product is December 13, 2022. Any purchased product that is not picked up by December 23, 2022, will be charged to the agency's account.**
- The Foodbank's fiscal year runs from July 1 to June 30, so fees are subject to change at the time of a new fiscal year.

Fees will **not** be incurred for the following:

- There will be no annual membership fee which was previously \$100/year.
- There will be no shared maintenance/reclamation fees. All donated food will be offered to agencies at no cost. This includes items in the Marketplace and AE3 items that are donated.
- Produce will be free of charge to partner agencies.
- USDA/CSFP product will not incur delivery fees.

As mentioned above, there are some exceptions: [ARPA Grant recipients](#) will not pay these fees until the grant funds run out. This will likely differ from city to city as different amounts were allocated throughout the region. These agencies will receive a separate email with more information if their city received and selected the Foodbank to provide ARPA Grant support.

The decisions to determine fair and adequate prices were made after collaboration amongst our team and with other food banks in the Feeding America network. We know the changes are very real for many of our partners and that you are doing your best to take care of the neighbors who come through your doors. With that recognition of your service, we are attempting to gently introduce these changes, are open to receiving constructive feedback, and will be working with you to keep the best interests of our neighbors in need at the top of our priority list. Many food banks have retained charging for purchased food throughout the pandemic and many have also maintained the shared maintenance fee.

We want to ensure that our partner agencies are receiving the necessary support to remain in service. ***This would be a great time to look into our USDA Program and Food Rescue Program as cost-free sources of procuring food.***

Thank you so much for your continued willingness to serve our community. **Please take a moment to watch [this video from our President and CEO, Chris Tan](#)**, as he offers a few words of appreciation to you, our partner agencies. If you have any questions, please contact Robby Rockey, Director of Partner Agency Services, at rrockey@foodbankonline.org.

With gratitude,
Team Foodbank